
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Mongolian Mining Corporation (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS, GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company to be held at Gloucester Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on Thursday, 24 May 2012 at 10:00 a.m. is set out on pages 14 to 17 of this circular. A form of proxy for use at the annual general meeting is also enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.mmc.mn).

Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

24 April 2012

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company
“AGM Notice”	the notice convening the AGM as set out on pages 14 to 17 of this circular
“Articles”	the Articles of Association of the Company
“associate(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Mongolian Mining Corporation, an exempted company incorporated in the Cayman Islands with limited liability
“connected person(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to allot, issue and deal with Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution
“Latest Practicable Date”	18 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate to repurchase on the Stock Exchange, or any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers by the Securities and Futures Commission of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

Executive Directors:

Mr. Odjargal Jambaljamts (*Chairman*)

Dr. Battsengel Gotov (*Chief Executive Officer*)

Non-Executive Directors:

Mr. Gantumur Lingov

Ms. Enkhtuvshin Gombo

Mr. Enkh-Amgalan Luvsantseren

Dr. Oyungerel Janchiv

Mr. Philip Hubert ter Woort

Mr. Batsaikhan Purev

Independent Non-Executive Directors:

Mr. Ochirbat Punsalmaa

Mr. Unenbat Jigjid

Mr. Chan Tze Ching, Ignatius

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Principal place of

business in Hong Kong:

Level 28, Three Pacific Place

1 Queen's Road East

Hong Kong

24 April 2012

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

On 21 June 2011, ordinary resolutions were passed to grant to the Directors the Issue Mandate and the Repurchase Mandate to issue Shares and to repurchase Shares respectively and to extend the Issue Mandate to include Shares repurchased under the Repurchase Mandate. These Issue Mandate and Repurchase Mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew the Issue Mandate and the Repurchase Mandate at the AGM.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with information regarding the resolutions to be proposed at the AGM. These resolutions include, among other things, (i) the re-election of the retiring Directors; and (ii) the granting to the Directors of the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate. The resolutions will be proposed at the AGM and are set out in the AGM Notice as contained in this circular.

2. RE-ELECTION OF RETIRING DIRECTORS

In relation to resolution number 2 as set out in the AGM Notice, Dr. Oyungerel Janchiv will retire from the office as non-executive Director, and Mr. Ochirbat Punsalmaa, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius will retire from the offices as independent non-executive Directors at the AGM in accordance with Article 84(1) of the Articles and all retiring Directors, being eligible, will offer themselves for re-election.

Mr. Ochirbat Punsalmaa, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius who have been serving as independent non-executive Directors have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Company considers Mr. Ochirbat Punsalmaa, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius are still independent in accordance with the independence guidelines as set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

Biographical details of the above retiring Directors, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix I to this circular.

3. THE ISSUE MANDATE

At the AGM, an ordinary resolution as set out in resolution number 4 of the AGM Notice will be proposed to the Shareholders to consider and, if thought fit, to grant to the Directors the Issue Mandate to allot, issue and deal with Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution. As at the Latest Practicable Date, the number of Shares in issue were 3,705,036,500. Subject to the passing of the relevant resolution, the maximum number of new Shares to be issued under the Issue Mandate will be 741,007,300 Shares (assuming that there will be no change in the number of Shares in issue between the Latest Practicable Date and the date of AGM).

The Issue Mandate will remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; and (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

LETTER FROM THE BOARD

4. THE REPURCHASE MANDATE

At the AGM, an ordinary resolution as set out in resolution number 5 of the AGM Notice will be proposed to the Shareholders to consider and, if thought fit, to grant to the Directors the Repurchase Mandate to exercise all powers of the Company to repurchase on the Stock Exchange, or on any other stock exchange on which the Shares of the Company may be listed subject to the criteria set out in this circular, Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution.

An explanatory statement containing relevant information relating to the Repurchase Mandate as required by the Listing Rules to be sent to the Shareholders is set out in Appendix II to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate at the AGM.

5. EXTENSION OF THE ISSUE MANDATE

At the AGM, an ordinary resolution as set out in resolution number 6 of the AGM Notice will be proposed that the Issue Mandate be extended by the addition to the aggregate number of share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate number of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate being approved provided that such amount will not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of resolution approving the Issue Mandate.

6. ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 14 to 17 of this circular to consider the resolutions relating to, inter-alia, the re-election of the retiring Directors, the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate.

7. ACTIONS TO BE TAKEN

A form of proxy for use at the AGM is enclosed with this circular and published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.mmc.mn). Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

8. VOTING BY POLL

Pursuant to Rule 13.39 of the Listing Rules and Article 66 of the Articles, any vote of shareholders at a general meeting must be taken by poll. The results of the poll shall be deemed to be the resolution of the general meeting and the poll results will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.mmc.mn).

9. RECOMMENDATION

The Directors consider that the re-election of the retiring Directors and the proposed granting to the Directors of the Issue Mandate, the Repurchase Mandate, and the extension of the Issue Mandate are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the AGM Notice.

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

NON-EXECUTIVE DIRECTOR

Oyungerel JANCHIV, aged 57, is a non-executive Director. She was appointed as a non-executive Director on 16 September 2010. She is a representative of Petrovis Resources Inc., a substantial shareholder of the Company. Between 1979 and 1982, Dr. Janchiv served as a petroleum economist at the Oil Supply Management Authority. From 1988-1990, she served as a chief economist at the Oil Supply Management Authority. From 1990 to 1996, she was the general director of the board of directors of the Neft Import Concern and was responsible for managing the importation and distribution of petroleum products. Since 1996, Dr. Janchiv has been the Chairperson and General Director of Petrovis LLC, the largest petroleum import and distribution company in Mongolia. Dr. Janchiv is also a non-executive Director and non-executive chairperson of Petro Matad Limited, a subsidiary of Petrovis LLC, engaged in oil exploration and listed on the London Stock Exchange. Dr. Janchiv was awarded a diploma of engineer-economist for the petroleum and gas industry and a PhD by the Gubkin State University of Oil and Gas in Moscow, Russia.

Save as disclosed above, Dr. Janchiv did not hold any other position with the Company and other members of the Group. Dr. Janchiv did not hold any directorship in the public listed companies in Hong Kong or overseas in the last three years.

Dr. Janchiv has entered into a letter of appointment with the Company under which she has agreed to act as non-executive Director commencing from 13 October 2010, being the date of the listing of the Shares on the Stock Exchange, for an initial term of two years. Dr. Janchiv is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles. In addition, Dr. Janchiv is entitled to receive a director's fee of USD18,000 per annum which is determined by the Board with reference to her duties and responsibility with the Company, the Company's performance and the prevailing market condition. Dr. Janchiv received directors' emoluments in the total sum of USD19,000 for the year ended 31 December 2011.

As at the Latest Practicable Date, Dr. Janchiv was deemed to be interested in 338,500,000 Shares held by Petrovis Resources Inc., a substantial shareholder of the Company, within the meaning of Part XV of the SFO. Dr. Janchiv is a shareholder holding approximately 33.4% shares in Petrovis LLC which in turn holds the entire interest in Petrovis Resources Inc. Save as disclosed above, Dr. Janchiv does not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Dr. Janchiv that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ochirbat PUNSALMAA, aged 70, is an independent non-executive Director. Mr. Punsalmaa was appointed as an independent non-executive Director on 16 September 2010. Mr. Punsalmaa is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. During 1972 to 1990, Mr. Punsalmaa held various positions with the Government of Mongolia, including deputy minister of the ministry of power energy and mining, minister of the ministry of fuel and power energy of Mongolia, chairman of the state committee of external economic relations and cooperation of Mongolia and minister of the external economic relation of Mongolia. Mr. Punsalmaa was the President of Mongolia between 1990 and 1997. Since 1997, he has been the chairman of the board of Ochirbat Foundation. He was awarded a PhD in Technical Sciences from the Moscow Mining Institute, and Honorary Doctorate from Dankook University, South Korea, Mongolian Technical University and Saint Petersburg Mining Institute, Russia. Mr. Punsalmaa was credited as a Barrister Emeritus by the School of Law, Texas Wesleyan University, United States. He is the Academician of Mongolian Academy of Sciences since July 2011.

Save as disclosed above, Mr. Punsalmaa did not hold any other position with the Company and other members of the Group. Mr. Punsalmaa did not hold any directorship in the public listed companies in Hong Kong or overseas in the last three years.

Mr. Punsalmaa has entered into a letter of appointment with the Company under which he has agreed to act as independent non-executive Director commencing from 13 October 2010, being the date of the listing of the Shares on the Stock Exchange, for an initial term of two years. Mr. Punsalmaa is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles. In addition, Mr. Punsalmaa is entitled to receive a director's fee of USD18,000 per annum which is determined by the Board with reference to his duties and responsibility with the Company, the Company's performance and the prevailing market condition. He is also entitled to receive an additional remuneration of USD2,000 per committee per annum. Mr. Punsalmaa received directors' emoluments in the total sum of USD25,000 for the year ended 31 December 2011.

As at the Latest Practicable Date, Mr. Punsalmaa did not have any interest in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Punsalmaa does not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Mr. Punsalmaa that need to be brought to the attention of the Shareholders.

Unenbat JIGJID, aged 49, is an independent non-executive Director. Mr. Jigjid was appointed as an independent non-executive Director on 16 September 2010. Mr. Jigjid is the Chairman of the Corporate Governance Committee and a member of the Audit Committee, Nomination Committee and Remuneration Committee. From 1990 to 2000, Mr. Jigjid held various positions in the Bank of Mongolia, including economist, senior economist, director of the monetary policy department and governor. During the period from 2000 to 2006, Mr. Jigjid was the executive director of the Mongolian Bankers Association. Since 2009, Mr. Jigjid has been an executive director of the Corporate Governance Development Center in Mongolia. He is also a member of the supervisory board of the Bank of Mongolia and the board of Micro Finance Development Fund. From October 2010, Mr. Jigjid serves as a director of Golomt Bank and Resources Investment Capital. He was also appointed as a board member of Open Society Forum, Mongolia in March 2011. Mr. Jigjid was awarded a master's degree in economics by the Moscow Institute of Economics and Statistics, Russia, and a master's degree in international affairs by Columbia University, United States.

Save as disclosed above, Mr. Jigjid did not hold any other position with the Company and other members of the Group. Mr. Jigjid did not hold any directorship in the public listed companies in Hong Kong or overseas in the last three years.

Mr. Jigjid has entered into a letter of appointment with the Company under which he has agreed to act as independent non-executive Director commencing from 13 October 2010, being the date of the listing of the Shares on the Stock Exchange, for an initial term of two years. Mr. Jigjid is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles. In addition, Mr. Jigjid is entitled to receive a director's fee of USD18,000 per annum which is determined by the Board with reference to his duties and responsibility with the Company, the Company's performance and the prevailing market condition. He is also entitled to receive an additional remuneration of USD1,000 and USD6,000 for acting as member and chairman respectively per committee per annum. Mr. Jigjid received directors' emoluments in the total sum of USD27,000 for the year ended 31 December 2011.

As at the Latest Practicable Date, Mr. Jigjid did not have any interest in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Jigjid does not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Mr. Jigjid that need to be brought to the attention of the Shareholders.

CHAN Tze Ching, Ignatius, aged 55, is an independent non-executive Director. Mr. Chan was appointed as an independent non-executive Director on 16 September 2010. Mr. Chan is the Chairman of the Audit Committee and member of the Corporate Governance Committee. From 1980 to 2007, Mr. Chan held various positions with Citigroup, including management associate, country treasurer and head of sales and trading, head of corporate banking business for Hong Kong, country officer for Taiwan, chief operating officer for Greater China, country officer for Hong Kong and head of corporate and investment banking business for Greater China. In 2008, he was the deputy chief executive of the Bank of China (Hong Kong) Limited. Mr. Chan was appointed as a senior advisor of The Bank of East Asia Limited in March 2009 and of CVC Capital Partners Limited in November 2010. He was appointed as an Honorary Advisory Vice President of The Hong Kong Institute of Bankers in February 2011. Mr. Chan is a member of the Disciplinary Appeals Committee of the Hong Kong Securities Clearing Company Limited and an independent non-executive director of Hong Kong Exchanges and Clearing Limited, the shares of which are listed on the Stock Exchange. He was appointed as non-executive director of Rizal Commercial Banking Corporation, the shares of which are listed on the Philippines Stock Exchange in November 2011. Mr. Chan was awarded bachelor's and master's degrees in business administration from the University of Hawaii, United States, and is a Certified Public Accountant with the American Institute of Certified Public Accountants.

Save as disclosed above, Mr. Chan did not hold any other position with the Company and other members of the Group. Mr. Chan did not hold any directorship in the public listed companies in Hong Kong or overseas in the last three years.

Mr. Chan has entered into a letter of appointment with the Company under which he has agreed to act as independent non-executive Director commencing from 13 October 2010, being the date of the listing of the Shares on the Stock Exchange, for an initial term of two years. Mr. Chan is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles. In addition, Mr. Chan is entitled to receive a director's fee of HKD450,000 per annum which is determined by the Board with reference to his duties and responsibility with the Company, the Company's performance and the prevailing market condition. Mr. Chan received directors' emoluments in the total sum of USD58,000 for the year ended 31 December 2011.

As at the Latest Practicable Date, Mr. Chan did not have any interest in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Chan does not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 3,705,036,500 Shares in issue.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 370,503,650 Shares, being 10% of the issued share capital of the Company as at the date of the AGM, during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; and (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association and Articles and the applicable laws of the Cayman Islands. Under the Cayman Islands laws, any repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital and, in the case of any premium payable on a repurchase, such premium must be provided for out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

4. IMPACT OF REPURCHASES

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2011) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which, in the opinion of the Board, are from time to time appropriate for the Company.

5. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date:

Month	Share Prices Per Share	
	Highest HK\$	Lowest HK\$
2011		
April	10.22	8.86
May	9.55	8.95
June	9.81	9.09
July	9.88	9.35
August	9.75	7.91
September	8.96	6.53
October	7.50	4.94
November	7.01	5.15
December	6.60	5.62
2012		
January	6.70	5.56
February	7.70	6.18
March	8.27	7.00
April (<i>up to the Latest Practicable Date</i>)	8.05	6.02

6. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

The Company has not been notified by any connected person that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

7. EFFECT OF TAKEOVERS CODE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Odjargal Jambaljamts, a Director, Mr. Od Jambaljamts, Mr. Enkh-Angalan Luvsantseren, a Director, and seven other individuals (collectively defined as Ultimate Individual Beneficial Owners in the announcement of the Company dated 3 April 2012 and altogether taken as parties acting in concert) were interested in 1,609,962,692 Shares, representing approximately 43.45% of the issued share capital of the Company. In the event that the Directors exercise in full the Repurchase Mandate, and assuming that there is no change in the issued share capital of the Company and the shareholdings of the parties above mentioned, as at the date of the passing of the relevant resolution granting the Repurchase Mandate, the percentage shareholdings of the parties above mentioned would be increased to approximately 48.28% of the issued share capital of the Company, thus giving rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to repurchase Shares to such extent which would result in an obligation to make a mandatory offer under Rules 26 of the Takeovers Code.

Save as disclosed above, the Directors are not aware of any other consequence which would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

8. SHARE REPURCHASE BY THE COMPANY

No Shares had been repurchased by the Company, whether on the Stock Exchange or otherwise, during the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “Meeting”) of Mongolian Mining Corporation (the “Company”) will be held at Gloucester Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on Thursday, 24 May 2012 at 10:00 a.m. for the following purposes:

1. To consider and adopt the audited consolidated financial statements, the Company’s audited financial statements and the reports of the directors of the Company (the “Directors”) and of the auditor of the Company for the year ended 31 December 2011.
2. To re-elect the retiring directors and to authorise the board (“the Board”) of directors (the “Directors”) of the Company to fix the remuneration of the Directors.
3. To re-appoint KPMG as auditor of the Company and to authorise the Board to fix their remuneration.
4. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of the shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to a rights issue or pursuant to the exercise of any subscription rights which are or may be granted under any option scheme or any scrip dividend scheme or similar arrangement, any adjustment of rights to subscribe for shares under options and warrants or a special authority granted or to be granted by the shareholders of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the approval in paragraph (a) of this resolution shall be limited accordingly; and
 - (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
5. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirement of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution; and

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- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
6. To consider and, if thought fit, pass, with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** conditional upon the passing of ordinary resolutions number 4 and 5 as set out in the notice convening this Meeting, the general mandate granted to the directors to allot, issue and deal with additional shares in the capital of the Company pursuant to ordinary resolution number 4 set out in the notice convening the Meeting be and is hereby extended by the addition thereto the aggregate nominal amount of shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution number 5 set out in the notice convening the Meeting provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

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

Hong Kong, 24 April 2012

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (a) A member entitled to attend and vote at the Meeting may appoint a proxy or, if holding two or more shares, more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (b) To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof must be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or adjournment thereof.
- (c) For determining the entitlement to attend and vote at the Meeting, the Register of Members will be closed from Monday, 21 May 2012 to Thursday, 24 May 2012, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 18 May 2012.