For Immediate Release

MMC Announces 2012 Interim Results

Revenue Increased by 71.1% to US$233.0 Million

Highlights

(US$ million)	*For the six months ended 30 June*		Growth
	2012	2011	
Revenue	**233.0**	136.2	+71.1%
EBITDA	**67.2**	28.1	+139.6%
Profit attributable to the equity shareholders of the Company	**31.0**	19.8	+56.2%
Earnings per share – Basic and diluted (US cents)	**US0.84 cents**	US0.54 cents	+55.5%

HONG KONG, 8 August 2012 – **Mongolian Mining Corporation** ("MMC", or together with its subsidiaries, the "Group"; HKEx: 975) today announced its interim results for the six months ended 30 June 2012. MMC is principally engaged in the open-pit mining of coking coal at the Ukhaa Khudag ("UHG") coking coal deposit, which is located within the Tavan Tolgoi coal formation, as well as the Baruun Naran ("BN") coking coal deposit, both located in South Gobi, Mongolia.

For the six months ended 30 June 2012, the Group recorded revenue of approximately US$233.0 million, 71.1% higher than the US$136.2 million recorded in the same period of the previous year. The increase was primarily attributable to an increase in sales volume and shift to washed coal sales.

During the period under review, the Group's earnings before interest, tax, depreciation and amortization ("EBITDA") was approximately US$67.2 million. This marks an increase of 139.6% from US$28.1 million for the same period last year.

Profit attributable to the Company's equity shareholders was approximately US$31.0 million, representing an increase of approximately US$11.2 million or 56.2%, compared with US$19.8 million in same period of 2011, mainly due to the commencement of sales of washed hard coking coal, an increase in sales volume and a decrease in general and administrative expenses.

In the first half of 2012, the Group's coal mining operations have continued to ramp up as scheduled. It achieved a ROM coal production at the UHG mine of approximately 3.7 million tonnes, a year-on-year increase of approximately 48.0% (2011H1: 2.5 million tonnes). While the BN mine, which commenced commercial coal mining operations in February 2012, achieved ROM coal production of approximately 0.4 million tonnes (2011H1: nil).

The Group's CHPP processed approximately 3.0 million tonnes of total ROM coal delivered from the UHG and BN mines and produced an approximate total of 2.1 million tonnes of washed coal products during the period under review. The Group sold 2.4 million tonnes of coal (2011H1: 1.4 million tonnes), of which 1.3 million tonnes were washed hard coking coal. ASP of coking coal products was approximately USD128.5 per tonne, representing a 34.4% increase over the corresponding period in 2011 of USD95.6 per tonne.

Mr. Odjargal Jambaljamts, Chairman of MMC, said, "I am delighted to announce that in the reporting period MMC has steadily continued its path to becoming one of the leading mining corporations in the region despite challenging market conditions, and the Group has achieved significant milestones in its long-term business growth objectives. We have launched our UHG-GS Railway project which will ensure sustainable and environmentally friendly coal transportation solution to enhance an efficiency, reliability and safety of transportation operations. We have successfully continued to ramp up coal production and to expand coal processing capacity and to deliver to the market washed coal products under our own brand name. We are confident that our business will stay on growth track and continue its strong performance."

The most significant milestone achieved in the Group's long-term development and sustainable business growth objective during the period under review was the commencement of construction of UHG-GS Railway base infrastructure. In May 2012, the Group entered into a Concession Agreement with the Government of Mongolia ("GoM") to build and operate the railway base infrastructure between the Ukhaa Khudag coking coal mine and the Gashuun Sukhait border check point of Mongolia. The UHG-GS Railway is expected to improve the efficiency and reliability of the Group's coal transportation operations while further reducing its transportation costs. It will also improve safety and reduce the environmental impact of its coal transportation operations. As of now, the railway will be completed in the second half of 2014 and is expected to be fully operational in 2015.

In March 2012, MMC successfully issued US$600.0 million in Guaranteed Senior Notes, rated B1/B+, due in 2017 ("Notes") and bearing a coupon of 8.875%, making it the largest bond out of Mongolia to date and the first 144A issuer from Mongolia. This was an important milestone in the development of the Group's capital structure, and proceeds from the Senior Notes will primarily be allocated to financing the Group's UHG-GS Railway construction project.

To match the Group's continuous expansion in coal production, MMC has been increasing its coal handling and processing capacity. After the relevant Mongolian governmental authorities commissioned the second phase of the CHPP in February 2012, the Group's coal handling and processing capacity has reached 10 million tonnes on an annualized basis. Meanwhile, the third phase of the CHPP is slated for completion by the end of 2012, which will expand the Group's total processing annual capacity to 15 million tonnes.

With its own CHPP operations, the Group is enabled to produce and sell washed coal products under the MMC's brand name, reduce logistics costs, expand its end-user customer base and boost its competitiveness in the international market. While remaining focused on the Chinese market as the primary destination for its coal products and has expanded its relations with its Chinese customers, during the period under review, the Group successfully delivered initial bulk shipments of approximately 53,300 tonnes of its washed premium hard coking coal via the Russian Far East port of Nakhodka to seaborne market customers, namely Sumitomo Corporation in Japan, Mesco Steel in India and China Steel in Taiwan.

Dr. Battsengel Gotov, CEO of MMC, said, "MMC has solidified its position as a leading coking coal producer and exporter in Mongolia. We continue with planned production ramp up at UHG mine and early this year, we have launched commercial mining operations at our BN mine. The successful execution of our development strategy in past years has resulted in sales volume and revenue growth. Thus, while maintaining and reducing our costs, we shifted to washed coking coal sales achieving higher ASP compared to raw coking coal sales. In March 2012, we have successfully tapped the debt capital markets, raising US$600 million from 144A bond offerings to secure our strong cash position. It will support the continuing implementation of our development plans, in particular UHG-GS railway construction, as we look to reduce transportation costs yet further, which will in turn create the utmost value for our shareholders."

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About Mongolian Mining Corporation (MMC)

Mongolian Mining Corporation (MMC, or together with its subsidiaries, the "Group"; HKEx: 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 HKEx in October 2010, and was selected as a constituent stock on 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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