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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 the second module of the Coal Handling and Preparation Plant (the “**CHPP**”) at its Ukhaa Khudag coking coal mine (“**UHG mine**”) has been successfully commissioned by the State Commission comprised of specialists from various government agencies of Mongolia on 16 February 2012, for coal processing operation.

The CHPP capacity expansion work under design, procurement and construction management (“**EPCM**”) contract has been undertaken by Sedgman Limited, Australia, one of the world’s leading engineering companies in coal processing and material handling technology. The physical construction process of the second module of the CHPP took approximately 14 months. All inclusive capital expenditures for the second module of the CHPP totaled to approximately USD91 million in line with the Company’s original estimations.

The second module of the CHPP has the capacity to process around 5.0 million tonnes of run-of-mine (“**ROM**”) coal per annum based on the design capacity at around 850 tonnes per hour ROM coal in-feed operating rate for minimum 6,000 operating hours per calendar year. Thus, the second module of the CHPP will enable the Company to double its current coal handling and processing capacity expanding to at least 10.0 million tonnes per annum.

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, 20 February 2012

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