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**MONGOLIAN MINING CORPORATION**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 975)**

**ANNOUNCEMENT PURSUANT TO RULE 13.09(1) OF THE LISTING RULES**

**THE GOVERNMENT OF MONGOLIA'S DECISION  
ON UNIFIED RAILWAY NETWORK DEVELOPMENT**

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement dated 31 May 2012 (the “**Announcement**”) issued by Mongolian Mining Corporation (the “**Company**”) in relation to the signing of the Concession Agreement for railway base infrastructure. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless the context herein requires otherwise.

According to media reports and as announced by the spokesperson of the Government of Mongolia (the “**Government**”) on 3 November 2012, the Government discussed at its cabinet meeting held on 3 November 2012 the measures to accelerate the implementation of railway network development, as defined by the State Policy on Railway Transportation approved by Resolution 32 of the Parliament in June 2010. The Government recognizes the socio-economic importance of the first and second stage railway base infrastructure construction projects, and therefore resolved to consolidate them into unified railway project (the “**Project**”) to be managed and implemented under government authority and financing with the participation of domestic and foreign investors.

Moreover, in order to keep uninterrupted continuation of current construction works, the Government decided that the previous concessionaires (the Company understands that they would include Energy Resources LLC (“**ER**”), an indirect wholly-owned subsidiary of the Company and Energy Resources Rail LLC, a wholly-owned subsidiary of ER) will participate further in the implementation of the Project, and all costs incurred to date will be considered as a part of their investment in the Project.

As at the date of this announcement, the resolution of the Government has not been made publicly available and no official letter or notification has been received by the Company in respect of such resolution. The Company will issue a further announcement to inform the public and its shareholders if and when the Company receives any official letter or notification in respect of such resolution from the Government.

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

Hong Kong, 4 November 2012

*As at the date of this announcement, the board of directors of the Company consists of Mr. Odjargal Jambaljamts and Dr. Battsengel Gotov, being the executive directors of the Company, Mr. Batsaikhan Purev, Dr. Oyungerel Janchiv, Mr. Od Jambaljamts and Ms. Enkhtuvshin Gombo, 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.*