



## **Concession Agreement for UHG-GS Railway Base Infrastructure Signed**

*Railway to further reduce coal transportation costs of Mongolian coal improving its  
global competitiveness*

HONG KONG, 1 June 2012 – **Mongolian Mining Corporation** (“MMC”, HKEx: 975) is pleased to announce that on 31 May 2012, the Government of Mongolia (“Government”), represented by the Ministry of Road, Transportation, Construction, and Urban Development of Mongolia, the State Property Committee, and the Railway Authority of Mongolia, has signed the concession agreement with Energy Resources LLC (“ER”), an indirect wholly-owned subsidiary of MMC, and Energy Resources Rail LLC (“ERR”), a wholly-owned subsidiary of ER, to build and operate the railway base infrastructure between the Ukhaa Khudag coking coal mine and the Gashuun Sukhait (the “UHG-GS Railway”), Mongolian–Chinese border.

Under the concession agreement, ERR has been granted the right to construct the UHG-GS Railway using a 1,520 millimeter gauge and the right to operate the UHG-GS Railway for a period up to 19 years from the date of commissioning of the railway base infrastructure. Upon expiration of the concession term, ER will transfer 51% of its shareholding in ERR to the Government, and obtains an option to swap certain portion of the remaining shares in ERR for 10% of shares in a state owned company, which will own an integrated railway base structure network between Sainshand – Tavantolgoi – Ukhaa Khudag – Gashuun Sukhait.

**Dr. Battengel Gotov, Chief Executive Officer, said**, “We are pleased to undertake this project, which I believe will promote further private-public partnership projects in the country, where considerable infrastructure development is needed. This is our second concession project after the UHG-GS paved road, and upon its completion, the railway is expected to reduce transportation costs of Mongolian coal, therefore improving our global competitiveness. The railway will not only enhance the efficiency, reliability and safety of our transportation operations, but will also be a sustainable and environmentally friendly coal transportation solution.”

**About Mongolian Mining Corporation (MMC)**

Mongolian Mining Corporation (MMC, HKEx: 975) is the largest producer and exporter of high-quality hard coking coal in Mongolia. It owns and operates an open-pit coking coal mine at the Ukhaa Khudag (“UHG”) deposit located within the Tavan Tolgoi (“TT”) coal formation, as well as the Baruun Naran (“BN”) coking coal deposit, both located in South Gobi, Mongolia.

MMC was listed on the HKEx in October 2010, and was selected as a constituent stock of the FTSE Hong Kong Index in March 2012. To learn more about the Company, please visit MMC’s website at: [www.mmc.mn](http://www.mmc.mn)

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