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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 975)

ANNOUNCEMENT SHARE CHARGE BY CONTROLLING SHAREHOLDER

This announcement is made pursuant to Note (3) to Rule 10.07(2) of the Listing Rules.

Reference is made to the Announcement dated 13 October 2010 issued by the Company.

The Company has been advised that MCS Mining Group Limited, pursuant to a facilities agreement dated 9 June 2011 under which loan facilities were granted to each of MCS Holding LLC, MCS International LLC and MCS Property LLC entered into the New Share Charge with Standard Bank Plc, which is an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)). Pursuant to the New Share Charge, MCS Mining Group Limited has agreed to charge 336,650,250 Shares (representing approximately 9 per cent. of the issued Shares as at the date of this announcement) out of the 1,629,699,000 Shares held by it as at the date of this announcement in favour of Standard Bank Plc. The New Share Charge was entered into as part of the security to secure loan facilities granted to MCS Holding LLC, MCS International LLC and MCS Property LLC pursuant to the New Facilities Agreement and further Shares held by MCS Mining Group Limited may be, from time to time, charged under the New Share Charge in order to ensure that MCS Holding LLC, MCS International LLC and MCS Property LLC comply with their obligations under the New Facilities Agreement.

The Company has also been advised that the security created pursuant to the Share Charge will be released on the date of first drawdown under the New Facilities Agreement on which date all amounts outstanding under the Facilities Agreement will be repaid in full.

Reference is made to the announcement (the “**Announcement**”) dated 13 October 2010 issued by the Company. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless the context herein requires otherwise.

This announcement is made pursuant to Note (3) to Rule 10.07(2) of the Listing Rules, which requires the Company to make an announcement when its controlling shareholder has charged its interest in the Shares as security in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) of Rule 10.07(2) of the Listing Rules.

The Company has been advised that MCS Mining Group Limited, a controlling shareholder (as defined in the Listing Rules) of the Company, entered into a charge over Shares to secure liabilities of MCS Holding LLC, MCS International LLC and MCS Property LLC (the “**New Share Charge**”) with Standard Bank Plc which is an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)).

Pursuant to the New Share Charge, MCS Mining Group Limited has agreed to charge 336,650,250 Shares (representing approximately 9 per cent. of the issued Shares as at the date of this announcement) out of the 1,629,699,000 Shares held by it as at the date of this announcement in favour of Standard Bank Plc. The New Share Charge was entered into as part of the security to secure loan facilities granted to MCS Holding LLC, MCS International LLC and MCS Property LLC pursuant to a facilities agreement dated 9 June 2011 (the “**New Facilities Agreement**”) and further Shares held by MCS Mining Group Limited may be, from time to time, charged under the New Share Charge in order to ensure that MCS Holding LLC, MCS International LLC and MCS Property LLC comply with their obligations under the New Facilities Agreement. The New Share Charge is expected to be discharged and released upon full repayment of the loan(s) granted under the New Facilities Agreement.

The Company has also been advised that the security created pursuant to the Share Charge will be released on the date of first drawdown under the New Facilities Agreement on which date all amounts outstanding under the Facilities Agreement will be repaid in full.

This announcement is made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board
Mongolian Mining Corporation
Odjargal Jambaljamts
Chairman

Hong Kong, 13 June 2011

As at the date of this announcement, the Board consists of Mr. Odjargal Jambaljamts and Dr. Battengel 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 Punsalma, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius, being the independent non-executive Directors.