For Immediate Release

Mongolian Mining Corporation Announces 2013 Annual Results

Sales volume of washed hard coking coal up 26.5% despite challenging market conditions

HONG KONG, 11 March 2014 – **Mongolian Mining Corporation** ("MMC", or together with its subsidiaries the "Group"; SEHK: 975) today announced its annual results for the year ended 31 December 2013.

During the year under review, the Group's production increased to record levels of output in its mining, processing, transportation and sales activities. Key highlights being that the Group's total processed run-of-mine ("ROM") coal volume reached 10.7 million tonnes ("Mt"), representing an increase of 44.5% year-on-year.

In 2013, MMC exported a total of 4.3 Mt of washed hard coking coal ("HCC") products, representing a 26.5% year-on-year growth. It sold 5.7 Mt of coal products during the year (2012: 5.6 Mt).

The Group witnessed continued pressure on global coking coal prices in 2013, which brought a 15.0% decline in the average selling price ("ASP") of its HCC product from USD108.4 per tonne in 2012 to USD92.1 per tonne. As a result, the Group's revenue amounted to USD437.3 million for the year ended 31 December 2013 compared to USD474.5 million reported for 2012.

While ASP for HCC sold decreased, the Group's strict focus on maximizing productivity and efficiency of asset utilization has yielded significant cost savings compared to 2012. Notable cost reductions included processing costs, down 38.4% from USD7.3 per ROM tonne to USD4.5 per ROM tonne, and transportation costs, down 27.5% from USD23.3 per tonne to USD16.9 per tonne. Subsequently, the Group was able to generate gross profit of USD75.9 million, representing 40.3% growth year-on-year, as a result of actions taken to control costs and boost productivities. The loss attributable to the equity shareholders of the Company was USD58.1 million (2012: a loss of USD2.5 million).

Mr. Odjargal Jambaljamts, Chairman of MMC, said, "In 2013, the global coking coal market continued to experience significant downward pressure on coking coal prices due to increased supply. Despite such adverse market conditions, I am pleased to report that we were able to achieve meaningful improvements in operational efficiency and productivity with effective cost control strategies. Our gross profit was USD75.9 million and EBITDA and other non-cash and one-off costs were USD110.9 million, representing increases of 40.3% and 50.6% year-on-year, respectively. Additionally, we continued with our initiatives focusing on improvements in internal processes and the successful implementation of prudent financial policies, stringent cost control measures and further enhancement of our internal capabilities. These accomplishments solidify our foundation and underpin our position as the largest coal producer and exporter in Mongolia."

In line with the Group's development objectives, the Coal Handling and Preparation Plant ("CHPP") third module was commissioned in June 2013, boosting the Group's total nameplate coal handling and processing capacity to 15.0 Mt per annum.

Dr. Battsengel Gotov, CEO of MMC, said, "Looking ahead, we expect the pricing environment in the coking coal industry to remain under pressure in the short-term. Despite the overwhelming backdrop of oversupply, we maintain a positive outlook over the long-term as the fast-paced urbanization and industrialization associated with greater levels of public and private sector investments in Asia and other emerging markets will continue to create demand for coking coal for steel production. However, the market must reach a more balanced equilibrium before we can see rebounds in coal pricing."

MMC intends to pursue the following key strategies to strengthen its position as one of the leading washed hard coking coal producers in Asia: (i) maximizing asset utilization to drive down fixed costs; (ii) continuing its efforts to improve transportation infrastructure and capability including cross-border railway development to gain access to China's railway network to reach its customers in the PRC; (iii) exploring opportunities for expanding and diversifying its business operations through potential strategic cooperation and joint venture agreements; and (iv) continuing to build on its strong commitment to safety, environment and socially responsible operations.

In 2014, the Group will aim to maximize utilization of its CHPP capacity by processing ROM coal sourced from the Group's own mines and also neighboring mines under mutually beneficial contract washing cooperation arrangements. It will also support infrastructure development to enable further cost reductions, create new long-term relations with its end-user customers while building on existing relationships, and actively explore strategic long-term partnerships to expand its presence and customer base in China.

"We believe that with all major development projects completed, liquidity improvement initiatives in place and competitive cost structure maintained by virtue of our robust production profile and efficient cost control measures, MMC is well positioned to demonstrate sufficient flexibility to face headwinds in this more challenging environment. We will strive to strengthen our position as a reliable supplier of high quality coking coal products to our end-user customers and continue to create long-lasting value for our shareholders." **Dr. Gotov** concluded.

About Mongolian Mining Corporation (MMC)

Mongolian Mining Corporation (MMC, SEHK: 975) is the largest 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 ("TT") coal formation, as well as the Baruun Naran ("BN") coking coal deposit, both located in South Gobi, Mongolia.

MMC was listed on the SEHK in October 2010, and was selected as a constituent stock of the FTSE Hong Kong Index in March 2012. To learn more about the Company, please visit MMC's website at: www.mmc.mn

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