



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
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

Sereeter Galsan Jamts
Non-Executive Director

Enquiries

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Company Secretary
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Mongolian Resource Corporation Limited

QUARTERLY ACTIVITIES REPORT MARCH 2013

CORPORATE ACTIVITIES

During the quarter Mongolian Resource Corporation Limited (MUB) has spent a total of \$210,000 on operations in Mongolia and maintaining the corporate headquarters in Australia.

During this period costs were incurred on maintenance of the companies projects and in continued work towards receiving our permit approvals.

On the 25th February, 2013, the board passed a resolution to accept a line of credit from the Ulaanbaatar City Bank for US\$2.0 million. The facility has an annual interest rate of 12% and is to be repaid by future gold production. Initially the credit line is unsecured, but this will change with a portion of the assets to be provided as security that is commensurate with the amount drawdown.

This funding will allow the company time to put in place its plans for the mine projects.

The company has a total of \$113,000 cash remaining at the end of the quarter with budget costs expected to be approximately \$320,000 for the second quarter. This budget may increase if permitting allows a start on gold production.

The board will implement a budget in line with the company situation and cash position and under the new ever changing Mongolian Regime. In the interest of all shareholders, the board felt a debt financing was the best beneficial solution rather than a highly dilutive share issue at today's low price. In the future, a share issue will be reviewed when our share price recovers from this low pricing.

Like most Mongolian listed companies, the board sees our current low share price as reflecting Mongolia's current political environment and regulatory changes e.g. new draft mining law etc.



The company believes it has an advantage, because of its near production status, strong Mongolian ownership, and the fact that gold prices remains high. The board will endeavor to make the most of this situation.

On 18th February, 2013 two of the directors of the board resigned. Mr John Hodder and Mr Stephen Hamblyn. The board wishes to thank both directors for their contributions. The company has contacted a recruitment agent to seek the appointment of two Australian resident directors.

On the 9th April, 2013 the board received a notice from Chinggis Metals Pty Ltd that they were to call a meeting of shareholders under S249F rule of the Corporations Act. Resolutions to be considered by shareholders will include removal of the current directors. As of this quarterly release on 29th April, no notification had been received as to the reasons for this request or for the proposed new directors. The board will advise the shareholders of its recommendations once this notification has been received.

The interim audited accounts for the 6 months ended 31 December 2013 (Price Waterhouse Coopers Auditors) was submitted to the ASX on 18th March, 2013 with a going concern issue raised based on limited cash availability and no production currently.

The company stock during the quarter ranged from A\$0.085 - 0.40 cents ending at a low of A\$0.044.

MONGOLIAN ACTIVITIES

The companies two gold projects of Sujigtei and Blue Eyes remain on a maintenance basis with the company following its strategy of low expenditure until permitting issues can be clarified in Mongolia.

Continued delays in the Sujigtei EIS approval, which includes the permission for cyanide operations, continues to hamper the company moving forward. Furthermore the newly redrafted legislation for Water and Forest Law that prohibits mining and exploration activities in water basin and forest areas has been expanded to include significantly larger areas of Mongolia. Sujigtei was granted exemption from the first draft of this law and mining was permitted but in the recent review it now is included along with all of Centerra Gold Projects and other large projects. Principally it covers most of the licenses north of Ulaanbaatar.

The issue of EIS grant for MRC is confused by the fact that MRC has been granted EIS approval for its Blue Eyes Mine including the operations and development of the processing plant which is a common plant for both the Blue Eyes and Sujigtei mine operations. This is being discussed with the Government Authorities.

The company has received costing for a new crushing circuit to feed the newly installed 200tpd ball mill, consisting of a new feed bin, jaw crusher, twin cone crushers, a screening plant and a 200 tonne fine ore bin at an installed cost of US\$420,000. This new crushing circuit will be capable of up to 50 tonnes per hour.

During the quarter the company also has taken several potential investment groups to the site with positive feedback and there are on-going discussions with these groups on ways they could provide assistance to MRC.



For further information on our projects please visit www.mongolianresourcecorporation.com

For more information:

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Mongolian Resources Corporation

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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 (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



Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

MONGOLIAN RESOURCE CORPORATION LTD

ABN

83 127 620 482

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1)	(44)
	(b) development	(50)	(424)
	(c) production	-	-
	(d) administration	(156)	(1,430)
	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	30
1.5	Interest and other costs of finance paid	-	(10)
1.6	Income taxes paid	-	(18)
1.7	Other (FX gain)	-	-
	Net Operating Cash Flows	(206)	(1,896)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	(217)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	48
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	(169)
1.13	Total operating and investing cash flows (carried forward)	(206)	(2,065)



1.13	Total operating and investing cash flows (brought forward)	(206)	(2,065)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	488
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	530
1.17	Repayment of borrowings	(4)	(532)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(4)	486
	Net increase (decrease) in cash held	(210)	(1,579)
1.20	Cash at beginning of quarter/year to date	328	1,808
1.21	Exchange rate adjustments to item 1.20	(5)	(116)
1.22	Cash at end of quarter	113	113

**Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(120)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments of Director Fees and Consultancy Fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	1,918,281	0
3.2 Credit standby arrangements	0	0

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	160
4.3 Production	-
4.4 Administration	160
Total	320

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	113	328
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	113	328

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities (performance Shares)	46,000,000	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	142,319,857	142,319,857	-	-
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)				
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-	-	-
7.12 Unsecured notes (totals only)	-	-		



Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Date: 30 April 2013

(Company secretary)

Print name: John Robert Lee.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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