For Immediate Release

MMC Announces 2011 Annual Results

Net Profit Surged by 98.2% to US$119.1 Million

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Successfully Transformed into a Fully-Fledged Coal Mining, Processing, Transportation and Marketing Platform

Highlights

- Achieved run-of-mine ("ROM") coal production of approximately 7.1 million tonnes for the full year of 2011, surpassing the target of 7.0 million tonnes, representing a year-on-year increase of 82.1%
- Sold approximately 4.8 million tonnes of coal as a combination of raw and washed hard coking coal
- Average selling price ("ASP") was USD113.9 per tonne, up by 60.9% on year-on-year basis
- Second phase of the coal handling and preparation plant ("CHPP") construction works were completed and facility commissioned in February 2012. It is expected to double the Group's coal processing ROM coal in-feed capacity to at least 10.0 million tonnes per annum
- Paved road construction was completed and commissioned in October 2011, the estimated throughput capacity is around 18.0 million tonnes per annum
- Acquired 100% interest in the Baruun Naran coking coal mine ("BN mine"), expanding the Group's footprint in Mongolia and solidifying its leadership in the country's coking coal industry
- 2012 ROM coal production target for Ukhaa Khudag ("UHG") mine maintained at 10.7 million tonnes and for Baruun Naran ("BN") mine set at 1.0 million tonnes

(USD million)	*For the year ended 31 December*		% Increase
	2011	2010	
Revenue	**542.6**	277.5	95.5%
Gross profit	**206.2**	113.1	82.3%
Profit attributable to the equity shareholders of the Company	**119.1**	60.1	98.2%
Basic earnings per share (US cents)	**USD3.21 cents**	USD1.91 cents	68.1%
Diluted earnings per share (US cents)	**USD3.07 cents**	USD1.91 cents	61.1%

HONG KONG, 7 March 2012 – **Mongolian Mining Corporation** ("MMC", or together with its subsidiaries the "Group"; HKEx: 975), today announced its annual results for the year ended 31 December 2011. During the year under review, the Group recorded revenue of approximately

USD542.6 million, 95.5% higher than the USD277.5 million in the same period of the previous year. The increase was primarily attributable to increases in the ASP and sales volume.

Profit attributable to the equity shareholders of the Company was approximately USD119.1 million (2010: USD60.1 million), up 98.2%. Net profit margin was approximately 21.9% in 2011 (2010: 21.7%). The basic and diluted earnings per share attributable to the equity shareholders of the Company amounted to USD3.21 cents and USD3.07 cents, respectively, for the year ended 31 December 2011 (2010: USD1.91 cents and USD1.91 cents).

In view of the major production and infrastructure development projects committed or being planned by the Company, the Board decided not to pay any dividend for the year ended 31 December 2011 despite MMC's record earnings (dividends in 2010: nil).

Mr. Odjargal Jambaljamts, Chairman of MMC, said, "In 2011, by completing all of the Group's major production and infrastructure development projects in line with its strategic objectives, MMC has been transformed into a fully-fledged coal mining, processing, transportation and marketing platform. We have also become Mongolia's largest producer of coking coal and the sole exporter of washed coking coal. The first phase of our CHPP, the first of its kind in Mongolia, was commissioned in Q2 2011, enabling us to produce and sell washed coking coal products under our brand names and to boost our competitiveness in the international market by expanding our end-user customer base. The CHPP project is an essential driver to our growth, especially with the Mongolian government's policies to promote the growth of the mining and minerals processing industry in the country."

Mr. Jambaljamts went on to report that "Another significant achievement in 2011 was the acquisition of the sizable BN coking coal asset. It has not only transformed MMC into a multiple asset business platform, but has also expanded our coking coal business and footprint in Mongolia. These accomplishments mark a milestone in realizing our pursuit of becoming one of the leading mining companies in the region. We believe that our business will continue to emerge stronger."

For the year ended 31 December 2011, the Group's production of ROM coal reached approximately 7.1 million tonnes, surpassing its target of 7.0 million tonnes, a year-on-year increase of approximately 82.1% (2010: 3.9 million tonnes).

In 2011, the Group sold approximately 4.8 million tonnes of coking coal (2010: 3.9 million) at an average selling price of USD113.9 per tonne (2010: USD70.8 per tonne), representing a year-on-year increase of approximately 60.9%. The Group's coal exports account for about 22.7% of Mongolia's total coal exports.

With the commencement of the sale of washed hard coking coal products, the Group achieved an ASP of approximately USD155.6 per tonne, 63.8% higher compared to the ASP of USD95.0 per tonne of unwashed hard coking coal.

During the year under review, the Group's unit mining cost associated with coal sold was approximately USD25.3 per tonne of coal (2010: USD20.1). The cost component incurred by the implementation of VAT law provisions for the export of processed and raw minerals is about USD3.0 per tonne. As the Group will continue to be the only producer of washed hard coking coal in Mongolia, we are ideally positioned to benefit from the advantage of enjoying a zero rate VAT. In 2011, the Group's unit processing costs associated with washed coal sold was approximately USD14.4 per tonne.

Dr. Battsengel Gotov, CEO of MMC, said, "We are in the midst of a phase of rapid growth and are confident that we will benefit from better economies of scale in our operations as we move forward in implementing our strategy to increase production volume. Looking ahead, MMC will continue to ramp up its coal mine production as planned and at the same time, optimise its existing resources and reserves. With the completion of the CHPP, MMC is now able to produce washed coal with a consistently high quality."

Based on the Group's performance this year to date, the monthly average output of over 900,000 tonnes of ROM coal for Q4 2011, the well-established cooperation with its mining contractor Leighton, and with all major mining equipment delivered to the UHG mine site as planned, MMC is confident that its ROM coal production target of 10.7 million tonnes for the UHG mine in 2012 is achievable.

To expand the Group's coal processing capacity as planned, the second and third phases of the CHPP, which each have a capacity of 5 million tonnes per annum (Mtpa), are expected to be operational in Q1 2012 and by the end of 2012, respectively. Upon completion, it will significantly boost the Group's production volume of washed hard coking coal.

In Q4 2011, the Group successfully completed and commissioned the paved road between the UHG coal mine and the Gashuun Sukhait ("GS") border crossing between Mongolia and China for its own coal transportation operations. The full utilization of the paved road is expected to bring the advantage of cost savings and to improve MMC's capabilities in transportation between its UHG deposit and the GS border crossing, allowing the Group to continue to increase the volume of its coal exports to China.

Successfully commissioned on 1 February 2012 by the State Commission, which comprises specialists from various government agencies of Mongolia, the Group's second mine at the BN deposit will commence operation, targeting approximately 1.0 million tonnes of ROM coal production in 2012. MMC will aim to maximize synergies between the operations at the UHG and BN mines.

Dr. Battsengel Gotov, CEO of MMC, concluded, "The outlook for coking coal demand in China remains positive, and Mongolian coal producers are ideally positioned to capture the market opportunities as Mongolia has grown to become the largest coking coal supplier to China, accounting for approximately 45% of its total import volume in 2011. Leveraging on the growing demand for coking coal in China and our efforts in expanding our coal production capacity and sales of washed coking coal, we are confident that MMC will continue to solidify its position as a leading coking coal producer and exporter in Mongolia, and will in turn create the utmost of 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.

In June 2011, MMC's coal handling and preparation plant ("CHPP") at the UHG mine was successfully commissioned. The first of its kind in Mongolia, the new plant enables the Company to boost its competitiveness in the world market and solidifies MMC's position as the leading coking coal miner in Mongolia.

To learn more about the Company, please visit MMC's website at: www.mmc.mn

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