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MONGOLIAN MINING CORPORATION
(Incorporated in the Cayman Islands with Limited Liability)
(Stock Code: 975)

PROFIT WARNING ANNOUNCEMENT

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, after a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2012, the Group is expected to record a consolidated loss for the year ended 31 December 2012 as compared to a consolidated profit recorded for the year ended 31 December 2011.

The information contained in this announcement is solely based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Group, which has not yet been reviewed nor audited by the independent external auditors of the Company.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

The Board also notes that the recent media reports regarding certain interruptions of coal supply from Mongolia to China are not related in any form to the Group's operations and the Group is continuing with coal export shipments to its customers in China.

This announcement is made by Mongolian Mining Corporation (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**").

The board of directors (the "**Board**") of the Company wishes to inform shareholders of the Company (the "**Shareholders**") and potential investors that, after a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2012, the Group is expected to record a consolidated loss for the year ended 31 December 2012 as compared to a consolidated profit recorded for the year ended 31 December 2011.

Based on the information currently available to the Group, the Board believes that the loss for the year ended 31 December 2012 is mainly attributable to:

- (i) a decrease of prices for coking coal products supplied by the Group due to market conditions in its principal market, the People's Republic of China, as demand from steel mills and coke plants was affected by global economic conditions;
- (ii) an increase in the Group's finance costs due to the issue of Guaranteed Senior Notes in March 2012; and
- (iii) an increase in the Group's costs related to accounting for inventory loss provisions.

Although the above factors have impacted the Group's financial results for the year ended 31 December 2012, the Board continues to believe that the Group is currently well funded with a strong cash position and remains well positioned to continue to pursue its strategic objectives and operational targets.

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 December 2012. The information contained in this announcement is solely based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2012 and the information currently available to the Group, which has not yet been reviewed nor audited by the independent external auditors of the Company. The annual results announcement of the Company for the year ended 31 December 2012 is expected to be published in March 2013. Shareholders and potential investors are advised to read the annual results announcement of the Company when it is published.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

The Board also notes that the recent media reports regarding certain interruptions of coal supply from Mongolia to China are not related in any form to the Group's operations and the Group is continuing with coal export shipments to its customers in China.

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

Hong Kong, 21 January 2013

As at the date of this announcement, the board of directors of the Company consists of Mr. Odjargal Jambaljamts and Dr. Battsengel Gotov, being the executive directors of the Company, Mr. Batsaikhan Purev, Dr. Oyungerel Janchiv, Mr. Od Jambaljamts and Ms. Enkhtuvshin Gombo, being the non-executive directors of the Company, and Mr. Ochirbat Punsalmaa, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius, being the independent non-executive directors of the Company.