

Company Facts

ABN:83 127 620 482

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

Key projects:

- Blue Eyes Project
- Sujigtei Project

Corporate Structure

Shares on issue	~ 142.3m
Options	~ 25.3m
Performance Shares	~ 46.0m
52-week high	A\$0.25
52 week low	A\$0.07

Company Directors

Naidansuren Jargalsaikhan

Non-Executive Chairman

Tony Bainbridge

Managing Director

Tanan Jargalsaikhan

Executive Director & CFO

John Hodder

Non-Executive Director

Steve Hamblin

Non-Executive Director

Sereeter Galsan Jamts

Non-Executive Director

Enquiries

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MONGOLIAN RESOURCE CORPORATION DECEMBER 2012, QUARTERLY ACTIVITIES REPORT

During the quarter Mongolian Resource Corporation Limited (MUB) has spent a total of US\$677,000 on operations in Mongolia and maintaining the corporate headquarters in Australia.

The company had a total of US\$328,000 cash remaining at the end of the quarter with budget costs expected to be approximately US\$290,000 for the first quarter 2013. Reductions to meet this reduced quarterly budget are in progress.

MUB received an offer in the form of a subscription agreement to provide A\$589,000 by way of issue of 5,890,000 new shares at 10 cents per share from AR Management Co Pty Limited. The Board is currently reviewing this subscription offer.

The company is currently seeking further finance and is discussing project financing with banks and private equity holders to continue its operations. The mining business climate for Mongolia has become more difficult and this procedure is taking longer than anticipated.

During this period, costs were incurred on completion of the 2013 Mine Plan for submission to government and for completion of the exploration works to remain compliant with the government on licensing regulations.

The company shares during the quarter ranged from A\$0.07-0.085 cents ending at a high of A\$0.085.

Late in this quarter, Sujigtei Gold Project was put on care and maintenance for the winter period, with staff and overhead costs reduced accordingly. During this period, and subsequently, MUB continues to review its ongoing financing options.

Continued delays in the Sujigtei EIS approval which includes the permission for cyanide operations, continues to hamper the company moving forward. Resolution no. 154 issued by the National Government in 2009 Law for the Prohibition of Mineral



Exploration in Water Basin Areas and Forest Areas (the so-called “long name law”) restricted some mining and exploration activities in 254 license areas of Mongolia. Gunbileg Gold LLC the subsidiary of MUB and holder of the Sujigtei Project was granted an exemption from this resolution. In recent times, a second resolution No. 194 was issued in 2012, to expand upon the area covered under the first river and tree resolution. This new resolution introduced by the former Government just prior to election, could impact on a much larger number of the license holders in Mongolia including the Sujigtei license. Clarification of this latest resolution is still being sort by MUB and most other foreign companies on how, or if, this resolution will be implemented.

The issue of EIS grant for MUB’s Sujigtei Project is also still currently awaiting the approval for the cyanide operations section, and is confused by the fact that MUB has been granted EIS approval for its Blue Eyes Mine. This processing plant is a common plant for both the Blue Eyes and Sujigtei mine operation and its approval at Blue Eyes but not Sujigtei is being discussed currently with the Government Authorities. A review of all the company’s licenses was conducted in this quarter and the Minerals Authority reconfirmed that all licenses of MUB are in good standing.

The company is active on finalizing the mine plan for submission to the government for 2013 and this will be lodged in the first quarter of 2013 for approval.

Mining consultants, Mr Wojciech Ozga and Mr Krzysztof Biegaj from Ausvac Mining were engaged by AR Management Pty Ltd (a major shareholder of MRC), and visited the site this period to assess and re-define all options for the company going forward on production and provided a review of the best development plan. These consultants have more than 50 years of mining experience.

Completion this quarter occurred of the relinquishment of the Greenfield’s Australian tenements. This helped the company conserve its cash position with minimum yearly commitments of more than US\$750,000 being required to maintain the licenses. The licenses had low prospectivity compared to the Mongolian properties.

For further information on our projects please visit 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 of this report is Managing Director of Mongolia Resources Corporation Limited and is a member of The Australasian Institute of Mining and Metallurgy. Mr Bainbridge has sufficient experience which is relevant to the mineralization 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 Limited (MUB). 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. MUB assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

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