



DRILLING COMMENCES AT BLUE EYES & SUJIGTEI

Drilling commenced on August 12th, 2011 at both the Blue Eyes and Sujigtei Projects. An initial 16 holes program for 4500m of diamond drilling is expected to be completed over the next two quarters. The drilling is designed to confirm the high grade potential and status of previous mining work at the existing Blue Eyes and Sujigtei mine workings areas and in particular to examine the depth extents of the Sujigtei Mineralization.

The first hole at Sujigtei is designed to replicate the mineralization intersected by Centerra who drilled 12 holes within the Sujigtei License Area in 1997 that included 3 holes in the vicinity of the mine. These 3 holes recorded two high grade mineralization intercepts as follows

Main Sujigtei Vein	1.6m @ 114.5 g/t Au at 47.9m depth
Hidden Vein	10.0m @ 8.3 g/t Au at 132.0m depth.

Our first target is to explore the extent of this high grade mineralization on the main vein with a 100 x 100 m drill pattern to 300m depth. This should also outline the potential of any open cut resources in the vicinity of the mine.

ASX CODE : MUB

COMPANY INFO

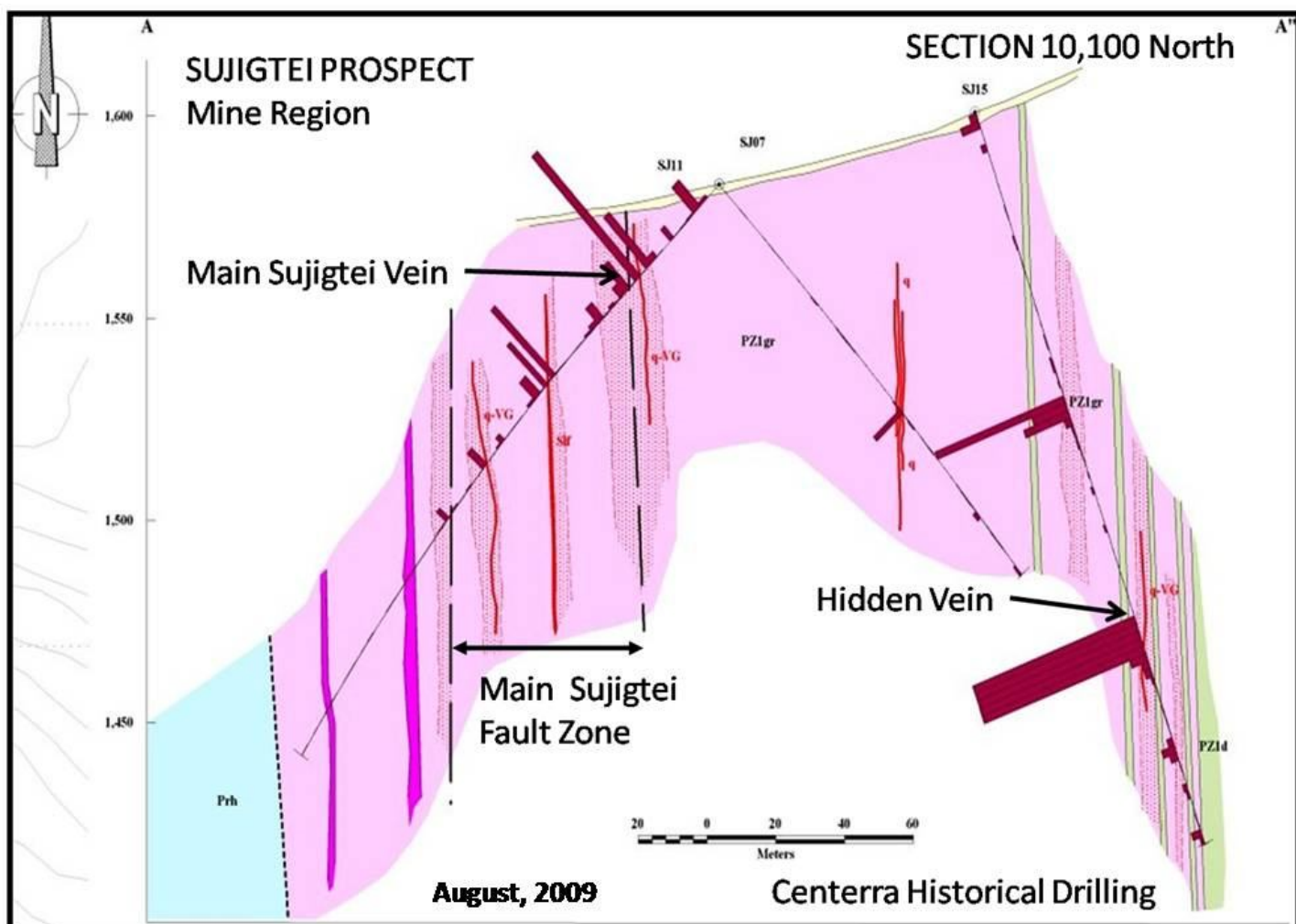
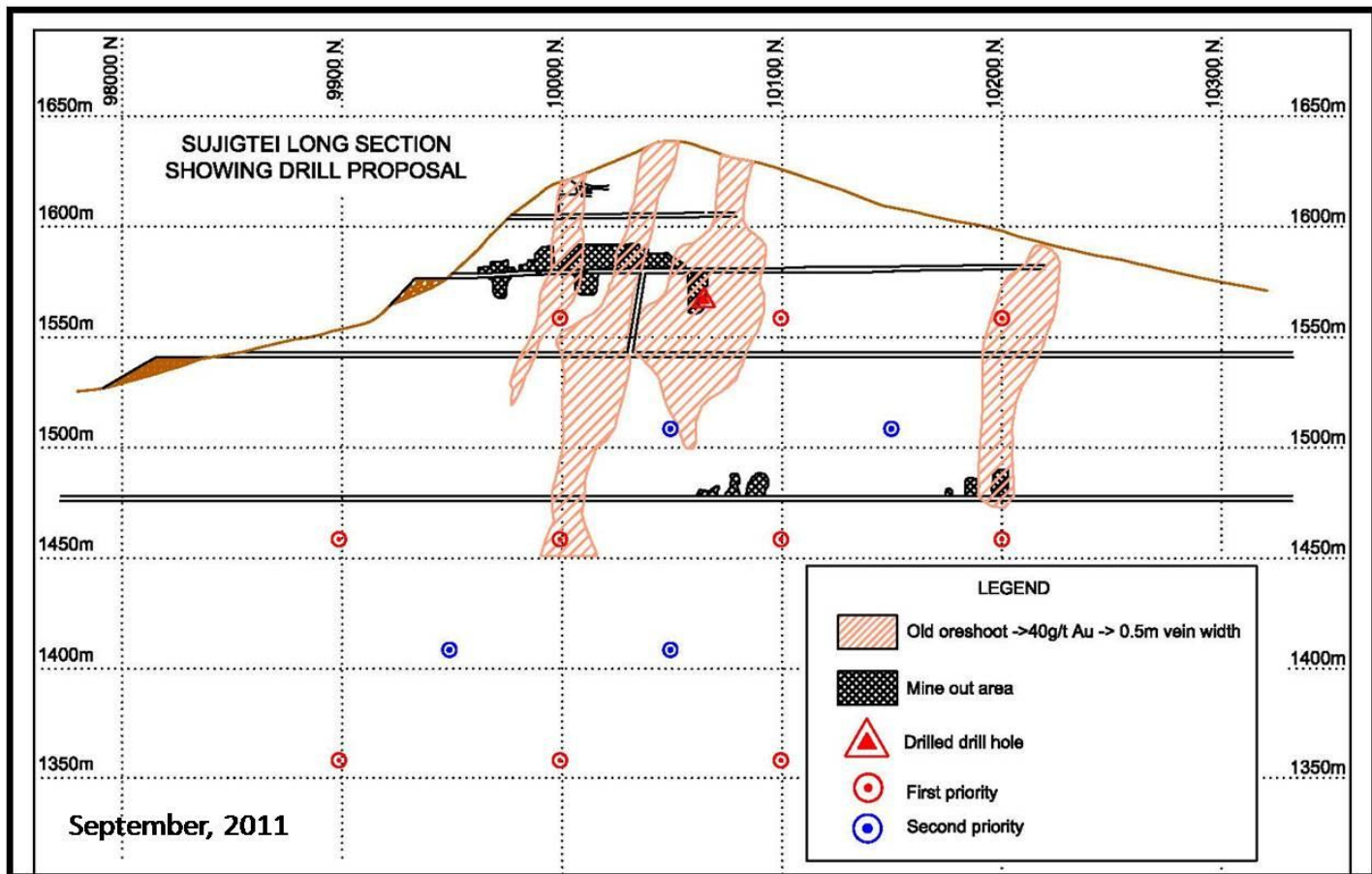
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Non-Executive Director
John Lee
Non Executive Director and Company
Secretary
Tanan Jargalsaikhan
Non-Executive Director

ISSUED CAPITAL

67,757,357 Ordinary shares
55,000,000 Escrowed fully paid
ordinary shares
10,867,644 Options exercisable
at 20 cents on or
before 31st March,
2013
14,500,000 Options exercisable
at 25 cents on or
before 31st March, 2013
46,00,000 Performance shares



UNDERGROUND SAMPLING AT BLUE EYES SHOWS HIGH GRADE GOLD AND EXTENSION INTO HANGWALL.

At Blue Eyes project sample test work has been completed to look at the lower grade material associated with the high grade vein with test work to be undertaken to see the potential of leaching for open cut test work.

20KG SAMPLES TAKEN ON BLUE EYES VEIN

Name	Width	Grade	Remarks
41625	0.56	1.16	Main Quartz Vein with banded sulphides on margins. The vein is the currently mined vein at Blue Eyes. Vein pinches and swells from 0.3m to 2.2m width. Average around 1.0m
41626	0.80	17.15	
41627	1.40	1.85	
41628	0.85	23.40	
41629	1.60	0.99	
41630	0.70	97.19	
41631	1.20	14.29	
41632	0.80	0.39	

Weighted Average 15.6

CROSS CUT SAMPLING AT BLUE EYES MINE

Name	Width	Grade	Remarks
33301	3.00	0.36	Quartz Stockwork Zones with veins reaching up to 3cm in size. 4-6% oxides after sulphides with minor copper traces in sercitic altered rhyolite host rock.
33302	3.00	0.56	
33303	3.00	0.89	
33304	3.00	1.11	
33305	3.00	1.22	
33306	3.00	1.22	
33307	3.00	1.50	
33308	3.00	0.70	
33309	3.00	0.57	
33310	3.00	0.19	
33311	3.00	0.27	
33312	3.00	0.46	
33313	3.00	0.67	

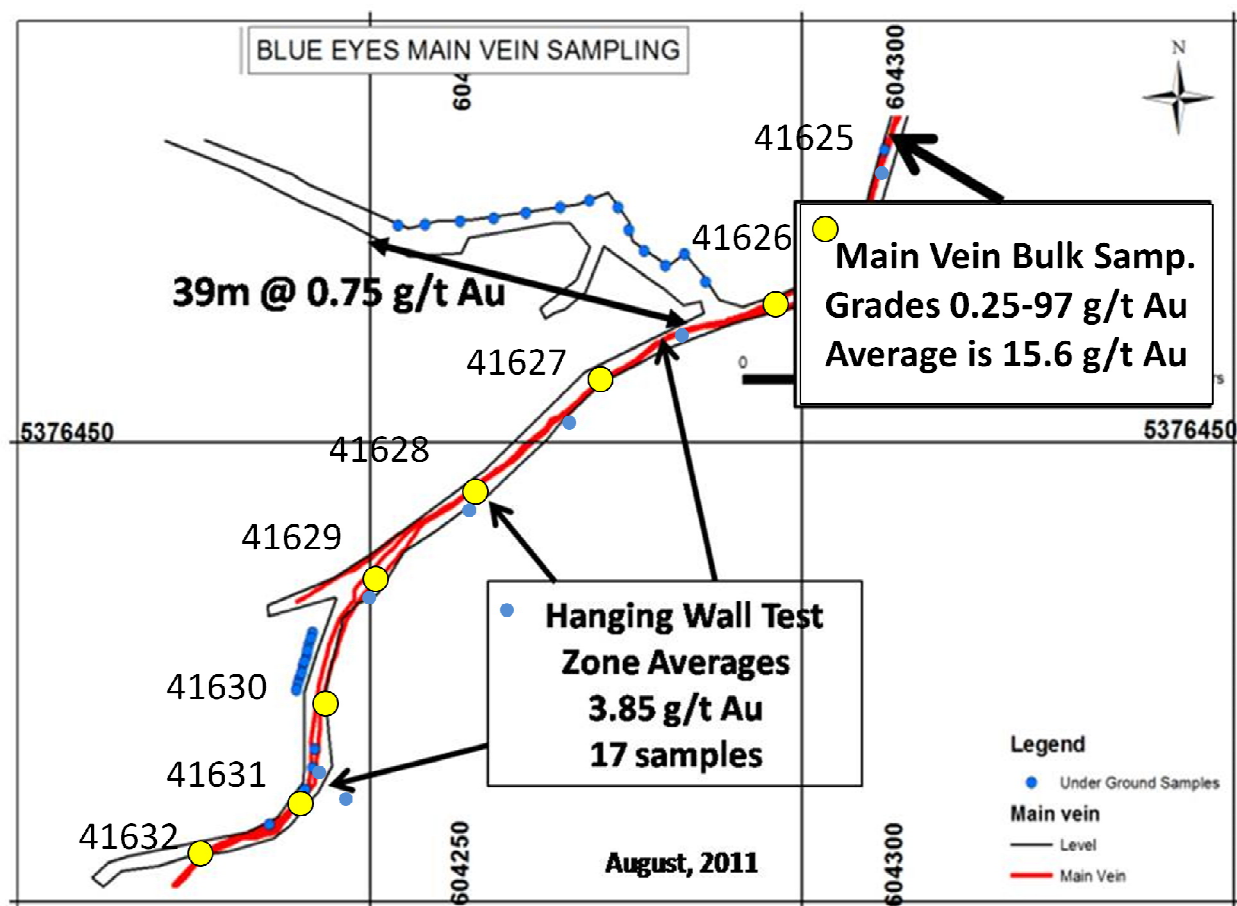
Weighted Average 0.75

HANGING WALL SAMPLING AT BLUE EYES MINE

Name	Width	Grade	Remarks
33314	1.70	0.87	Veins in hangwall include some splits of veins up to 30 cm with only minor sulphides of chalcopyrite - sphalerite in a intense bleached sericitic rhyolite host. Veins in places have stockwork of fine quartz banded veinlets
33315	1.70	1.12	
33316	1.80	14.68	
33317	1.80	3.63	
33318	1.00	4.29	
33319	1.80	3.28	
33320	1.80	2.05	
33321	1.70	0.32	
33322	1.70	1.57	
33323	1.70	1.52	
33324	1.70	2.25	
33325	1.80	14.36	
33326	1.80	1.29	
33327	1.00	7.14	
33328	1.80	3.57	
33329	1.80	2.62	
33330	1.70	1.57	

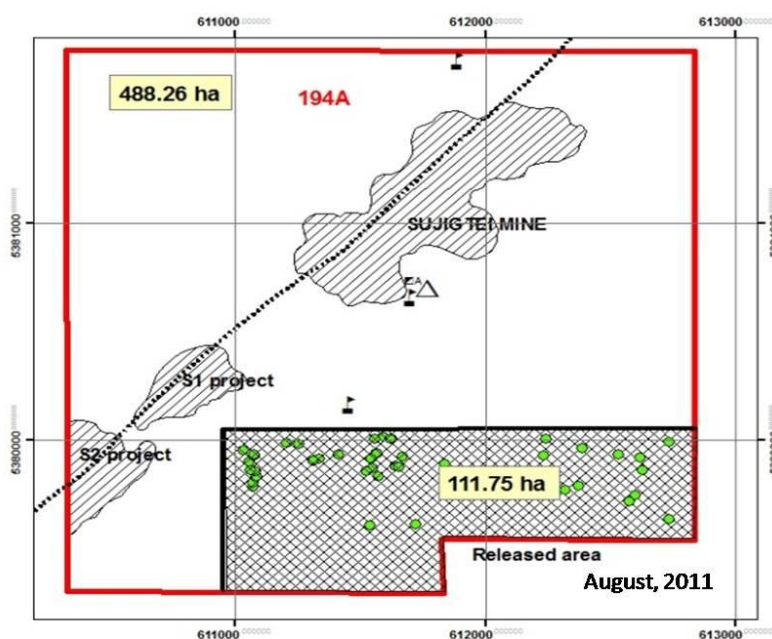
Weighted Average 3.85

Samples represented are results received from Actlabs LLC., an International Accredited Lab based in Mongolia. Averages represent uncut weighted averages of the vein material.



Results of bulk test work at Blue Eyes and Hanging Wall Sampling Program

FEASABILITY WORK AT SUJIGTEI PROGRESSES



Recent work during the Feasibility Study for the Sujigtei Project has addressed the previously known historical site that exists in the southeast portion of the license area. It has been concluded from the archaeology work that this area contain a significant cultural heritage site. The company has taken the view to be proactive on this issue and has undertaken discussions with the Culture

Ministry Department to preserve this site. The result of these discussions is that 112 Ha from the total of 600 Ha Project Area has now managed to separate from the Sujigtei Mining License area and declared a National Heritage Site. This work confirmed the company's commitment to the environment and culture heritage of Mongolia.

From previous and recent investigations there was no known mineralization in this area of the license and will have no impact on development plans for Sujigtei Project. Conversely, it has been seen by the Mongolian Government to be a very responsible step by MRC. Our relationship on these important issues with the Government of Mongolia has been noted in a letter received from the Culture Minister. Our responsible attitude has allowed us to advance our Environmental Impact Assessment Work on the Sujigtei Gold Mine Project.

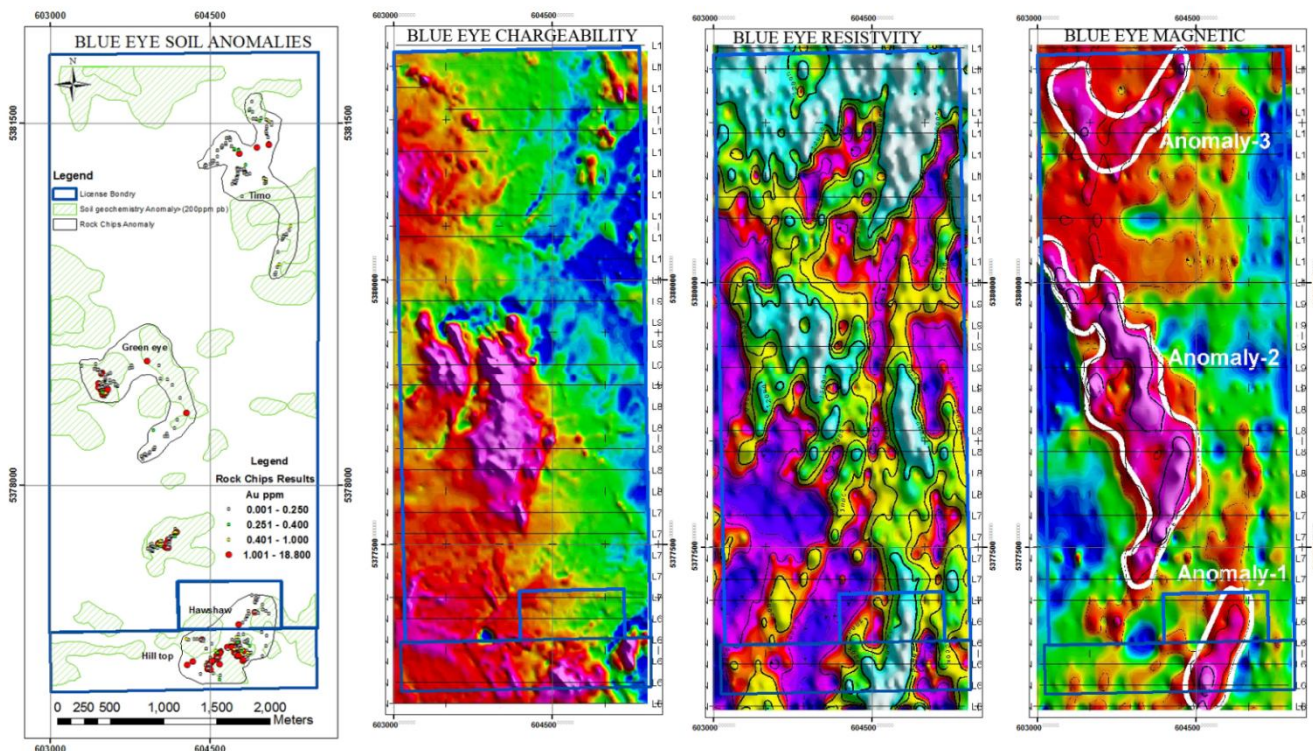
BLUE EYES DEVELOPMENT WORK CONTINUES

At Blue Eyes Gold Mine Project the concrete works for the main processing plant has now been completed and attention is now turning to the concrete works for the Crushing and Grinding Circuits. Concrete works on the new core shed, site laboratory and camp Facilities has begun.

Staff levels within the company have been increased as the group commences ore stockpiling as underground development works. A new underground winch and extension of the rail system has been completed to assist this work.

BLUE EYES GRADIENT ARRAY GEOPHYSICS COMPLETED

Completion of a gradient Array IP program has occurred and several large chargeable-resistive zones have emerged that correspond well with ground truth of outcropping



mineralization

Large chargeable zones with high resistivity occur that coincide with the soil geochemistry and outcrop anomalous areas. This correlates to similar anomalies as found at both the Boroo and Gatsuurt Mines.

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 a consultant 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