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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

VOLUNTARY ANNOUNCEMENT

The board of directors (the “Board”) of Mongolian Mining Corporation (the “Company”) is pleased to announce that its Ukhaa Khudag deposit located in the Tavan Tolgoi coalfield (the “UHG deposit”) has achieved its production target of 3.8 million tonnes of coal ahead of schedule. The mine located in the UHG deposit has surpassed its 3.8 million tonnes annual production target by 9 December 2010, and up to the date of this announcement, the Company has transported and exported approximately 3.7 million tonnes of coal to its customers in the People’s Republic of China (“PRC”).

The Company considers this represents a significant achievement compared to its coal production of approximately 1.8 million tonnes in 2009. Furthermore, during the eight months between May and December 2010, the Company’s monthly average production rate reached 400,000 tonnes of coal. This results in an annualised production rate of almost 5 million tonnes. The Company is confident that it will be able to achieve its target of 7 million tonnes by 31 December 2011.

The Board is also pleased to announce that the Company has progressed well with the construction of its coal handling and preparation plant (the “CHPP”) and anticipates that the initial 5 million tonnes per annum phase will start commissioning process in January 2011 and launch commercial coal washing operations in March 2011. The coal fired power plant will start supplying power for the operation of the CHPP in March 2011 and the Board anticipates that the construction of the coal fired power plant will be fully completed by mid-2011. The completion of the coal fired power plant will secure a reliable source of electricity for the operation of the CHPP.

The construction of the water supply facilities was completed on 29 October 2010 and is undergoing commissioning and testing work. The construction of the 245 km paved road parallel to the existing coal transport gravel road from the Company’s UHG deposit to Gashuun Sukhait is on track with majority of work completed and full completion is expected to take place in the second half of 2011 as originally planned.

Starting from September 2010, the company is exporting coal products to the PRC. Fleet expansion program is underway according to the schedule.

This announcement is a voluntary announcement made by the order of the Board which is not pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the directors of the Company individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board
Mr. Odjargal Jambaljamts
Chairman

Hong Kong, 14 December 2010

As at the date of this announcement, the Board consists of Messrs. Odjargal Jambaljamts and Battsengel Gotov, being the executive directors of the Company, Messrs. Gantumur Lingov, Enkhtuvshin Gombo, Enkh-Angalan Luvsantseren, Badamtsetseg Dash-Ulzii, Oyungerel Janchiv, Philip Hubert ter Woort and Batsaikhan Purev, being the non-executive directors of the Company, and Messrs. Ochirbat Punsalmaa, Unenbat Jigjid and Chan Tze Ching, Ignatius, being the independent non-executive directors of the Company.