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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 975)

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 23 May 2011.

On 20 July 2011, NIC and Uniservice Solution have been selected, through competitive tendering process, as a supplier of fuel products to the Group and as a service provider for the provision of supporting services for the Company's offices located at Ulaanbaatar and camps located at the UHG deposit, Baruun Naran deposit and TKH, respectively. On 22 July 2011, the Group entered into the following agreements:

- (i) Service Agreement between Uniservice Solution and the Group, whereby Uniservice Solution conditionally agreed to provide office and camp supporting services to the Group for a period commencing from the date of the EGM at the earliest to 31 December 2013 for a total consideration of US\$73,193,551; and
- (ii) Fuel Supply Agreement between NIC and the Group, whereby NIC conditionally agreed to supply fuel products to the Group for a period commencing from the date of the EGM at the earliest to 31 December 2013 for a total consideration of US\$667,471,067, and NIC may sub-contract its obligations under the Fuel Supply Agreement to Shunkhlai and Gobi Oil.

The Office and Camp Supporting Service Agreement will be terminated on the date of the EGM when the Service Agreement becomes effective.

To facilitate Uniservice Solution in its provision of services under the Service Agreement, on 22 July 2011, Energy Resources, Enrestechology, Transgobi and UHG WS, each a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Uniservice Solution whereby each of Energy Resources, Enrestechology, Transgobi and UHG WS conditionally agreed to sell and Uniservice Solution conditionally agreed to purchase the Assets.

LISTING RULES IMPLICATIONS

Uniservice Solution is a wholly-owned subsidiary of MCS Holding which indirectly owns a 100% shareholding interest in MCS Mining Group Limited, a substantial Shareholder. As such, Uniservice Solution is a connected person of the Company within the meaning of the Listing Rules. Accordingly, the transactions contemplated under the Service Agreement and the Sale and Purchase Agreement constitute continuing connected transactions and connected transaction of the Company, respectively.

As the annual amount of the continuing connected transactions under the Service Agreement, when aggregated with the services acquired from Uniservice Solution during 1 January 2011 to 31 July 2011 is expected to be more than 5% under the revenue ratio, the transactions contemplated under the Service Agreement are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The connected transaction under the Sale and Purchase Agreement is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as each of the applicable percentage ratios is more than 0.1% but less than 5%. However, when aggregated with the Service Agreement, the connected transaction under the Sale and Purchase Agreement is also subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

NIC is an associate of each of Petrovis Resources Inc, a substantial Shareholder and Dr. Oyungerel Janchiv, a non-executive Director. Shunkhlai, a sub-contractor of NIC, is an associate of Mr. Batsaikhan Purev, a non-executive Director. Gobi Oil, a sub-contractor of NIC, is no longer a connected person of the Company from 21 June 2011. As such, each of NIC and Shunkhlai is a connected person of the Company and the transactions contemplated under the Fuel Supply Agreement also constitute continuing connected transactions of the Company.

As the annual amount of the continuing connected transactions under the Fuel Supply Agreement, when aggregated with the Purchase of Fuel Agreement as announced in the announcement issued by the Company dated 23 May 2011, is expected to be more than 5% under the revenue ratio, the transactions contemplated under the Fuel Supply Agreement are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee will be formed to consider and advise the Independent Shareholders as to whether (i) the terms of the Agreements; and (ii) the Proposed Annual Caps are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

A circular containing, among other matters, further details of the connected and continuing connected transactions and a notice convening the EGM, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and the recommendation of the Independent Board Committee to the Independent Shareholders will be despatched to the Shareholders in compliance with the Listing Rules on or before 12 August 2011.

Reference is made to the announcement of the Company dated 23 May 2011.

TRANSACTIONS WITH UNISERVICE SOLUTION

1. The Service Agreement

Date:

22 July 2011

Parties:

The Group as service purchasers

Uniservice Solution as service provider

Principal terms:

Uniservice Solution agreed to provide the following services to the Group on a day-to-day basis:

- Accommodation and catering services for the camp sites located at the UHG deposit, Baruun Naran deposit and TKH;
- Laundry services for the camp sites located at the UHG deposit, Baruun Naran deposit and TKH;
- Cleaning and janitor services for UB offices and facilities located at the UHG deposit, Baruun Naran deposit and TKH including employees' and contractor's camps, offices, gymnasium, warehouses, custom and dispatcher booths, and TT Airport;
- Security services for UB offices and facilities located at the UHG deposit, Baruun Naran deposit and TKH including employees' and contractor's camps, offices, gymnasium, warehouses, custom and dispatcher booths, and TT Airport;
- Recreation services in the employees' camps and gymnasium located at the UHG deposit, Baruun Naran deposit and TKH; and
- Maintenance and other type of camp management services for UB offices and facilities located at the UHG deposit, Baruun Naran deposit and TKH including employees' and contractor's camps, offices, gymnasium, warehouses, custom and dispatcher booths, and TT Airport.

Consideration and payment terms:

Total consideration payable by the Group to Uniservice Solution under the Service Agreement is US\$73,193,551 inclusive of VAT, other applicable taxes and all other costs associated with the services provided by Uniservice Solution. The consideration payable to Uniservice Solution was determined based on the size of the location where services are to be provided and the number of employees utilising the camp site and the temporary ger camp located at the UHG deposit, Baruun Naran deposit and TKH. The terms of the Service Agreement are more favourable than those available from other independent third parties.

Within the first 15 days of each month, the Group will pay up to MNT300,000,000 (equivalent to approximately US\$240,838) as an advance payment of the service fee for that month. On the last

day of each month, Uniservice Solution will issue an invoice to the Group which will set out service fee incurred for that month. The Group will settle the invoice within five working days following receipt of the invoice. In the event that the invoiced amount is less than the advance payment amount, adjustment will be made to the following month's payment by the Group.

The consideration was determined on an arm's length basis between the Group and Uniservice Solution based on bid submitted by Uniservice Solution.

Proposed annual caps:

The following table sets out the proposed annual caps for the Service Agreement for the three financial years ending 31 December 2013:

Financial year ending	Proposed annual caps	Period covered
31 December 2011	US\$17,045,544	12 months from 1 January 2011 to 31 December 2011
31 December 2012	US\$29,172,640	12 months from 1 January 2012 to 31 December 2012
31 December 2013	US\$34,481,572	12 months from 1 January 2013 to 31 December 2013

The proposed annual caps are determined with reference to the internal projection of the amount of services required having regard to (i) the anticipated respective increase in the number of employees and properties; (ii) the tendering proposal submitted by Uniservice Solution; (iii) the business development plan of the Group; and (iv) inflation.

Term of the services:

The Service Agreement will be effective for a period commencing from the date of the EGM at the earliest to 31 December 2013 conditional upon obtaining the requisite approval from Independent Shareholders at the EGM.

The Office and Camp Supporting Service Agreement will be terminated on the date of the EGM when the Service Agreement becomes effective.

2. The Sale and Purchase Agreement

Date:

22 July 2011

Parties:

Energy Resources, Enreotechnology, Transgobi and UHG WS as sellers

Uniservice Solution as purchaser

Principal terms:

Each of Energy Resources, Enreotechnology, Transgobi and UHG WS has conditionally agreed to sell and Uniservice Solution has conditionally agreed to purchase the Assets. The Sale and Purchase Agreement is conditional upon the Service Agreement becoming unconditional.

Consideration and payment terms:

The selling price for the Assets is MNT4,304,068,677 (equivalent to approximately US\$3,455,279) inclusive of 10% VAT. Uniservice Solution will pay the full amount of the purchase price of the Assets within 45 days from execution of the Sale and Purchase Agreement.

The selling price for the Assets was determined on an arm's length basis between the Group and Uniservice Solution based on the book value of the Assets less depreciation and taking into consideration the current conditions of the Assets.

Financial effect of the sale of the Assets on the Group:

With reference to the audited accounts of the Group for the six months ended 30 June 2011, the aggregate book value of the Assets was approximately MNT3,912,789,706 (equivalent to approximately US\$3,141,163) as at 30 June 2011. It is estimated that the sale of the Assets will not result in any book profit or loss for the Group with reference to the aggregated net book value of the Assets as at 30 June 2011.

Use of proceeds:

The estimated net proceeds from the sale of Assets will be approximately MNT3,912,789,706 (equivalent to approximately US\$3,141,163) and the Group intends to use the said net proceeds as general working capital for the daily operation of the Group.

Reasons for the transactions:

Uniservice Solution, formerly named as Officenet LLC, has been selected, through tendering process, as a service provider for the provision of supporting services for the Company's offices located at Ulaanbaatar and camps located at the UHG deposit and it has provided high quality services to the Group during 2009 and 2010. From 1 January 2011 to 31 July 2011, similar services are provided to the Group by Uniservice Solution and the related service fees are settled on a monthly basis.

In view of the increasing demand for offices and camp sites supporting services as a result of the continued expansion of the Company's operation, including the development of the UHG deposit and Baruun Naran deposit, the Group had invited some of the major camp and office supporting services provider in Mongolia for a national competitive bid in order to obtain good proposals for long term cooperation enabling the Group to secure quality professional services at competitive prices. Among the bid proposals, Uniservice Solution's bid was evaluated to be the most favourable bid in terms of consideration and the overall coverage of the services. As Uniservice Solution has been selected, the Group will continue to outsource its camp and office supporting services to Uniservice Solution during the term of the Service Agreement.

The Assets were originally acquired by the Company to assist with the provision of camp supporting services at camps located at the UHG deposit and TKH. Since the Company is now outsourcing the office and camp site supporting services, the Company no longer requires the Assets and the purchase of the Assets at its book value is set as pre-condition for successful bidder to enter into the Service Agreement. The Group considers that the disposal of the Assets is in the interests of the Company and the Shareholders as the proceeds from the disposal would increase the general working capital of the Company and the transfer of the Assets would enhance Uniservice Solution with its provision of the services under the Service Agreement.

TRANSACTION WITH NIC

Fuel Supply Agreement

Date:

22 July 2011

Parties:

The Group as purchasers

NIC as supplier

Principal terms:

NIC agreed to supply fuel products including diesel fuel and other types of fuel which meet to the standard GOST 30582 of Russia or any other similar domestic and international standards to the Group at the UHG deposit, Baruun Naran deposit and TKH coal trans-loading and handling yard and other destinations designated by the Company on an accrual basis through its gas stations and dispenser trucks. It was also agreed that NIC may sub-contract its obligations under the Fuel Supply Agreement to Shunkhlai and Gobi Oil to supply fuel products to the Group in compliance with the terms and conditions of the Fuel Supply Agreement.

Incidental to the supply of fuel products, NIC will construct fuel storage facilities with storage capacity of 6,000m³ in the UHG deposit, and 200m³ in the Baruun Naran deposit at its own expense and handle their operations.

Furthermore, NIC will construct two fuel stations with storage capacity of 50m³ in UHG deposit and TKH coal trans-loading and handling yard respectively at its own expenses in accordance with the applicable regulations and standards. In the event that the Fuel Supply Agreement is terminated prior to the expiry date due to breach of the contractual obligation or wrongful act or omission by NIC, the Company has the right to acquire any of the fuel warehouses and fuel stations at the construction cost with adjustments to the accumulated depreciation.

Consideration and payment terms:

The total consideration is US\$667,471,067, inclusive of VAT, other applicable taxes and all other costs.

On the 15th day of each month throughout the term of the Fuel Supply Agreement, NIC will issue an invoice to the Group setting out all goods supplied to the Group for the first 15 days period. On the last period of each month, NIC will issue an invoice to the Group setting out all goods supplied to the Group for the remaining period of the month. The Group will settle the invoices within five working days following receipt of the invoices, respectively.

The consideration was determined by tendering proposal submitted by NIC which is based on market rate of fuel products.

Proposed annual caps:

The following table sets out the proposed annual caps for the Fuel Supply Agreement for the three financial years ending 31 December 2013:

Financial year ending	Proposed annual caps	Period covered
31 December 2011	US\$88,612,821	12 months from 1 January 2011 to 31 December 2011
31 December 2012	US\$218,595,000	12 months from 1 January 2012 to 31 December 2012
31 December 2013	US\$392,493,750	12 months from 1 January 2013 to 31 December 2013

The proposed annual caps were determined with reference to the internal projection of the amount of fuel required having regard to (i) the anticipated increase in the fuel consumption due to increasing level of mining activities conducted by the Company; (ii) the tendering proposal submitted by NIC; (iii) the prevailing market prices of fuel; (iv) the business development plan of the Group; and (v) inflation.

Term of the Fuel Supply Agreement:

The Fuel Supply Agreement will be effective for a period commencing from the date of the EGM at the earliest to 31 December 2013 conditional on obtaining the requisite approval from Independent Shareholders at the EGM.

Reasons for the transaction:

In view of the anticipated increase in fuel consumption due to the increasing level of mining activities conducted by the Group at the UHG deposit and Baruun Naran deposit, the Group had invited some of the major fuel importers and suppliers in Mongolia for a national competitive bid in order to obtain good proposals for long term cooperation enabling the Group to secure stable supplies of fuel products. Among the bid proposals, NIC's bid was evaluated to be the most favourable bid in terms of consideration, technical capacity (including existing storage facilities and transportation fleets), capital expenditure for new fuel storage facilities, operational and strategic stocks, financial capacity and resources. As NIC has been selected, the Group will purchase fuel required for mining activities conducted by the Group from NIC during the term of the Fuel Supply Agreement. Indicative of the sub-contracting arrangement between NIC and Shunkhlai and Gobi Oil in relation to the supply of fuel products to the Group, NIC has undertaken to be solely responsible for all liabilities under the Fuel Supply Agreement.

INFORMATION ON THE GROUP

The Company is principally engaged in open-pit mining and sale of coking coal in Mongolia.

Energy Resources Corporation LLC, an indirect wholly-owned subsidiary of the Company, is principally engaged in foreign and domestic trade in Mongolia.

Energy Resources, an indirect wholly-owned subsidiary of the Company, is principally engaged in the operation of the UHG deposit.

Enreotechnology, an indirect wholly-owned subsidiary of the Company, is principally engaged in the construction and operation of the coal handling and preparation plant at the UHG deposit.

United Power LLC, an indirect wholly-owned subsidiary of the Company, is principally engaged in the construction and operation of the power plant at the UHG deposit.

UHG WS, an indirect wholly-owned subsidiary of the Company, is principally engaged in water exploration and supply of water to the UHG deposit.

Gobi Road LLC, an indirect wholly-owned subsidiary of the Company, is principally engaged in construction, operation and management of a paved road project of the Company.

Transgobi, an indirect wholly-owned subsidiary of the Company, is principally engaged in the transportation of coal extracted from the UHG deposit.

Public Service LLC, an indirect wholly-owned subsidiary of the Company, is principally engaged in provision of public utility services at the UHG deposit.

Tavan Tolgoi Airport LLC, an indirect wholly-owned subsidiary of the Company, is principally engaged in the operation and management of TT Airport.

Energy Resources Mining LLC, an indirect wholly-owned subsidiary of the Company, is principally engaged in mining and technical operations of the UHG deposit.

Energy Resources Rail LLC, an indirect wholly-owned subsidiary of the Company, is principally engaged in construction of the railway base infrastructure.

Energy Resources Road LLC, an indirect wholly-owned subsidiary of the Company, is principally engaged in the coal transportation and road construction.

Khangad Exploration LLC, an indirect wholly-owned subsidiary of the Company, is principally engaged in the operation of the Baruun Naran deposit.

INFORMATION ON UNISERVICE SOLUTION, NIC, SHUNKHLAI AND GOBI OIL

Uniservice Solution, a wholly-owned subsidiary of MCS Holding, is principally engaged in provision of office supporting services.

NIC, a wholly-owned subsidiary of Petrovis, is principally engaged in import, marketing and distribution of petroleum products in Mongolia.

Shunkhlai, a wholly-owned subsidiary of Shunkhlai Group, is principally engaged in import and supply of petroleum products in Mongolia.

Gobi Oil, a company which is owned as to 5% by Petrovis, 5% by Shunkhlai Group, 15% by Mr. Dulguun Batbold and remaining by third parties independent of the Company and its connected persons, is principally engaged in distribution of petroleum products in Mongolia. Gobi Oil is not a connected person of the Company.

LISTING RULES IMPLICATIONS

Uniservice Solution is a wholly-owned subsidiary of MCS Holding which indirectly owns a 100% shareholding interest in MCS Mining Group Limited, a substantial Shareholder. As such, Uniservice Solution is a connected person of the Company within the meaning of the Listing Rules. Accordingly, the transactions contemplated under the Service Agreement and the Sale and Purchase Agreement constitute continuing connected transactions and connected transaction of the Company, respectively.

As the annual amount of the continuing connected transactions under the Service Agreement, when aggregated with the services acquired from Uniservice Solution during 1 January 2011 to 31 July 2011 is expected to be more than 5% under the revenue ratio, the transactions contemplated under the Service Agreement are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The connected transaction under the Sale and Purchase Agreement is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as each of the applicable percentage ratios is more than 0.1% but less than 5%. However, when aggregated with the Service Agreement, the connected transaction under the Sale and Purchase Agreement is also subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

MCS Mining Group Limited and its associates will abstain from voting on the resolution to approve the Service Agreement, the Sale and Purchase Agreement and the relevant proposed annual caps to be proposed at the EGM.

The Board (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser) is of the view that the transactions contemplated under the Service Agreement and the Sale and Purchase Agreement are in the ordinary and usual course of business of the Company and on normal commercial terms and the terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

NIC is an associate of each of Petrovis Resources Inc., a substantial Shareholder and Dr. Oyungerel Janchiv, a non-executive Director. Shunkhlai, a sub-contractor of NIC, is an associate of Mr. Batsaikhan Purev, a non-executive Director. Gobi Oil, a sub-contractor of NIC, is no longer a connected person of the Company from 21 June 2011. As such, each of NIC and Shunkhlai is a connected person of the Company and the transactions contemplated under the Fuel Supply Agreement also constitute continuing connected transactions of the Company.

As the annual amount of the continuing connected transactions under the Fuel Supply Agreement, when aggregated with the Purchase of Fuel Agreement as announced in the announcement issued by the Company dated 23 May 2011, is expected to be more than 5% under the revenue ratio, the transactions contemplated under Fuel Supply Agreement are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Petrovis Resources Inc., Shunkhlai Mining and their respective associates will abstain from voting on the resolution to approve the Fuel Supply Agreement and the relevant proposed annual caps to be proposed at the EGM.

The Board (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser) is of the view that the transactions contemplated under the Fuel Supply Agreement are in the ordinary and usual course of business of the Company and on normal commercial terms and the terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

An Independent Board Committee will be formed to consider and advise the Independent Shareholders as to whether (i) the terms of the Agreements; and (ii) the Proposed Annual Caps are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

A circular containing, among other matters, further details of the connected and continuing connected transactions and a notice convening the EGM, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and the recommendation of the Independent Board Committee to the Independent Shareholders will be despatched to the Shareholders in compliance with the Listing Rules on or before 12 August 2011.

DEFINITION

“Agreements”	the Service Agreement, the Sale and Purchase Agreement and the Fuel Supply Agreement;
“Assets”	movable assets at the camp sites located at the UHG deposit and TKH including tools, ger, container apartment, air conditions, heaters, beds, cabinets, tables, television, washing machines, dryers, refrigerators, other kitchen and coffee shop furniture, basketball board, tennis table, treadmill, bodybuilding equipment, other sport hall and gym equipment, trolley garbage truck, containers, water tanks and other equipment which are being used for provision of office and camp supporting services;

“associates”	having the meaning ascribed to it under the Listing Rules;
“Baruun Naran deposit”	the Group’s Baruun Naran coal deposit located in the Khankhongor soum, Umnugobi aimag;
“Board”	the board of Directors;
“Company”	Mongolian Mining Corporation (Stock code: 975), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the Agreements and the transactions contemplated thereunder and the Proposed Annual Caps;
“Energy Resources”	Energy Resources LLC, a company incorporated in Mongolia with limited liability, is an indirect wholly-owned subsidiary of the Company;
“Enrestechnology”	Enrestechnology LLC, a company incorporated in Mongolia with limited liability, is an indirect wholly-owned subsidiary of the Company;
“Fuel Supply Agreement”	Fuel Supply Agreement between NIC and the Group dated 22 July 2011 in relation to the supply of fuel products by NIC to the Group;
“ger”	Mongolian traditional and portable home which is round and cone-shaped;
“Gobi Oil”	Gobi Oil LLC, a company incorporated in Mongolia with limited liability;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors formed to advise the Independent Shareholders as to the fairness and reasonableness of the transactions contemplated under the Agreements and the Proposed Annual Caps;
“Independent Shareholder(s)”	Shareholder(s) other than MCS Mining Group Limited and its associates relating to the Service Agreement and the Sale and Purchase Agreement, and

	Shareholder(s) other than Petrovis Resources Inc, Shunkhlai Mining and their respective associates relating to the Fuel Supply Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“MCS Holding”	MCS Holding LLC, a company incorporated in Mongolia with limited liability;
“MCS Mining Group Limited”	MCS Mining Group Limited, a company incorporated in the British Virgin Islands with limited liability, is a substantial Shareholder and an indirect wholly-owned subsidiary of MCS Holding;
“MNT”	togrok or tugrik, the lawful currency of Mongolia;
“Mr. Dulguun Batbold”	son of Dr. Oyungerel Janchiv;
“NIC”	NIC LLC, a company incorporated in Mongolia with limited liability and a wholly-owned subsidiary of Petrovis;
“Office and Camp Supporting Service Agreement”	Office and Camp Supporting Service Agreement between Uniservice Solution and Energy Resources dated 23 May 2011;
“Petrovis”	Petrovis LLC, a company incorporated in Mongolia with limited liability;
“Petrovis Resources Inc.”	Petrovis Resources Inc., a company incorporated in Isle of Man with limited liability, is a substantial Shareholder and a wholly-owned subsidiary of Petrovis;
“Proposed Annual Caps”	the proposed annual caps for each of the Service Agreement and Fuel Supply Agreement for the three financial years ending 31 December 2013;
“Purchase of Fuel Agreement”	Purchase of Fuel Agreement between Gobi Oil and Energy Resources dated 23 May 2011;
“Sale and Purchase Agreement”	Sale and Purchase Agreement between Energy Resources, Enrestechology, Transgobi and UHG WS, each a wholly-owned subsidiary of the Company, and Uniservice Solution dated 22 July 2011 in relation to the sale and purchase of the Assets;
“Service Agreement”	Service Agreement between Uniservice Solution and the Group dated 22 July 2011 in relation to the provision of office and camp supporting services;
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company;

“Shareholder(s)”	the registered holder(s) of the Share(s);
“Shunkhlai”	Shunkhlai Co. Ltd, a company incorporated in Mongolia with limited liability, is a wholly-owned subsidiary of Shunkhlai Group;
“Shunkhlai Group”	Shunkhlai Group LLC, a company incorporated in Mongolia with limited liability;
“Shunkhlai Mining”	Shunkhlai Mining LLC, a company incorporated in Mongolia with limited liability, is a Shareholder and a wholly-owned subsidiary of Shunkhlai Group;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TKH”	the Group’s Tsagaan Khad camp at the Tsagaan Khad port which is located at the Mongolia-China border;
“Transgobi”	Transgobi LLC, a company incorporated in Mongolia with limited liability, is an indirect wholly-owned subsidiary of the Company;
“TT Airport”	“Tavan Tolgoi” airport in Tsogttsetsii soum;
“UHG deposit”	the Group’s Ukhaa Khudag deposit located in the Tavan Tolgoi coalfield;
“UHG WS”	Ukhaa Khudag Water Supply LLC, a company incorporated in Mongolia with limited liability, is an indirect wholly-owned subsidiary of the Company;
“Uniservice Solution”	Uniservice Solution LLC, a company incorporated in Mongolia with limited liability, is an indirect wholly-owned subsidiary of MCS Holding;
“US\$”	United States Dollar, the lawful currency of the United States of America;
“VAT”	value added tax; and
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of US\$1.00=MNT1,245.65, has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

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

Hong Kong 22 July 2011

As at the date of this announcement, the Board consists of Mr. Odjargal Jambaljamts and Dr. Battsengel Gotov, being the executive Directors, Mr. Gantumur Lingov, Ms. Enkhtuvshin Gombo, Mr. Enkh-Amgalan Luvsantseren, Dr. Oyungerel Janchiv, Mr. Philip Hubert ter Woort and Mr. Batsaikhan Purev, being the non-executive Directors, and Mr. Ochirbat Punsalmaa, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius, being the independent non-executive Directors.