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## **MONGOLIAN MINING CORPORATION**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 975)**

### **PROFIT WARNING**

This announcement is made by Mongolian Mining Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 12 April 2021 and 19 July 2021 (collectively, the “**Quarterly Update Announcements**”) in relation to the operational update for the quarters ended 31 March 2021 and 30 June 2021, respectively.

Chinese authorities have tightened control measures and limited traffic at Sino-Mongolian border, including Gashuunsukhait–Ganqimaodu checkpoint, after COVID-19 local transmission cases were reported in Mongolia since mid-November 2020. This has significantly affected the Group’s coal export shipments from Mongolia to China, thus impacting its sales volumes during the first half of 2021.

As disclosed in the Quarterly Update Announcements, the Group’s washed coking coal sales tonnages for the quarters ended 31 March 2021 and 30 June 2021 declined by 4% and 87% on a year-on-year basis, respectively.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders and potential investors of the Company that, after a preliminary review of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2021 and information currently available, the Group is expected to record a consolidated net loss of up to USD15.0 million (excluding any extraordinary items) for the six months ended 30 June 2021 as compared to a consolidated net profit of USD2.7 million for the same period in 2020.

The abovementioned factors have impacted the Group’s financial results for the six months ended 30 June 2021 and the Board has been closely monitoring the impact of the developments on the Group’s businesses and has put in place contingency measures, such as temporary adjustment to levels of production. Moreover, the Group placed high priority on its liquidity position and maintained solid cash position by pre-selling certain portion of its existing washed coking coal inventory cumulated at the Sino-Mongolian border for advance payments from its customers during the first half of 2021.

The Group remains fully committed to the well-being of its employees and their families by maintaining strict health and safety protocols and work-place hygiene procedures recommended by relevant authorities.

During the second quarter of 2021, the Group successfully enrolled its employees in the immunisation program initiated by the Government of Mongolia. According to data compiled by the Group, more than 98% of its staff, not restricted by pre-existing and other health conditions, have been fully administered with two doses of COVID-19 vaccines as at 30 June 2021.

The Company is still in the process of finalizing the interim results of the Group for the six months ended 30 June 2021. The information contained in this announcement is based on a preliminary assessment by the Board solely on the basis of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 and the current information available, which have not yet been reviewed, confirmed nor audited by the independent external auditors or the audit committee of the Company, and may be subject to adjustments.

Further details of the Group's performance will be disclosed in the interim results announcement for the six months ended 30 June 2021 to be published by the Company.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

For and on behalf of the Board  
**Mongolian Mining Corporation**  
**Odjargal Jambaljamts**  
*Chairman*

Hong Kong, 19 July 2021

*As at the date of this announcement, the board of directors of the Company consists of Mr. Odjargal Jambaljamts and Dr. Battsengel Gotov, being the executive directors of the Company, Mr. Od Jambaljamts, Ms. Enkhtuvshin Gombo and Mr. Enkhtuvshin Dashtseren, being the non-executive directors of the Company, and Dr. Khashchuluun Chuluundorj, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius, being the independent non-executive directors of the Company.*