



MONGOLIAN RESOURCE CORPORATION

DECEMBER 2011, QUARTERLY ACTIVITIES REPORT

Company Facts

ABN:83 127 620 482

Mongolian Resources Corporation Limited (ASX: MUB) is focused on the development of two historic high-grade gold deposits in Mongolia with near term production to commence in 2012.

Key projects:

- Blue Eyes Project
- Sujigtei Project

Corporate Structure

Shares on issue	~ 67.8m
Shares (Restricted)	55.0m
Options	~ 25.3m
Performance Shares	~ 46.0m
52 week high	A\$0.68
52 week low	A\$0.10

Company Directors

Naidansuren Jargalsaikhan

Non-Executive Director

Tony Bainbridge

Managing Director

John Lee

Non-Executive Director and Company Secretary

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The Directors of Mongolian Resources Corporation Limited (ASX: MUB) (Mongolian Resources or the Company) are pleased to present the December 2011 Quarterly Activities Report.

CORPORATE ACTIVITIES

This is the Companies third quarter since the merger with the Mongolian Assets in April, 2011. During this quarter the Company has continued to outline mineralisation at its key Mongolian gold projects of Sujigtei and Blue Eyes and continues to stockpile ore for future processing.

Resource approval and extension of mining license 5707A for 30 years on the Blue Eyes Gold Mine was granted by the Mongolian Government during this quarter. The Company also received full construction permitting for building of the larger plant facility of 400 tonnes per day CIP plant and intends to continue construction of this facility Q2, 2012. Outstanding operational permits are the cyanide permit and environment operational permits. The Company is working closely with the Department of Environment on these permits to be fully permitted for large scale production when the plant is completed in Q3.

Our target is by the end of the Q1, 2012 to commence operations on its fully constructed 100 tonne per day floatation plant facility. The Company has more than 4,500 tonnes of underground quartz ore on its ROM Pile ready for processing. In addition a further 8,000 tonnes of tailings grading more than 3 grams / tonne gold has been stockpiled ready for treatment.

Mongolian Projects

MRC completed drilling of the first 9 surface holes at Sujigtei down to a depth of 360m spaced at 100m centres. Historically the Sujigtei mine was opened and mined on 7 adit levels to 180m depth during the period 1980-1991, and was suddenly closed as the Russians left Mongolia in 1991. MRC drilling is twofold: examining the remaining mineralization on the current workings and to target further depth extensions from the existing workings.

These 9 holes have been very successful as first pass on the two fold targets with drilling confirming that the Main Vein has only partially been mined and retains ore of mineable widths and grades, examples being:-

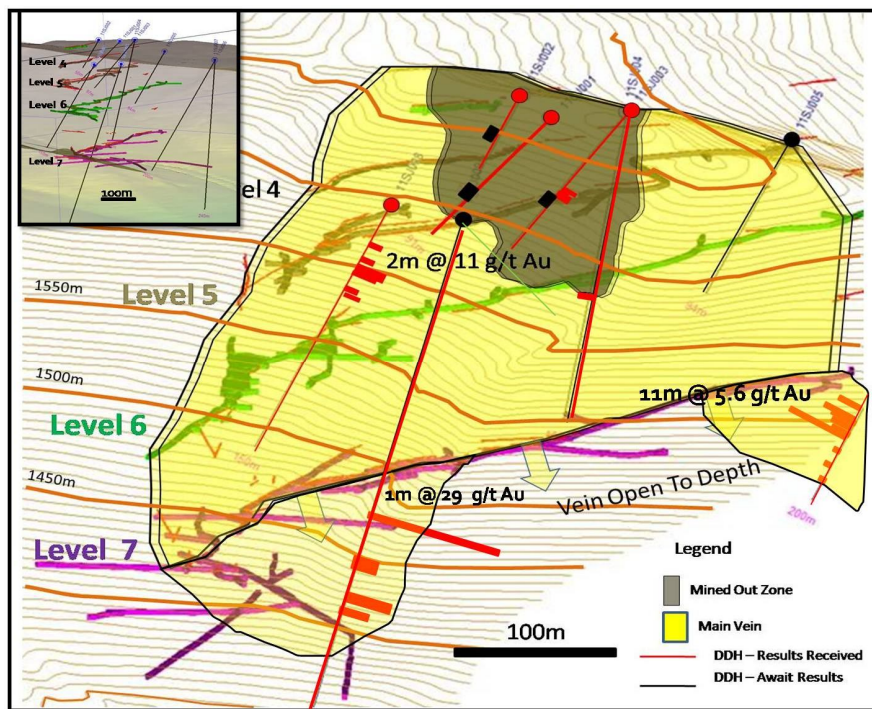
11suj006	11m @ 5.6 g/t Au
11suj008	2m @ 11.0 g/t Au
11suj009	1m @ 28.6 g/t Au

As indicated in the Results Table attached, hole 11SUJ008 substantiates that there are wider zones of mineralization than first thought from the older data and these zones display multiple quartz sulphide veins. In this hole the main vein assayed 2m @ 11.0 g/t Au in a zone of 5m @ 5.8g/t Au. Other nearby vein zones recorded 2m @ 4.4 g/t A and 1m @ 6.2 g/t Au. These zones of mineralization occur within 70m from surface.

Hole 11SUJ009 drilled to a deeper level on the same section as hole 11suj008, also displays the same multiple quartz-sulphide veins. The main vein now at a depth of 140m below surface assayed 1m @ 28.6 g/t Au and neighbouring veins ran 2m @ 2.51 g/t Au, 1m @ 4.5 g/t Au and 1m @ 3.53 g/t Au.

In Hole 11SUJ006 the ore body is intersected over a wide interval of mineralization.. Here the main vein runs 1m @ 17.9 g/t Au in a mineralised zone of 11 @ 5.6 g/t Au. This intersection is 50m below the level 7 adits and 150m from holes 11suj008 and 11suj009. MRC will continue to drill deeper holes to examine the extent of these high grades.

Several other veins sub-parallel to the main vein show grades ranging from 1.3 – 6.3 g/t Au over a 1-2 metre sample widths. The Company is reviewing all these results in light of potential for an open cut type ore body.



Drill Hole Location showing the mined out zones on the 7 Level Underground Mine.

Three drill holes were completed targeting the extent of the historical underground workings. All three of these drill holes intersected mined out zones of the main vein with widths ranging as 2.2m, 2.4m and 5.4m. To date the extent of the mined out zone is outlined with dimensions of approximately 110m x 60m extending from surface to level 5 and has an average mined width of 3.3m. It is very encouraging that the local artesian miners mined widths significantly wider than the 0.4-0.6m historical widths show on the Soviet plans. These wider zones of mineralization was demonstrated in hole 11SUJ003 where a 2.2m wide mined zone was intersected and 3m @ 3.8 g/t Au was intersected on the hanging wall. The bulk of the Partisan Mining was undertaken in 2009-2010 with processing of high grade ore at a local gravity mill.

It is clear the veining at Sujigtei remains open at depth with mineralization now extended to depths 80m below the lowest existing Mine Level (7). Given that the adjacent Gatsuurt Deposit (1.2Moz in reserves) of Centerra Gold Inc. has mineralization extending for 900m below surface it is expected the mineralization at Sujigtei will continue to similar depth levels.

SUJIGTEI FIRST DRILL RESULTS – 9 HOLES IN UPPER LEVELS

HOLE NO.	NORTH	EAST	RL	DIP	EOH	FROM	TO	INTERVAL	Au g/t
11SUJ001	611940	5381224	1634	-45	91.6	24.0	25.0	1.0	0.42
						27.0	28.0	1.0	1.12
						28.0	29.0	1.0	0.27
						60.0	62.0	2.0	0.81
					Main Vein	80.6	86.0	5.4	MINED ZONE
						88.0	89.0	1.0	0.60
					Main Vein	90.0	90.6	0.6	MINED ZONE
11SUJ002	611938	5381266	1634	-60	50.0	33.6	36.0	2.4	MINED ZONE
11SUJ003	611975	5381228	1632	-50	96.7	93.0	96.0	3.0	3.80
					Main Vein	96.0	98.2	2.2	MINED ZONE
11SUJ004	611862	5381202	1606	-60	150.0	49.0	50.0	1.0	0.50
					Main Vein	132.0	133.0	1.0	1.32
11SUJ005	612051	5381243	1604	-60	93.5	At Laboratory			
11SUJ006	612136	5381224	1582	-60	200.0	118.0	119.0	1.0	0.59
						154.0	155.0	1.0	3.10
					Main Vein	158.0	169.0	11.0	5.63
					incl.	158.0	160.0	2.0	8.72
					incl.	168.0	169.0	1.0	17.87
						174.0	175.0	1.0	0.52
						178.0	179.0	1.0	0.53
						182.0	183.0	1.0	0.83
11SUJ007	612136	5381224	1582	-84	240.0	155.0	156.0	1.0	0.63
11SUJ008	611975	5381228	1632	-76	163.4	49.0	50.0	1.0	1.33
						52.0	54.0	2.0	4.44
					Main Vein	66.0	71.0	5.0	5.78
					Incl	69.0	71.0	2.0	11.00
						73.0	74.0	1.0	6.23
						78.0	79.0	1.0	3.46
						120.0	121.0	1.0	1.34
11SUJ009	611886	5381170	1606	-71	360.0	136.0	137.0	1.0	0.54
					Main Vein	143.0	144.0	1.0	28.56
						167.0	168.0	1.0	0.56
						169.0	171.0	2.0	2.51
						178.0	179.0	1.0	4.53
						193.0	194.0	1.0	2.53
						254.0	255.0	1.0	1.10
						271.0	272.0	1.0	0.59
						282.0	283.0	1.0	0.66
Includes all results of >0.5 g/t Au. 10% Standards and 10% blanks were inserted for Quality Assurance Quality Control (QAQC). All Samples are 1/2 Core HQ drilling with minimum sample interval being 1.0m.									
Assay method is FA50 (Fire Assay 50 gms) with all samples above 5 g/t being checked by FAGM (Fire Assay Gravimetric)									

A second underground drill rig capable of 500m of diamond drilling has arrived in Ulaanbaatar and will be used during the winter season to continue to deeper resource exploration. Surface contract drilling will cease during winter due to water supply constraints.

Blue Eyes Exploration Work – New Discovery

Five shallow Exploration Drill holes to a depth of 100m were completed on a Magnetic High Feature 500m southeast of the Blue Eyes Mine Site where a large alteration anomaly exists. The alteration zone has patches of silica-sericite clay alteration in a zone 250m x 300m in area. .

These preliminary holes show that a new discovery of gold mineralization has been identified with the shallow (<30m) silica patches showing gold values including 11m @ 0.51 g/t Au and 2m @ 1.56 g/t gold.

Drilling will continue on the prospect with the next hole to target the adjacent high resistivity- high chargeability anomaly. This zone is interpreted to have higher silica content and potential for more significant direct gold mineralization.

HOLE NO.	NORTH	EAST	RL	DIP	EOH	FROM	TO	INTERVAL	Au g/t
MRC001				VERT	100.1	0	2	2	0.53
8						3	4	1	0.75
						7	8	1	0.30
						13	14	1	0.56
						23	25	2	1.56
						34	35	1	0.57
						39	40	1	0.70
						83	88	5	0.25
MRC002				VERT	50.0	32	33	1	0.42
						38	39	1	1.27
						47	48	1	0.44
MRC003				VERT	57.0	0	11	11	0.51
						13	14	1	0.75
						26	27	1	0.27
						32	33	1	0.85
						44	45	1	0.27
MRC004				VERT	100.0	7	9	2	0.36
MRC005				VERT	150.0	26	28	2	0.95
						72	73	1	0.52

Blue Eyes Exploration Drill Test Holes

Berleg Alluvial



Mongolian Chief Geologist examines a Gold Bar from Alluvial Test Work. The alluvial testing has outlined the extent of gold wash and demonstrated that with the right scale of operations the project can produce gold at economic returns. Plans are being undertaken to mobilise the companies large IHC Alaska Plant (200m³ per hour) to the

site in late winter for commencement of a full season of production in 2012.

- For further information on MRC and our projects please visit our website at www.mongolianresourcecorporation.com

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Competent Person. In this report, the information concerning Mongolian operations that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Tony Bainbridge, who at the time was Managing Director of Mongolia Resources Corporation (MGL) LLC and is a member of The Australasian Institute of Mining and Metallurgy. Mr Bainbridge has sufficient experience which is relevant to the mineralisation and type of deposit under consideration and to the activity, which he is undertaking, to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Tony Bainbridge consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Forward Looking Statements. All statements, other than statements of historical fact, in this news release are forward-looking statements that involve various risks and uncertainties, including, without limitation, statements regarding the future plans and objectives of Mongolian Resource Corporation (MRC). There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. MRC assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change