For Immediate Release

MONGOLIAN MINING CORPORATION

MMC Announces 2011 Interim Results

Revenue Increased by 55.3% to US$136.2 Million

Highlights

- Acquired 100% interests in the Baruun Naran coking coal mine ("BN mine") to expand the Group's coking coal business, to diversify its coal products and enhance the sources of revenue
- Achieved ROM coal production target of 2.50 million tonnes, a year-on-year increase of approximately 68%
- ROM coal production target remains at 7.0 million tonnes for the full year of 2011
- First phase of the coal handling and preparation plant ("CHPP"), with an annual processing capacity of 5.0 million tonnes, commissioned in Q2 2011
- First batch of washed hard coking coal shipped to the customer in the PRC at average selling price (ASP) of approximately US$155 per tonne

(US$ million)	*For the six months ended 30 June*		Change
	2011	2010	
Revenue	**136.2**	87.7	+ 55.3%
Gross profit	**47.8**	36.4	+ 31.3%
Profit attributable to the equity shareholders of the Company	**19.8**	20.7	- 4.2%
Basic earnings per share – Basic and diluted (US cents)	**US0.54 cents**	US0.69 cents	- 21.7%

HONG KONG, 25 August 2011 – **Mongolian Mining Corporation** ("MMC", or together with its subsidiaries, the "Group"; HKEx: 975), today announced its interim results for the six months ended 30 June 2011. MMC is principally engaged in the open-pit mining of coking coal at the Ukhaa Khudag ("UHG") coking coal deposit, which is located within the Tavan Tolgoi coal formation in South Gobi, Mongolia.

For the six months ended 30 June 2011, the Group recorded revenue of approximately US$136.2 million, 55.3% higher than the US$87.7 million recorded in the same period of the previous year. The increase was primarily attributable to an increase in the average selling price and change of selling point from pre-dominantly at mine gate to the Mongolian-Chinese border, which allows the Group to expand its customer base and to sell directly to end-users.

Gross profit rose by 31.3% to US$47.8 million (first half of 2010: US$36.4 million). During the period under review, the gross profit margin was approximately 35.1%, compared with 41.5% for the same period in 2010. The change was mainly due to an increase in cost of sales brought about by increases in progressive royalties, VAT costs and the fluctuation of foreign exchange rates during the period under review. Among these, approximately US$12.8 million costs incurred due to changes in Mongolian tax laws in respect of VAT for mineral resources exploitation activities and the introduction of additional progressive royalty rates.

Profit attributable to the Company's equity shareholders was approximately US$19.8 million, representing a decrease of approximately US$0.9 million or 4.2%, as compared with approximately US$20.7 million in same period of 2010, mainly due to higher administrative expenses incurred by the expansion of operations, and one-off costs of US$4.7 million associated with the acquisition of the BN mine.

In June 2011, the Group acquired the entire issued share capital of QGX Coal Limited, which holds the mining license for the BN mine through its wholly-owned subsidiary. Also located in South Gobi, the BN mine is strategically situated adjacent to the Group's UHG deposit, with a distance of only 30km. The acquisition has not only significantly increased the Group's high quality coking coal reserves, but also enables MMC to diversify its coal products and enhance its sources of revenue.

Mr. Odjargal Jambaljamts, Chairman of MMC, said, "By continuing to adhere to our clear vision of developing MMC into one of the leading mining companies in the region, I am delighted to report that during the period under review the Group has achieved the significant milestones in its long-term development and sustainable business growth objective. The successful acquisition of the sizable BN coking coal asset will allow us to advance from the single-asset company to managing the multi-asset mining business while enhancing value for our shareholders. We are proud to announce that the first phase of our CHPP was successfully commissioned by relevant governmental authorities and launched its commercial operations. This is a significant achievement in line with the Government of Mongolia policy to promote the growth of value-added production in mining and minerals processing industry of the country. With these accomplishments, our revenue stream and the scale of our business have significantly expanded. Amid the backdrop of sustained economic growth of the Chinese economy, we believe that our business and growth prospects will remain strong."

In the first six months of 2011, the Group reached its scheduled ROM production target of approximately 2.50 million tonnes, by approximately 68% higher year-on-year. During the period under review, mining cost associated with coal sold was approximately US$24.9 per tonne of coal. Based on our year-to-date performance, surpassing 600 thousand tonnes of ROM coal monthly production level for July, well-established cooperation with our mining contractor Leighton and all planned major mining equipment delivered to the UHG mine site, the Group's management is confident that its ROM coal production target of 7.0 million tonnes for the full year of 2011 is achievable.

In June 2011, the first phase of our CHPP, with a capacity of 5.0 million tonnes per annum (Mtpa), was commissioned, marking the establishment of the Group's commercial coal processing operations. The facility, the first of its kind in Mongolia, processed approximately 170,000 tonnes of ROM coal in June 2011. The second and third 5.0 Mtpa phases of the CHPP are expected to be operational in the fourth quarter of 2011 and by the end of 2012, respectively.

The Group sold approximately 1.42 million tonnes of coking coal (first half of 2010: 1.46 million) at a weighted average selling price of US$95.6 per tonne, representing an approximate 59.6% year-on-year increase (first half of 2010: US$59.9 per tonne) in the first half of 2011. This accounts for approximately 18% of Mongolia's total export of coal products. The lowered sales volume was mainly due to the increased inventories at the UHG mine in view of a short-term interruption in road transportation of coal, and the Group's intention to build up approximately four weeks' worth of ROM coal production as in-feed coal stockpile to support the continuity of its CHPP operations. The management believes that the rescheduling of coal transportation volumes in the remaining months of the year will allow the Group to meet its coal transportation and sales objectives.

With the commencement of the sales of washed hard coking coal products, the Group achieved an ASP of approximately US$155 per tonne for its first washed hard coking coal shipment to China, 62.1% higher than that of unwashed coal.

Pursuant to the commencement of operation at its washing plant, the Group intends to mainly export washed hard coking coal in the second half of 2011 using a newly built paved road. As a result, a higher margin and an improved efficiency are expected due to VAT recoverability and a favorable royalty regime.

Dr. Battsengel Gotov, CEO of MMC, said, "Looking ahead, we will continue the prudent expansion of ROM coal production to reach our target of 7 million tonnes for the full year of 2011. With the aim to sell only washed hard coking coal starting from 2012, the second module of the CHPP will be completed by the end of this year to double the processing capacity. Also, the paved road construction works will be completed in the second half of the year. These efforts are expected to significantly enhance our leading position and competitiveness, and in turn create the utmost of value for our shareholders."

About Mongolian Mining Corporation (MMC)

MMC is a producer and exporter of high-quality hard coking coal in Mongolia. It owns and operates an open-pit coking coal mine at the Ukhaa Khudag (UHG) deposit, located within the Tavan Tolgoi coal formation, as well as the Baruun Naran (BN) coking coal deposit. Both deposits are located in South Gobi, Mongolia. .

In June 2011, MMC's coal handling and preparation plant (CHPP) at the UHG mine was successfully commissioned. The first of its kind in Mongolia, the new plant enables the Company to boost its competitiveness in the world market and solidifies MMC's position as the leading coking coal miner in Mongolia.

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

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