



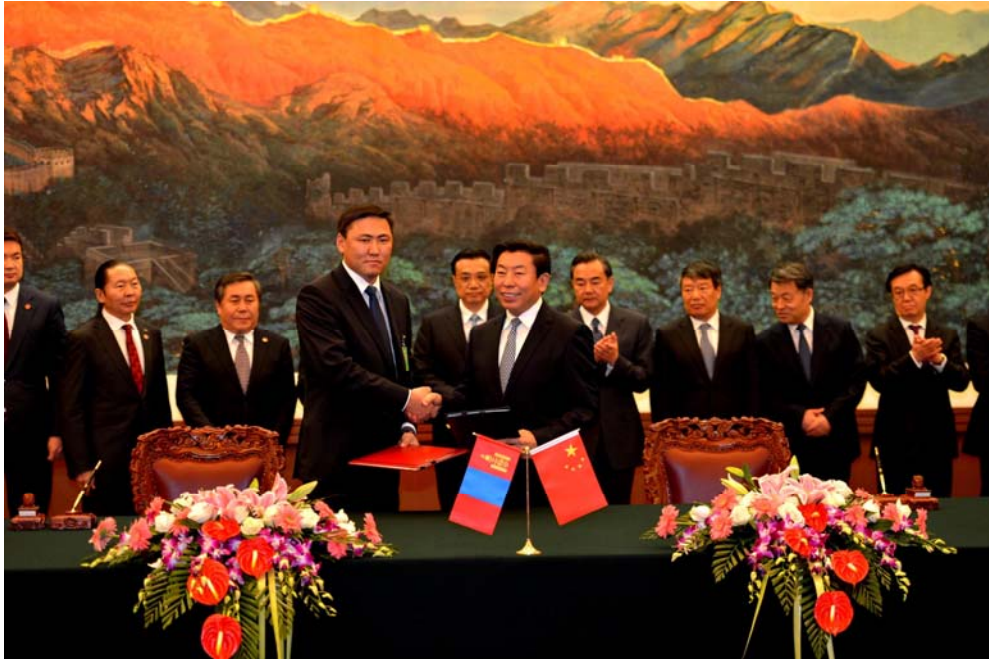
Mongolian and Chinese Enterprises Agreed to Collaborate to Develop Coal Transportation Infrastructure and Promote Bilateral Coal Trade

HONG KONG, 29 October, 2013 – **Mongolian Mining Corporation** (“MMC”, or together with its subsidiaries, the “Group”; SEHK: 975), today announced that Mongolian and Chinese enterprises signed two Memorandums of Understanding (“MoU”) involving collaboration in the development of coal transportation infrastructure and the promotion of bilateral coal trade.

The Consortium, consisting of Shenhua Group Corporation Limited (“Shenhua Group”), a Chinese State-Owned Enterprise; Erdenes Tavan Tolgoi (“ETT”), a Mongolian State-Owned JSC; Energy Resources LLC (“ER”), an indirect wholly-owned subsidiary of MMC; and Tavan Tolgoi JSC (“TT”), has signed a MoU with the Mongolian Railway State-Owned JSC (“MTZ”) to construct a freight railway connecting the Gashuunsukhait border point with the Ganqimaodu port in China (“Port Railway”) within the framework of the recent decision of the Government of Mongolia to support coal exports from Mongolia. The signing ceremony took place on 25 October 2013 in Beijing during the Mongolian Prime Minister’s official visit to China. Mongolian and Chinese enterprises agreed to establish the Consortium for the purpose of building a cross border standard gauge railway to transport coal exported from Mongolia. The Consortium will be responsible for project financing and construction. Upon completion, the Port Railway will be integrated with the Ukhua Khudag - Gashuunsukhait railway line and connected to the Chinese railway network via the route between the Ganqimaodu port and Baotou owned and operated by Shenhua Group.

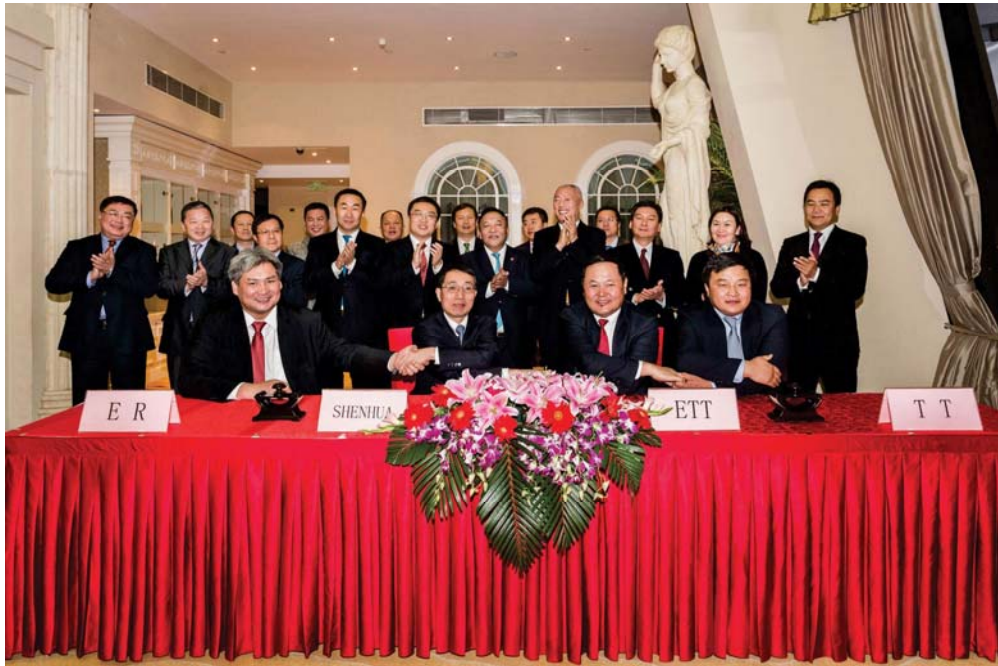
In addition, Shenhua Group and Mongolian coal exporters operating in Tavan Tolgoi area - represented by ETT, ER and TT - have entered into a MoU involving the promotion of coal trade between Mongolian and Chinese enterprises. The parties involved will endeavor to jointly schedule up to one billion tonnes of coal, predominantly in coking coal, to be supplied from Mongolia to China for a period of twenty years, subject to production capacity. The parties will consider the possibility of accessing the international markets, subject to market conditions with details to be discussed and agreed upon at a later date.

Dr. Battengel Gotov, CEO of MMC, said: “The Company believes that the new Port Railway will make a significant contribution in streamlining the flow of coal exports from Mongolia to China with potential cost savings, and to therefore improve the competitiveness of Mongolian coal products. Moreover, it will present an opportunity for Mongolian coal companies to further improve their access to markets of inland China and to seaborne markets and to do so on better terms.”



MOU signing ceremony on construction of Port Railway

(front left to right: Mr. Bat-Erdene Purevdorj, CEO, Mongolian Railway State owned JSC; and Mr. Zhang Xiwu, Chairman of Shenhua Group Corporation Limited)



MOU signing ceremony on promotion of coal trade between Mongolian and Chinese enterprises

(front left to right: G. Battengel, CEO of MMC; Shao Junjie, Chairman of China Shenhua Overseas Development and Investment Company; Ya. Batsuuri, CEO, Erdenes Tavan Tolgoi JSC; and R. Seddorj, CEO, Tavan Tolgoi JSC; rear left to right: J. Odjargal, Chairman of MMC; H.E. Wang Xiaolong, Ambassador of China to Mongolia; D. Gankhuyag, Mongolian Minister for Mining; Ling Wen, CEO of China Shenhua Group; and R. Jigjid, State Secretary, Ministry of Mining of Mongolia)

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About Mongolian Mining Corporation (MMC)

Mongolian Mining Corporation (MMC, SEHK: 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 SEHK 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

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