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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 in December 2011, a consortium comprised of Erdenes MGL LLC, a state owned company (“**Erdenes MGL**”) and Energy Resources LLC (“**ER**”), an indirect wholly-owned subsidiary of the Company has completed an expansion project of border crossing capacity (“**Border Crossing Expansion**”) at Gashuun Sukhait border checkpoint (“**GS**”) of Mongolia, for coal export transportation.

According to Government Resolution, Erdenes MGL leads the consortium, and Gobi Road LLC, an indirect wholly-owned subsidiary of the Company, managed the construction and project management of the Border Crossing Expansion at GS under the Consortium Agreement executed between Erdenes MGL and ER. The expansion project commenced in June 2011 and was fully completed and commissioned for operation on 12 January 2012.

The Border Crossing Expansion comprises the construction of 8 new lanes for cross border trucks transportation in addition to the existing 4 lanes, together with the construction and commissioning of support buildings, infrastructures and facilities for inspection and clearance process of customs, border control, immigration and professional inspection agencies. The Border Crossing Expansion also covered construction of new lanes and support infrastructures at “no-man” buffer zone between Mongolia and the People’s Republic of China (“**PRC**”) directly connecting existing lanes at Ganqimaodu (“**GM**”) of the PRC to newly constructed lanes at GS of Mongolia.

Upon full operation, the total capacity of GS is estimated to handle 1,200 loaded trucks for the export to the PRC per day, which is approximately 3 times higher than the current capacity of GS.

The Border Crossing Expansion is expected to boost coal export volume and truck turnaround over the GS and GM borders, reduce transportation cost of the Company and its subsidiaries, and improve the environmental and safety conditions of cross border transport operation. Furthermore, as the port for Mongolian coal export, the Border Crossing Expansion at GS would bring significant benefit to the economy of Mongolia by increasing regional cross border trade cooperation between Mongolia and the PRC and in turn encourage export of key mineral commodities.

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.

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

Hong Kong, 16 January 2012

As at the date of this announcement, the Board consists of Mr. Odjargal Jambaljamts and Dr. Battengel Gotov, being the executive directors of the Company, 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 of the Company, and Mr. Ochirbat Punsalmaa, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius, being the independent non-executive directors of the Company.