

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Mongolian Mining Corporation		2 Issuer's employer identification number (EIN)	
3 Name of contact for additional information Ulemj Baskhuu	4 Telephone No. of contact +976 70122279	5 Email address of contact ulemj.b@mmc.mn	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 16th Floor, Central Tower, Sukhbaatar, District 8		7 City, town, or post office, state, and Zip code of contact Ulaanbaatar, Mongolia 14200	
8 Date of action Rights became available for dealing on December 5, 2014	9 Classification and description Shares and rights shares to acquire shares		
10 CUSIP number 975 (HKEX stock code)	11 Serial number(s) 975 (HKEX stock code)	12 Ticker symbol 975 (HKEX stock code)	13 Account number(s) 975 (HKEX stock code)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On October 31, 2014, Mongolian Mining Corporation announced a rights offering pursuant to which each existing shareholder on the record date of December 2, 2014 received three rights shares to acquire shares for every outstanding two. The rights offer expired on December 17, 2014. The subscription price was HK\$0.28 per rights share.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Each U.S. taxpayer that received rights shares in the rights offering generally must allocate its basis in the shares with respect to which the distribution of rights shares was made between such shares and the rights shares received in proportion to the fair market values of each on December 5, 2014. Each such U.S. taxpayer that exercised or sold rights shares must allocate 32.87% of its basis in its shares to the rights shares and reduce its basis in its shares by an equal amount.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **On December 5, 2014 the closing price of the shares was HK\$0.435 per share and the closing price of the rights shares was HK\$0.142 per right. Each rights share represented 32.87% of the total fair market value of a share and a rights share. Each U.S. taxpayer that received rights shares in the rights offering and exercised or sold such rights shares must allocate 32.87% of its basis in its shares to the rights shares and reduce its basis in its shares by an equal amount.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ 305(a), 307(a), 1.307-1(a)

18 Can any resulting loss be recognized? ▶ A U.S. taxpayer that sold rights shares for an amount less than the basis it was required to allocate the rights shares will recognize a loss on the sale.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The organizational action described herein is reportable for the 2014 tax year.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ *Ulemj Baskhuu* Date ▶ 14 January 2015

Print your name ▶ Ulemj Baskhuu Title ▶ Chief Financial Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.