

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

MONGOLIAN RESOURCE CORPORATION LTD

ABN

83 127 620 482

Quarter ended ("current quarter")

30 JUNE 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(1,292)	(1,359)
(b) development	-	-
(c) production	-	-
(d) administration	(121)	(466)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	34	76
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid (BAS received)	-	2
1.7 Other (Mongolian project due diligence / appraisal)	-	(303)
Net Operating Cash Flows	(1,379)	(2,050)
Cash flows related to investing activities		
1.8 Payment for purchases or renewal of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(129)	(129)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities (loan to MRC)	-	(1,016)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	7
Net investing cash flows	(129)	(1,138)
1.13 Total operating and investing cash flows (carried forward)	(1,508)	(3,188)

1.13	Total operating and investing cash flows (brought forward)	(1,508)	(3,188)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,395	10,302
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(861)	(861)
1.18	Dividends paid	-	-
1.19	Other (Capital Raising Costs)	(847)	(847)
	Net financing cash flows	1,687	8,594
	Net increase (decrease) in cash held	179	5,406
1.20	Cash at beginning of quarter/year to date	6,765	1,538
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,944	6,944

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	35
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 remuneration/fees, consultancy fees and statutory superannuation.
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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

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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

N/A

+ See chapter 19 for defined terms.

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	-	-
3.2 Credit standby arrangements (credit card)	5	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation (including new project appraisal)	1,001
4.2 Development	732
4.3 Production	-
4.4 Administration	344
Total	2,077

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	4,939	6,760
5.2 Deposits at call	2,005	5
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6,944	6,765

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	-	-	-

+ See chapter 19 for defined terms.

6.2 Interests in mining tenements acquired or increased

12512A		0%	100%
6868X		0%	100%
6980X		0%	100%
9340X		0%	100%
9432X		0%	100%
9433X		0%	100%
9434X	Indirect license holding through Mongolian subsidiary	0%	100%
9681X		0%	100%
10226X		0%	100%
12970X		0%	100%
13140X		0%	100%
13393X		0%	100%
13394X		0%	100%
13537X		0%	100%
13901x		0%	100%
11987X		0%	100%
5707A	Indirect holding through Mongolian subsidiary	85%	85%
11329X		85%	85%
13826X		85%	85%
194A	Indirect holding through Mongolian subsidiary	90%	90%
E53/1474	WA Exploration tenement applications granted	0%	100%
E59/1628		0%	100%

+ See chapter 19 for defined terms.

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 <i>(Performance Shares)</i>	46,000,000	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	123,757,357	68,757,357	-	-
7.4 Changes during quarter	40,000,000	40,000,000	25 cents	25 cents
(a) Increases through issues	55,000,000	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	-	-	-	-
	10,867,644	10,867,644	Ex price 20 cents	Expiry date 31/03/13
7.8 Issued during quarter	14,500,000	-	Ex price 25 cents	Expiry date 31/03/13
7.9 Exercised during quarter	1,000,000	1,000,000	20 cents	20 cents
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Print name: Tanan Jargalsaikhan
 (Director)

Date: 28 JULY 2011

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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