March 23, 2011

MONGOLIAN MINING CORPORATION

MMC Announces 2010 Annual Results

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Revenue Increased by 314% to US$277.5 Million

Net Profit Surged by 486% to US$60.1 Million

Highlights

- Coal production volume surpassed 2010 target and more than doubled year-on-year to approximately 3.9 million tonnes
- Remained the largest producer and exporter of high-quality coking coal in Mongolia
- Construction of coal handling and preparation plant ("CHPP") and other infrastructure projects on track
- Successfully listed on the Hong Kong Stock Exchange ("HKEx") in October, raising about HK$4,778.0 million
- Planned production of approximately 7.0 million tonnes of run-of-mine ("ROM") coal, and wash and processing of approximately 5.5 million tonnes of ROM coal, respectively, in 2011

(US$ million)	*For the year ended 31 December*		
	2010	2009	Change
Revenue	**277.5**	67.0	+ 314%
Gross profit	**113.1**	28.3	+ 300%
Gross profit margin	**41%**	42%	- 1 ppt
Profit attributable to the equity shareholders of the Company	**60.1**	10.3	+ 486%
Net profit margin	**22%**	15%	+ 7 ppt
Basic earnings per share – Basic and diluted (US cents)	**US 1.91 cents**	US 0.34 cents	+ 462%

HONG KONG, 23 March 2011 – **Mongolian Mining Corporation** ("MMC", or together with its subsidiaries, the "Group"; HKEx: 975), is pleased to announce its first full year results following its listing in October 2010. MMC is principally engaged in the open-pit mining of coking coal at the Ukhaa Khudag coking coal deposit ("UHG"), which is located within the Tavan Tolgoi coal formation in South Gobi, Mongolia.

For the year ended 31 December 2010, the Group recorded revenue of US$277.5 million, 314% higher than the US$67.0 million recorded for the previous year. Profit attributable to the Company's equity shareholders was approximately US$60.1 million, representing an approximately 486% year-on-year increase from US$10.3 million. Earnings per share also rose by approximately 462% to US 1.91 cents (2009: US 0.34 cents). The strong financial performance was primarily attributable to MMC's significant mining production and sales volume expansion, and the rise in average selling price during the period.

The Group's gross profit margin maintained at a healthy 41% (2009: 42%). Net profit margin was approximately 22% for the year, as compared with approximately 15% in 2009.

Mr. Odjargal Jambaljamts, Chairman of MMC, said, "I'm delighted to report that in 2010, we delivered more than we promised. With our clear and far-reaching vision of developing ourselves into one of the leading mining companies in the region, we set ambitious yet progressive targets guided by a disciplined strategy to ramp up production and build infrastructure to support our expansion. Besides exceeding our production target for 2010 and increasing our annual coal production by 114%, all our infrastructure construction is on track. These achievements, in tandem with robust macroeconomic fundamentals, have supported us in capturing rising market demand and attaining strong revenue and profit growth in 2010."

During the period under review, the Group sold approximately 3.9 million tonnes of coal products at a weighted average selling price of US$70.8 per tonne, representing an approximately 46% year-on-year increase (2009: US$48.2 per tonne). Approximately 62% of these products were sold to end-users and MMC's exports for the year were approximately 24% of Mongolia's total exports of coal products (2009: 19%). During the year under review, our mining cost associated with coals sold was approximately US$20.1 per tonne of coal.

Infrastructure Projects

MMC started the construction of its own CHPP to ensure a consistent supply of high-quality, washed coking coal products and to enhance the Group's profitability and competitive edges. The first module with the processing capacity of 5.0 million tonnes per annum ("Mtpa") is scheduled to commence in the second quarter of 2011, and the second and third 5.0 Mtpa phases are expected to be operational in the second half of 2011 and at the end of 2012, respectively. As of 31 December 2010, the first phase of the CHPP was approximately 88% complete, and the second phase of the CHPP was approximately 22% complete.

To support the operations of the Group's CHPP and production capacity expansion, MMC commenced construction of a 3x6MW on-site power plant in August 2009, which is intended for completion in three phases in the second half of 2011. As of 31 December 2010, approximately 85% of this project had been completed, and the first and the second of the three 6MW generators are expected to go into operations in the second quarter of 2011. Meanwhile, construction of the water supply facility was commenced in early 2010 with a timeline for completion by early 2011. As of 31 December 2010, approximately 95% of the initial stage of the project to supply up to 117 l/sec of water was completed.

Transportation and Logistics

Currently, all the coal from the Group's UHG deposit is transported to customers in China using a combination of self-owned and contracted trucking fleet.

To keep pace with its rapid expansion, MMC plans to enhance its transportation capacity by expanding its truck fleet and improving the transportation infrastructure. Construction of a 245-kilometer paved road parallel to the existing gravel road in use has already commenced. As of 31 December 2010, approximately 65% of the work volume of the entire road was complete. Once finished, the road is expected to have a transportation capacity of up to 18.0 Mtpa,

To further lower transportation costs and increase reliability and efficiency, MMC has secured a railway construction license from the Government of Mongolia to construct a railway directly from its UHG deposit to Gashuun Sukhait ("GS"), the Mongolian side of the China-Mongolia border crossing. The 240-kilometer long railway will take approximately two years to complete and be able to support 15.0 Mtpa upon completion, and is upgradable to 30.0 Mtpa, if required.

Outlook

Dr. Battsengel Gotov, CEO of MMC, said, "2011 promises to be another year of strong demand from China for coking coal and with a positive outlook for coal prices. Looking ahead, we will continue to ramp up our coal mine production as planned while optimizing existing resources and reserves. We expect a further improvement in our profit margin by benefitting from higher pricing of washed coal, reduction in transportation cost and economies of scale in our operations. Upon completion of our CHPP, we will produce washed coal of a consistently high quality and sell it directly to end-users under the UHG brand. We believe that these efforts will significantly increase our market recognition and competitiveness, and in turn create the utmost of value for our shareholders."

The cornerstone of MMC's growth strategy is to expand its coal mine production and to boost its sales of washed hard coking coal. The Group targets to produce 7.0 million tonnes of ROM coal, and wash and process 5.5 million tonnes of ROM coal, respectively, in 2011.

About Mongolian Mining Corporation (MMC)
Mongolian Mining Corporation (MMC; HKSE Stock Code: 975) is a high-quality coking coal producer and exporter in Mongolia. It owns and operates an open-pit Ukhaa Khudag coking coal mine located within the Tavan Tolgoi coal formation in South Gobi, Mongolia.

To learn more about the Company, please visit MMC's website at: www.mmc.mn

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