

DEFINITIONS

In this offering memorandum, unless the context otherwise requires, the following terms shall have the meanings set forth below. Certain other terms are explained in the section headed "Glossary" in this offering memorandum.

"2006 Minerals Law"	the Minerals Law of Mongolia, enacted on July 8, 2006, and effective from August 26, 2006, and as amended and supplemented from time to time
"affiliate(s)"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with a specified person
"aimag"	the highest level of Mongolian administrative subdivision (essentially equivalent to a province), of which there are 21 in Mongolia
"ADB"	Asian Development Bank
"Anun"	Anun LLC is a wholly owned subsidiary of MCS Holding that operates MCS Holding's commercial and residential furnishing business
"Aquaterra"	Aquaterra Engineering LLC (Australia), an international water and environmental consultancy and is now part of the RPS Group, a United Kingdom based international consultancy group that provides advice and support in the planning, environment, energy and water sector development and management
"Audit Committee"	the audit committee of the Board
"BN"	Baruun Naran
"BN deposit"	means our BN deposit located in South Gobi Province which includes both aboveground (<300m) and underground (>300m) deposits
"BN mine"	means the aboveground (<300m) portion of our BN deposit
"Board"	the board of directors of the Company
"BOT"	Build-Operate-Transfer agreement, a type of contract arrangement in which a private sector entity builds an infrastructure project, operates it and eventually transfers ownership of the project to the government

“BOT Agreement”	Build-Operate-Transfer Agreement executed by and between Gobi Road LLC and the Ministry of Road, Transportation and Urban Development of Mongolia on June 9, 2010
“CAGR”	Compound Annual Growth rate
“CFR”	Cost and Freight, meaning the seller must pay the costs and freight to bring the goods to the port of destination. The risk is transferred to the buyer once the goods are loaded on the vessel
“CHPP”	coal handling and preparation plant
“China”	the People’s Republic of China, and for the purposes of this offering memorandum, excluding Hong Kong, Macau and Taiwan
“Collateral”	the capital stock of Mongolia Coal Corporation Limited and Mongolian Coal Corporation S.à.r.l., owned by the Company and Mongolian Coal Corporation Limited, respectively
“Company”, “our Company”, “Group”, “our Group”, “we”, “us”, “our” or “Mongolian Mining Corporation”	Mongolian Mining Corporation, an exempted company incorporated in the Cayman Islands with limited liability on May 18, 2010 and except where the context indicates otherwise (i) our subsidiaries; and (ii) with respect to the period before our Company became the holding company of our present subsidiaries, the business operated by our present subsidiaries or (as the case may be) their predecessors
“daf basis”	Dry Ash Free basis, a form of coal analysis that excludes all moisture and ash
“DAP”	Delivered At Place, the seller delivers the goods to the buyer on the arriving means of transport, ready for unloading at the named place of destination, pays for carriage to the named place, except for costs related to import clearance, and assumes all risks prior to the point that the goods are ready for unloading by the buyer
“DEG”	Deutsche Investitions-und Entwicklungsgesellschaft mbH (the German Investment and Development Company)
“Deutsche Bahn”	DBI, GmbH, a provider of consultancy, management and planning services for infrastructure and transport projects, from project development to acceptance/commissioning and operational management

“DGMC”	the Department of Geological and Mining Cadaster, a subordinate agency of MRAM responsible for registration of exploration licenses and mining license rights in Mongolia
“Director(s)”	director(s) of our Company
“EBRD”	European Bank for Reconstruction and Development, an international financial institution that supports projects in 29 countries, from central Europe to central Asia
“EBRD, FMO and DEG Loan Agreements”	an aggregate of US\$180 million loan facility agreements with (i) EBRD dated May 12, 2010, amended and restated on August 11, 2010 and further amended on October 8, 2010, (ii) FMO dated August 11, 2010 and further amended on October 13, 2010, and (iii) DEG dated August 11, 2010 and further amended on October 13, 2010, and each of the them further amended on March 5, 2012
“EPCM”	Engineering, Procurement, Construction and Management, a form of contract where the contractor will design and install the equipment, procure and install the necessary materials, and be responsible of managing the process of the installation
“ER LLC”	Energy Resources LLC, a limited liability corporation organized under Mongolian law on April 22, 2005
“Erdenes MGL”	Erdenes MGL LLC, a state-owned enterprise
“Erdenes Tavan Tolgoi”	Erdenes Tavan Tolgoi Joint Stock Company, a subsidiary of Erdenes MGL, which was established on October 20, 2010 by the Government by Resolution No. 272
“Exchange Act”	the U.S. Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
“Existing Standard Bank Facilities Agreement”	the US\$400 million loan facility agreement we entered into with Standard Bank dated June 24, 2011
“FMO”	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (Entrepreneurial Development Bank of Netherlands)
“FOB”	Free on Board, meaning the risk passes to the buyer, including payment of all transportation and insurance costs, once goods are delivered on board of the ship by the seller

“FOR”	Free on Rail, meaning the risk passes to the buyer, including payment of all transportation and insurance costs, once goods are delivered on the wagon of rail by the seller
“FOT”	Free on Truck, meaning the risk passes to the buyer, including payment of all transportation and insurance costs, once goods are delivered on a truck at a named loading point
“GDP”	gross domestic product
“GM”	Ganqimaodu or Gants Mod, the Chinese side of the Sino-Mongolian border crossing
“Government of Mongolia” or “Government”	the Government of Mongolia
“Group”	the Company and its subsidiaries
“GS”	Gashuun Sukhait, the Mongolia side of the Sino-Mongolian border crossing
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of China
“Huanghua”	located in the Bohai Gulf coastal regions of Hebei province in northeastern China, and home to the Huanghua Port
“IDR”	issuer default ratings
“IFRS”	International Financial Reporting Standards
“IMF”	International Monetary Fund
“Initial Purchasers”	ING Bank N.V., Singapore Branch, J.P. Morgan Securities Ltd., Merrill Lynch International, Standard Bank Plc and Standard Chartered Bank
“Investment Agreement”	an agreement that a mining license holder may, at its option, enter into with the Government of Mongolia concerning stability of tax rates, the right to sell products at international market prices, a guarantee that the license holder may receive and dispose of income from such sales, and provisions with respect to the amount and term of the license holder’s investment
“Khan Bank Loan Agreement”	the US\$13 million loan agreement ER LLC entered into with Khan Bank dated December 26, 2011
“Law on VAT”	Law on Value-Added Tax
“Leighton”	Leighton Asia Limited (Hong Kong), a contract mining company

“LIBOR”	the London Interbank Offered Rate, the rate charged by one bank to another for lending money
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“MAK”	Mongolyn Alt Corporation
“MBGS”	McElroy Bryan Geological Services Pty Ltd, a provider of consulting services to the coal mining industry
“MBGS Resource Report”	the JORC Resource Report dated February 2010 prepared by MBGS
“MCS Electronics”	MCS Electronics LLC is a wholly owned subsidiary of MCS Holding that operates MCS Holding’s information and communication technology business
“MCS Group”	MCS Holding and its subsidiaries (other than our Group)
“MCS Holding”	MCS Holding LLC, a limited liability corporation organized under Mongolian law on March 29, 2001
“MCS Property”	MCS Property LLC is a wholly owned subsidiary of MCS Holding that operates MCS Holding’s construction management and real estate management business
“Mineral Deposit of Strategic Importance”	under the 2006 Minerals Law, a deposit that may have the potential to impact national security, or the economic and social development of Mongolia at the national and regional levels, or that is generating, or has the potential to generate, more than 5% of Mongolia’s GDP product in any given year
“Minerals License Transfer Agreement”	the minerals license transfer agreement entered into between ER LLC and the Government of Mongolia on March 21, 2008, pursuant to which ER LLC agreed to transfer all of the mining licenses held by it at the time, except for the one covering our UHG deposit, to a state owned enterprise at nil consideration
“MMRE”	the Ministry of Mineral Resources and Energy, a cabinet-level ministry of the Government of Mongolia
“MNT”	togrog, the lawful currency of Mongolia
“Moody’s”	Moody’s Investors Services Inc
“MPP”	Mongolian People’s Party

“MPRP”	Mongolian People’s Revolutionary Party
“MRAM”	the Mineral Resources Authority of Mongolia, a subordinate agency of the MMRE, under which the DGMC operates
“New Standard Bank Facilities Agreement”	the US\$300 million term loan facilities agreement we entered into with Standard Bank dated March 8, 2012
“NIC”	NIC LLC, an oil import and distribution company in Mongolia. It is majority owned by Petrovis LLC
“Nomination Committee”	the nomination committee of the Board
“Norwest”	Norwest Corporation, a provider of consulting services to the energy, mining, and natural resources industries and our independent technical expert
“Notes”	8.875% Guaranteed Senior Notes due 2017
“NS”	Nariin Sukhait, located in Gurvan tes soum of South Gobi Province, approximately 56 km north of Shivee Khuren-ceke crossing point of the Sino-Mongolian border and 110 km east of Ulaanbaatar
“Operations Management Contract”	the contract for operations management services we entered into with Sedgman in December 2010 for operations management of the first module of our CHPP
“OT”	Ovoot Tolgoi, located in the southwest corner of South Gobi Province, approximately 45 km north of the Sino-Mongolian border and 950 km south of Ulaanbaatar
“Parliament” or “State Great Hural”	the legislature in Mongolia
“PPP”	public-private partnerships
“QIBs”	“qualified institutional buyers” within the meaning contained in Rule 144A
“Qinghua”	Inner Mongolia Qinghua Group
“Qinhuangdao”	a city in Hebei province in northeastern China and home to the Qinhuangdao Port, which is a strategically important port in China and is the largest coal shipping port in China

“QGX Convertible Bonds”	convertible bonds in the aggregate principal amount of US\$85 million as part of the consideration paid for our acquisition of BN
“Regulation S”	Regulation S under the Securities Act
“Remuneration Committee”	the remuneration committee of the Board
“Risun”	Risun Coal Chemicals Group
“RMB”	Renminbi, the lawful currency of China
“Rule 144A”	Rule 144A under the Securities Act
“SACMS”	State Administration of Coal Mine Safety
“SEC”	the U.S. Securities and Exchange Commission
“Securities Act”	the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“Sedgman”	Sedgman Consulting (China) and Sedgman Limited, a provider of multi-disciplinary engineering, project delivery and operations services
“Shanxi Fenwei”	Shanxi Fenwei Energy Consulting Co., Ltd., our industry consultant
“Shanxi Fenwei Report”	an independent expert report on the energy sector in China and Mongolia prepared by Shanxi Fenwei
“Shenhua”	Shenhua Bayannaoer Energy Co., Ltd.
“SK”	Shivee-Khuren, the Mongolian side of the Shivee-Khuren and Ceke Sino-Mongolian border
“Small TT”	the existing so-called “Small” Tavan Tolgoi mine owned by Company Joint Stock Tavan Tolgoi
“soum”	the second level of Mongolian administrative subdivisions (essentially equivalent to a sub-province or district)
“South Gobi Province”	Umnugobi Aimag, a province located in southern Mongolia
“SRK Consulting”	SRK Consulting (Australasia) Pty Ltd, a provider of consulting services to the earth and water resources industries
“SRK Reserve Report”	the JORC Reserve Report for BN dated March 23, 2011 prepared by SRK Consulting

“Standard and Poor’s”	Standard and Poor’s Rating Services
“State Professional Inspection Agency”	an agency of the Government of Mongolia that is in charge of laws and regulations of the State, including labor, safety and health
“Strategic Deposits List”	a list of 15 deposits designated by the Parliament to be Mineral Deposits of Strategic Importance by Resolution No. 27, adopted on February 6, 2007 (Tier 1 Deposits List)
“Subsidiary Guarantors”	Mongolian Coal Corporation Limited, Mongolian Coal Corporation S.à.r.l., Energy Resources Corporation LLC, Energy Resources LLC, Energy Resources Mining LLC and Transgobi LLC
“Tavan Tolgoi”	means the coal formation located in South Gobi, Mongolia, which includes our UHG deposit
“Tier 2 Deposits List”	a list of 39 deposits designated in Resolution No. 27, adopted on February 6, 2007, to be further evaluated and determined if one or more of such deposits should be recommended by the Government of Mongolia to Parliament for designation as a Mineral Deposit of Strategic Importance
“TKH”	Tsagaan Khad, located in Khanbogd soum of South Gobi Province, approximately 21 km from GM
“TMR”	target market region, including Inner Mongolia, Hebei, Shandong and Jiangsu provinces
“Tsogttsetsii”	Tsogttsetsii soum is the location where Tavan Tolgoi sits
“UHG”	Ukhaa Khudag, located in Tsogttsetsii soum of South Gobi Province
“UHG deposit”	means our Ukhaa Khudag deposit located in the Tavan Tolgoi coalfield which includes both aboveground (<300m) and underground (>300m) deposits
“UHG mine”	means the aboveground (<300m) portion of our UHG deposit and its related infrastructure
“Uniservice Solution”	a wholly owned subsidiary of MCS Holding that provides ancillary services, such as consultancy and cleaning
“UK”	the United Kingdom
“United States” or “U.S.”	the United States of America

“US\$”	U.S. dollar, the lawful currency of the United States
“VAT”	value added tax
“Wood Mackenzie”	Wood Mackenzie (Australia) Pty Ltd, a provider of consulting services to the energy and metal industries
“Winsway”	Winsway Resources Holdings Private Limited