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## **MONGOLIAN MINING CORPORATION**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 975)**

### **ANNOUNCEMENT SHARE CHARGE BY CONTROLLING SHAREHOLDER**

This announcement is made pursuant to Note (3) to Rule 10.07(2) of the Listing Rules.

The Company has been advised that on 13 October 2010, MCS Mining Group Limited, pursuant to a facilities agreement dated 24 August 2010 under which a loan facility was granted to MCS Holding LLC, entered into the Share Charge with Standard Bank Asia Limited, which is an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)). Pursuant to the Share Charge, MCS Mining Group Limited has agreed to charge 359,712,250 Shares (representing approximately 10 per cent of the issued Shares as at the date of this announcement) out of the 1,521,755,000 Shares held by it as at the date of this announcement in favour of Standard Bank Asia Limited. The Share Charge was entered into as part of the security to secure a loan facility granted to MCS Holding LLC pursuant to the Facilities Agreement and further Shares held by MCS Mining Group Limited may be, from time to time, charged under the Share Charge in order to ensure that MCS Holding LLC complies with its obligations under the Facilities Agreement.

This announcement is made pursuant to Note (3) to Rule 10.07(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), which requires the Company to make an announcement when its controlling shareholder has charged its interest in the shares (the “Shares”) of the Company as security in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) of Rule 10.07(2) of the Listing Rules.

The Company has been advised that on 13 October 2010, MCS Mining Group Limited, a controlling shareholder (as defined in the Listing Rules) of the Company, entered into a charge over shares to secure liabilities of MCS Holding LLC (the “Share Charge”) with Standard Bank Asia Limited which is an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)).

Pursuant to the Share Charge, MCS Mining Group Limited has agreed to charge 359,712,250 Shares (representing approximately 10 per cent of the issued Shares of the Company as at the date of this announcement) out of the 1,521,755,000 Shares held by it as at the date of this announcement in favour of Standard Bank Asia Limited. The Share Charge was entered into as part of the security to secure a loan facility granted to MCS Holding LLC pursuant to a facilities agreement dated 24 August 2010 (the “Facilities Agreement”) and further Shares held by MCS

Mining Group Limited may be, from time to time, charged under the Share Charge in order to ensure that MCS Holding LLC complies with its obligations under the Facilities Agreement. The Share Charge is expected to be discharged and released upon full repayment of the loan(s) granted under the Facilities Agreement.

This announcement is made by the order of the board of directors of the Company (the “Board”), the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board  
**Mr. Odjargal Jambaljamts**  
*Chairman*

Hong Kong, 13 October 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-Amgalan 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.*