

For illustrative purpose only, the unaudited pro forma financial information prepared in accordance with Rule 4.29 of the Listing Rules is set forth below to provide prospective investors with further information on (i) how the proposed listing might have affected the financial position of the Group after completion of the Global Offering; (ii) how the proposed listing might have affected the unaudited pro forma forecast earnings per Share for the year ending December 31, 2010.

The unaudited pro forma financial information is derived according to a number of adjustments. Although reasonable care has been exercised in preparing such information, prospective investors who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the actual financial performance and condition of the Group during the Track Record Period or any future date or period.

The information set forth in this appendix does not form part of the Accountants' Report received from KPMG, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets of the Group is prepared based on the combined net assets of the Group as at April 30, 2010, as shown in the Accountants' Report, the text of which is set out in Appendix I to this prospectus and adjusted as follows:

	Adjusted combined net tangible assets attributable to the equity shareholders of the Company as at April 30, 2010 ⁽¹⁾	Add: Estimated net proceeds from the Global Offering ⁽²⁾	Unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of the Company	Unaudited pro forma adjusted combined net tangible assets per Share ⁽³⁾	
	US\$ 000	US\$ 000	US\$ 000	US\$	HK\$
Based on an Offer Price of HK\$6.48 per Offer Share . . .	51,289	477,239	528,528	0.15	1.14
Based on an Offer Price of HK\$7.56 per Offer Share . . .	51,289	557,812	609,101	0.17	1.31

Notes:

- (1) *The adjusted combined net tangible assets attributable to the equity shareholders of the Company as at April 30, 2010 represented the combined net assets attributable to the equity shareholders of the Company which were extracted from the Accountants' Report as set out in Appendix I to this prospectus.*
- (2) *The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK\$6.48 and HK\$7.56 per Offer Share, respectively, after deduction of the underwriting fees and other related expenses payable by the Company. No account has been taken of any Shares which may be issued pursuant to any exercise of Over-allotment Option or the Share Option Scheme.*
- (3) *The unaudited pro forma adjusted combined net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis of 3,597,122,500 Shares are in issue assuming that the Global Offering has been completed on April 30, 2010. No account has been taken of any Shares which may be issued pursuant to the exercise of the Over-allotment Option or the Share Option Scheme.*
- (4) *The Group's property interests as at June 30, 2010 have been valued by American Appraisal China Limited, an independent property valuer, the relevant property valuation report is set out in Appendix IV to this prospectus, "Property Valuation". The revaluation surplus or deficit of these properties was not incorporated in the Group's combined financial information for the four months ended April 30, 2010 and will not be included in the Group's financial information for the year ending December 31, 2010. The above adjustments do not take into account the revaluation surplus attributable to the Group arising from the revaluation of the Group's property interests amounting to approximately US\$7.9 million. If the revaluation surplus was recorded in the Group's financial statements, additional annual depreciation and amortisation of approximately US\$0.2 million would be charged against profit for the year ending December 31, 2010.*
- (5) *No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to April 30, 2010.*
- (6) *The unaudited pro forma adjusted combined net tangible assets per Share are converted into Hong Kong dollars at an exchange rate of US\$1.00=HK\$7.7637. No representation is made that the U.S. dollar amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate.*

B. UNAUDITED PRO FORMA FORECAST EARNINGS PER SHARE

The following unaudited pro forma forecast earnings per Share of the Group for the year ending December 31, 2010 has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on January 1, 2010. This unaudited pro forma forecast earnings per Share has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the financial results of the Group for the year ending December 31, 2010 or any future period following the completion of the Global Offering.

Forecast combined profit attributable to the equity shareholders of the Company for the year ending December 31, 2010 ⁽¹⁾⁽²⁾not less than US\$60 million (equivalent to approximately HK\$466 million)
Unaudited pro forma forecast earnings per Share ⁽³⁾US\$0.017 (equivalent to approximately HK\$0.132)

Notes:

- (1) *The bases and assumptions on which the above profit forecast for the year ending December 31, 2010 have been prepared are summarized in Appendix III to this prospectus.*
- (2) *The forecast combined profit attributable to the equity shareholders of the Company for the year ending December 31, 2010 prepared by the Directors is based on, in the absence of unforeseen circumstances, the combined financial information of the Group for the four months ended April 30, 2010 as set out in the Accountants' Report in Appendix I to this prospectus, the unaudited combined results of the Group for the two months ended June 30, 2010 and a forecast of the combined results of the Group for the remaining six months ending December 31, 2010. The forecast has been prepared on a basis consistent in all material respects with the accounting policies presently adopted by the Group as set out in Note 1 of section C of the Accountants' Report, the text of which is set out in Appendix I to this prospectus.*
- (3) *The calculation of the forecast earnings per Share on a pro forma basis is based on the forecast combined profit attributable to the equity shareholders of the Company for the year ending December 31, 2010 assuming the Global Offering had been completed on January 1, 2010 and a total of 3,597,122,500 Shares were in issue during the entire year. No account has been taken of any Shares which may be issued pursuant to the exercise of the Over-allotment Option or the Share Option Scheme.*
- (4) *For the purpose of this unaudited pro forma forecast earnings per Share, the translation of U.S. dollars into Hong Kong dollars was made at an exchange rate of US\$1.00=HK\$7.7637.*

C. LETTER FROM THE REPORTING ACCOUNTANTS ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this prospectus, in connection with the unaudited financial information of the Group.



8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

28 September 2010

The Directors
Mongolian Mining Corporation

Dear Sirs

We report on the unaudited pro forma financial information (the “Pro Forma Financial Information”) of Mongolian Mining Corporation (the “Company”) and its subsidiaries (the “Group”) set out on pages II-1 to II-3 in Appendix II to the prospectus dated 28 September 2010 (the “Prospectus”), which has been prepared by the directors of the Company solely for illustrative purposes to provide information about how the share offer might have affected the financial information presented. The basis of preparation of the unaudited Pro Forma Financial Information is set out in Parts (A) and (B) on pages II-1 to II-3 in Appendix II to the Prospectus.

RESPONSIBILITIES

It is the responsibility solely of the directors of the Company to prepare the unaudited Pro Forma Financial Information in accordance with Paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by Paragraph 4.29(7) of the Listing Rules, on the unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements (“HKSIR”) 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited Pro Forma Financial Information with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or review made in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to Paragraph 4.29(1) of the Listing Rules.

Our procedures on the unaudited Pro Forma Financial Information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

The unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 30 April 2010 or any future date; or
- the earnings per share of the Group for the year ending 31 December 2010 or any future periods.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company’s shares, the application of those net proceeds, or whether such use will actually take place as described under “Use of Proceeds” set out in the Prospectus.

OPINION

In our opinion:

- (a) the unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to Paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

KPMG

Certified Public Accountants

Hong Kong