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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised by the Joint Global Coordinators on behalf of the International Underwriters on October 18, 2010 requiring the Company to issue and allot 107,914,000 additional Shares (the “**Over-allotment Shares**”), representing approximately 15% of the Offer Shares initially being offered under the Global Offering.

The Over-allotment Shares will be issued and allotted by the Company at HK\$7.02 per Share (excluding brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

The Company announces that the Over-allotment Option has been exercised by the Joint Global Coordinators on behalf of the International Underwriters on October 18, 2010 to require the Company to issue and allot 107,914,000 additional Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering.

The Over-allotment Shares will be issued and allotted by the Company at HK\$7.02 per Share (excluding brokerage of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering. The Over-allotment Shares will be used to, among other things, cover over-allocations in the International Placing.

Listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Hong Kong Stock Exchange. Listing of and dealings in such Over-allotment Shares are expected to commence on the Main Board of the Hong Kong Stock Exchange at 9:30 a.m. on October 21, 2010.

The shareholding structure of the Company immediately before and immediately after the issue and allotment of the Over-allotment Shares by the Company is as follows:

Shareholders	Immediately before the issue and allotment of the Over-allotment Shares		Immediately after the issue and allotment of the Over-allotment Shares	
	Number of Shares	Approximate percentage of issued share capital	Number of Shares	Approximate percentage of issued share capital
MCS Mining Group Limited	1,629,669,000 ⁽¹⁾	45.3%	1,629,669,000	44.0%
Petrovis Resources Inc.	423,000,000	11.8%	423,000,000	11.4%
Shunkhlai Mining	183,000,000	5.1%	183,000,000	4.9%
European Bank for Reconstruction and Development	114,029,000	3.2%	114,029,000	3.1%
Kerry Mining (UHG) Limited	300,000,000	8.3%	300,000,000	8.1%
Ancora Investments No.2 Limited	228,000,000	6.3%	228,000,000	6.2%
Other Public Shareholders	719,424,500	20.0%	827,338,500	22.3%
Total	3,597,122,500	100%	3,705,036,500	100%

Note:

- (1) This includes 107,914,000 Shares lent to Citigroup Global Markets Asia Limited or its affiliate pursuant to the stock borrowing agreement dated October 5, 2010. Currently, it is expected that Citigroup Global Markets Asia Limited, through its affiliate, will return 107,914,000 borrowed Shares to MCS Mining Group Limited on or around October 21, 2010.

The additional net proceeds to be received by the Company upon issue and allotment of the Over-allotment Shares are estimated to be approximately HK\$738.6 million which will be used by the Company for the same purposes on a pro-rata basis as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

By order of the Board
Mongolian Mining Corporation
Mr. Odjargal Jambaljamts
Chairman

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

HONG KONG, October 18, 2010