



“Beren Mining” JSC to go public through an IPO

News review:

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Pursuant to FRC Decree no.:47 of 15 February 2012, MSE has completed the review of application of “Beren mining” JSC to list 1,740,813,320 common shares with nominal value of MNT 157.35 and admitted the shares to listing by the MSE Chief Executive Officer’s Decree.

The company will offer 30% or 522,243,996 shares of the total shares to the public and public offer price is set at MNT 250 and the total of MNT 130,560,999,000 is to be raised at MSE.

The raised capital will be used to build a factory to produce 500 thousand tons of iron ore concentrate with 63-67% content and 300 thousand tones of direct reduced iron with 88-92% content and to finance working capital, infrastructure development, office and employees’ housing and other relevant costs.

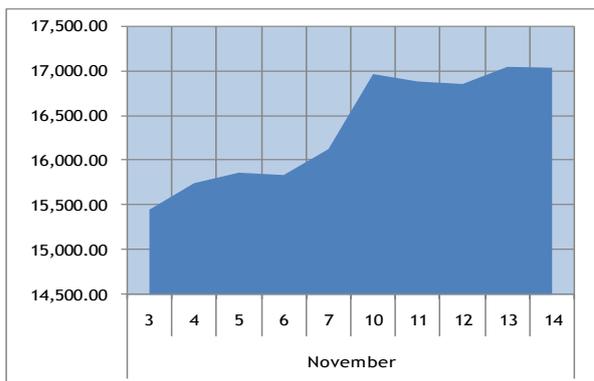
“Beren group” LLC’s subsidiary “Beren mining” JSC was established in 2006 and built mountain concentration factory to produce 250 thousand tons of iron ore concentrate with 63-67% content based on “Tamiriin gol” iron ore deposit located in Tuvshruulekh soum of Arkhangai province in 2007. “Beren mining” JSC sells its iron ore concentrate to “Khukh gan” JSC and exports the remainder to China.

The company has determined 13.1 million tons of iron ore by “Probable “C” category” and 69.7 million tons of iron ore by “Prognostic (P) category” (metallic reserve) on their 4 mining exploitation licenses.

The company’s share capital is MNT 273,916,975,902, from which “Beren group” LLC owns 51% and “Sor metal” LLC owns 49%. After the IPO, “Beren group” LLC will own 35.70% and “Sor metal” LLC 34.30% and the remaining 30.00% will be held by the public.

Market Update

TOP-20 index performance for the last 2 weeks



Mongolian Stock Exchange

2 weeks:

Volume	803.2 thousand
Value	MNT 417.7 million
# of traded companies	77
Top gainers:	Chatsargana /CHR/ +81.8%
	Zoos goyol /ZOO/ +43.7%
	Mongolyn gegee /GGE/ +32.1%
Top losers:	Juulchin Gobi /JGV/ -25.7%
	Mon noos /MNS/ -17.3%
	Mon geo /MOG/ -15.0%

From 03 December 2012 to 14 December 2012, 803.2 thousand shares of 77 companies worth MNT 417.7 million have been traded through 10 trading sessions.

The most actively traded stocks by value were “Tavan tolgoi” JSC with MNT 54.7 million traded, “APU” JSC with MNT 53.8 million and “BDSec” JSC with MNT 45.9 million, traded respectively.

Market capitalization:

MNT 1,766.4 billion

TOP-20 index change:

17,034.47 / +12.61%

Index:

TOP-20

Website:

www.mse.mn



Government bonds delisted from MSE Securities List

According to Mongolian stock exchange CEO's Decree No.162 of December 14, 2012, government bonds issued by the Ministry of Finance in September, October and November, 2011 and traded through the Mongolian stock ex-

change (with par value of MNT100,000 and the following quantities and codes: 12000 bonds coded 1037, 5000 bonds coded 1042, 25000 bonds coded 1057, 24340 bonds coded 1062, 25000 bonds coded 1074, 2600 bonds coded 1077,

75000 bonds coded 1092, 660 bonds coded 1094, 50000 bonds coded 1095) were delisted from MSE securities list due to their maturity and full payment of the principal and interest payments.

"Delgerekh Khuns" JSC's securities delisted from MSE Securities List

According to FRC Resolution No.:318 of October 25, 2012, Clauses No. 58 and 59.1 of MSE 'Listing Rules', 'Delgerekh Khuns' (MSE:DHO) JSC's request No.:191 of November 11, 2012, and MSE Chief Executive Officer's Decree No.:161 of December 14, 2012, the total of 146,387 shares were delisted from the MSE securities list.

The company was delisted due to the change in company's organization into Limited Liability Company.

Based on Clauses 24.1 and 53.1 of the "Company Law", the shareholders have the right to demand from the company to buy back shares that they own.

The buyback price for the shares has been calculated at MNT 450 (four

hundred fifty) per share and deposited into "Securities Clearing House and Central Depository" LLC.

Shareholders who did not exercise their share buyback right can make request to stay as a shareholder in the closed company provided that the funds deposited into their account is not withdrawn.

"Naco Fuel" JSC obtained convertible loan for restoration of its coal enrichment plant.

'Naco Fuel' JSC (MSE: NKT) announces that it has obtained a \$500,000 convertible loan from '2-Pak Resources Investments SARL', an affiliate of 'Firebird Management' LLC. The proceeds of the loan will be used for working capital purposes and to restore Naco's coal enrichment plant located in Darkhan province, Mongolia.

The plant is designed to enrich thermal coal from 'Sharyn Gol' JSC (MSE: SHG) into carbon rich char and subsequently into smokeless briquettes. 'Naco Fuel' JSC plant is strategically situated to provide char which can be used as a partial coke substitute

to industrial customers in Darkhan and to ship smokeless, environmentally friendly briquettes by rail to customers in Ulaanbaatar.

The plant is currently on care-and-maintenance as a result of operational problems. Following the resignation of the original CEO of the company, the Board of Directors appointed a new executive team to lead the restoration of the existing plant and the future expansion.

Mr. Bayarbat, the newly appointed CEO, served as the CFO of the company and has in-depth knowledge of the past

operations of the company and the market conditions for the smokeless briquettes in Mongolia. The plant was designed to have a total annual capacity of 100,000 tons of char production.

The company plans to restore the plant to full capacity and is reviewing the potential to increase capacity to 500,000 tons per annum to meet demand. Furthermore, coal tar and coal gas, by-products of the coal enrichment process, will add considerable value to the company. Affiliates of 'Firebird Management' LLC now control 60.7% of the shares of 'Naco Fuel' JSC.