



Mongolian Mining Corporation Acquires High Quality Coking Coal Asset in Southern Mongolia for US\$464 million

Proximity to existing coal mine creates significant operational synergy

HONG KONG, May 31, 2011 – **Mongolian Mining Corporation** (“MMC”, HKEx Stock Code: 975) today announced the signing of an agreement with QGX Holdings (“QGX”) to acquire the Baruun Naran Coking Coal Mine (“Baruun Naran mine”) for a total consideration of US\$464.5 million. QGX is 90% owned indirectly by Kerry Mining (Mongolia) and 10% by MCS Minerals LLC. The deal represents a unique opportunity for MMC to enhance its business with a high quality coking coal asset strategically located adjacent to its existing Ukhaa Khudag coal mine (“UHG mine”) and is expected to deliver significant operational synergies through coal blending, infrastructure sharing and marketing.

The consideration consisting of US\$379.5 million in cash payable by the Buyer to the Seller and US\$85 million by the issue of the convertible bonds by the Company to QGX. The total consideration may be adjusted to US\$950 million depending on the total proved and probable reserves and production of Baruun Naran mine.

The Baruun Naran Coking Coal Mine is located in Southern Mongolia, approximately 500 km south of Ulaanbaatar, the capital of Mongolia and 30 km from UHG mine. According to the pre-feasibility study by Minarco MineConsult dated 20 March 2008, the Baruun Naran mine has approximately 253 million tonnes of measured and indicated coal resources and 193 million tonnes of potential mineable coal.

Mr. Odjargal Jambaljamts, Chairman of MMC, said, “The Acquisition provides the Group with a unique opportunity to purchase a coking coal asset strategically located adjacent to the UHG deposit with pre-feasibility study / in advanced development stage. The asset will allow the Group to expand its existing footprint in Mongolia and realise its growth via acquisition strategy while enhancing value for shareholders. The sizable coking coal resources and reserves estimated in the Baruun Naran Coking Coal Mine will open potential to diversify the Group’s coal products and enhance sources of revenue. Operationally, we expect the acquisition to bring significant synergy because of the mine’s close proximity to our UHG coal mine.”

Citigroup Global Markets Asia Limited acted as MMC’s exclusive Financial Advisor in relation to this transaction.

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About Kerry Mining (Mongolia)

Kerry Mining (Mongolia) is a subsidiary of the Kuok Group, which was established on November 2007 to take advantage of rising commodity prices and strong investment opportunities in natural resources. In 2008, Mongolia Holdings Corporation, an indirect subsidiary of Kerry Mining (Mongolia), made a successful tender offer for QGX Ltd., the owner of Baruun Naran. QGX Ltd's shares were subsequently delisted from the Toronto Stock Exchange

About Mongolian Mining Corporation (MMC)

Mongolian Mining Corporation (MMC; HKSE Stock Code: 975) is a high-quality coking coal producer and exporter in Mongolia. It owns and operates an open-pit Ukhaa Khudag coking coal mine located within the Tavan Tolgoi coal formation in South Gobi, Mongolia.

To learn more about the Company, please visit MMC's website at: www.mmc.mn

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