

LEHMAN, LEE & XU

雷曼律师事务所



PRESS RELEASE

A Golden Opportunity

Beijing, China –March 12, 2010

With its rich natural resource deposits and close proximity to both China and Russia, it comes as a surprise that Mongolia has not been tapped for its resources during the recent worldwide mining boom. But this impoverished, agrarian country entirely missed out on the recent boom, hindered by its own overzealous legal restrictions and a government hungry for large shares of mining profits.

Recently, Mongolia has received a lot of international attention. This is, in part, a direct result of Parliament's decision to revoke four 2006 mining laws and shift their attention to seeking foreign investment. The important laws that have been revoked include a "windfall tax" which extracted a 68% tax on all gold and copper sales. Another revoked law gave Parliament a 34% stake in non-government financed projects and a 50% stake in government financed projects.

After Parliament's change of heart, the "windfall tax" is thrown out and the regime takes a flat 34% stake in all mines.

The looser restrictions have encouraged and allowed companies like Ivanhoe Mines and Rio Tinto to invest and develop the \$3 billion Oyu Tolgoi, the Holy Grail of gold and copper mines. The Oyu Tolgoi, located in the Gobi Desert just north of China, is one of the world's biggest and untapped gold and copper mines.

Oyu Tolgoi would be Mongolia's first major mining project- and what a doozy it would be! With production slated to begin in 2013, the mine is estimated to produce 450,000 tons of copper and 330,000 ounces of gold annually for the next 45 years. That is roughly 3% of the current world's supply.

"That could almost double the country's GDP, which is roughly \$5 billion today" says Edward Lehman, Managing Partner at Lehman, Lee & Xu, Mongolia's first and only international law firm.

"There is a lot of opportunity here. Mongolia is playing a larger part in the global economy by the day," he said in a press conference.

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One of the largest beneficiaries of the increase in mining could potentially be China. Mongolia is rich in coking coal, unlike China, who typically imports large amounts from a distant Australia. According to the World Bank, Mongolian coal exports could reach 45 million tons, which would be an increase from 5 million tons currently.

“We are first movers here. We know the local companies and key decision makers here better than anyone.” Edward Lehman stated.

“At Lehman, Lee & Xu we are in the business of providing the best service possible for our clients. By establishing an office in Mongolia, we felt we put ourselves in a position to achieve that goal and we are extremely excited about the prospects” he added.

For more information about Lehman, Lee & Xu, please visit the firm’s website at www.lehmanlaw.com or feel free to email the Beijing office at mail@lehmanlaw.com.

Lehman, Lee & Xu is a prominent Chinese corporate law firm and trademark and patent agency with offices in Beijing, Shanghai, Shenzhen, Hong Kong, Macau, and Mongolia. The firm has been recognized as one of the top trademark firms in China by several intellectual property magazines and is managed by Mr. Edward Lehman, a leading expert on corporate law with 20 years of practice experience in Mainland China.