For Immediate Release

Mongolian Mining Corporation Announces 2012 Annual Results

Washed coking coal sales volume grew 140% year-on-year to 3.6 million tonnes in 2012

HONG KONG, 12 March 2013 – **Mongolian Mining Corporation** ("MMC", or together with its subsidiaries the "Group"; SEHK: 975), today announced its annual results for the year ended 31 December 2012.

During the year under review, the Group's combined run-of-mine ("ROM") coal production at UHG and BN mines reached approximately 9.4 million tonnes, representing an increase of around 32% compared to 7.1 million tonnes in 2011.

Total processed ROM coal volume reached approximately 7.4 million tonnes in 2012, representing a significant year-on-year increase of around 196%, and approximately 5.5 million tonnes of marketable coal products were produced, representing a combined processing yield of 74.5%.

The Group sold approximately 5.6 million tonnes of coal products in 2012, about 17% more than 4.8 million tonnes in the previous year. Washed coking coal sales volume grew 140% year-on-year to reach 3.6 million tonnes.

In 2012, the Group recorded revenue of approximately USD474.5 million. Notably, revenue of USD371.2 million was generated from washed hard coking coal sales, representing more than 78% of total revenue in 2012 compared to USD235.2 million and 43%, respectively in the previous year.

Following the negative trend for coking coal in the global market in 2012 and due to challenging market conditions in China as demand from steel mills and coke plants were affected by global economic conditions, the ASP of the Group's washed hard coking coal was approximately USD108.4 per tonne, compared to USD155.6 per tonne for the previous year.

This resulted in losses attributable to the equity shareholders of the Company of approximately USD2.5 million in 2012, compared to a profit of USD119.1 million in 2011. Apart from the decrease in the ASP of coking coal products as mentioned above, another major one-off factor contributing to the loss was an unrealized ROM coal stockpile loss of USD9.0 million.

As a cost-effective coal producer, the Group managed to lower its unit mining costs in 2012. For the year ended 31 December 2012, the UHG mine unit mining cost was USD16.3 per ROM tonne, almost 18% lower compared to USD19.8 per ROM tonne reported in 2011. The reduction in unit mining costs was attributable to economies of scales and the shift to sales of washed coal products, which entitled the Group to VAT rebates.

Mr. Odjargal Jambaljamts, Chairman of MMC, said, “Despite challenging market conditions for the entire coal industry in 2012, MMC continued to implement its strategy of creating a fully integrated coking coal mining, processing, transportation and marketing platform. As a result, we have solidified our position as the largest coal producer and exporter of washed coking coal in Mongolia. Committed to our initiatives for internal improvements to infrastructure, we have consolidated our foundation for future business growth.”

In line with MMC’s development objectives, the Coal Handling and Preparation Plant (“CHPP”) second module was commissioned in February 2012, boosting the Group’s total annual processing capacity to 10.0 million tonnes. Construction of the CHPP third module was completed by the end of 2012 and its commissioning is expected to take place in the first half of 2013. Following this, the Group’s total coal processing annual capacity will be expanded to 15.0 million tonnes.

The CHPP has enabled the Group to produce and sell washed coking coal products under its brand name, further strengthening its position as a reliable supplier of high quality coking coal products, expanding its end-user customer base, and boosting its competitiveness in the international market.

While the Chinese market remains the primary destination for its coal products, the Group has started exploring diversification opportunities and has successfully delivered initial bulk shipments of its washed hard coking coal to customers at seaborne market such as Japan, India and Taiwan.

Dr. Battsengel Gotov, CEO of MMC, said, “The year 2012 was a challenging yet productive year for the Group, as we made significant progress in optimizing our fully integrated business platform in line with our strategic development initiatives. As the Group enters 2013, the Management believes that the gradual recovery in coking coal prices will continue. With the vast majority of development projects related capital expenditure completed, and by virtue of our robust production profile, MMC is well positioned to grow by pursuing our strategic objectives in 2013.”

About Mongolian Mining Corporation (MMC)

Mongolian Mining Corporation (MMC, SEHK: 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 SEHK in October 2010, and was selected as a constituent stock of the FTSE Hong Kong Index in March 2012. To learn more about the Company, please visit MMC’s website at: www.mmc.mn

For further enquiries, please contact Hill + Knowlton Strategies:

Ho Kang	Nicholas Worley
Tel: (852) 2894 6257	Tel: (852) 2894 6313
Email: mmc@hkstrategies.com	

- End -