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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 975)

ANNOUNCEMENT

The Board is pleased to announce that the Share Purchase Agreement was completed on 1 June 2011.

Reference is made to the announcement (the “**Announcement**”) dated 1 June 2011 issued by Mongolian Mining Corporation (the “**Company**”). Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless the context herein requires otherwise.

COMPLETION OF THE SHARE PURCHASE AGREEMENT

The Board is pleased to announce that the Share Purchase Agreement was completed on 1 June 2011.

FURTHER INFORMATION ON THE ANNOUNCEMENT

As stated in the Announcement, the Seller is owned, indirectly, as to 90% by Kerry Mining (Mongolia) and 10% by MCS Minerals LLC. MCS Minerals LLC is owned as to 51% by Mr. Odjargal Jambaljamts (an executive Director and chairman of the Board) and as to 49% by MCS Holding LLC (the controlling shareholder of the Company). Since Mr. Odjargal Jambaljamts and MCS Holding LLC are together only indirectly interested in 10% of the share capital of the Seller, they do not have any right to exercise or control the exercise of any voting power at a general meeting of the Seller or the Target Company. MCS Minerals LLC has no board representation in the Seller, which is completely controlled by Kerry Mining (Mongolia). Accordingly Mr. Odjargal Jambaljamts and MCS Holding LLC are not substantial shareholders of the Target Company.

Based on the calculation of the value of the total assets of the Seller and the value of the Target Company, the Target Company constitutes less than 90% of the total assets of the Seller before the Completion.

For and on behalf of the Board
Mongolian Mining Corporation
Odjargal Jambaljamts
Chairman

Hong Kong, 2 June 2011

As at the date of this announcement, the Board consists of Mr. Odjargal Jambaljamts and Dr. Battsengel Gotov, being the executive Directors, Mr. Gantumur Lingov, Ms. Enkhtuvshin Gombo, Mr. Enkh-Amgalan Luvsantseren, Dr. Oyungerel Janchiv, Mr. Philip Hubert ter Woort and Mr. Batsaikhan Purev, being the non-executive Directors, and Mr. Ochirbat Punsalmaa, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius, being the independent non-executive Directors.