British Columbia Securities Commission

QUARTERLY AND YEAR END REPORT
BC FORM 51-901F (previously Form 61)

INCORPORATED AS PART OF:

X Schedule A

_____ Schedule B

(place X in appropriate category)

ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT YY/MM/DD
Asia Gold Corp.	December 31, 2003	04/04/08

ISSUER'S ADDRESS Suite 654, 999 Canada Place

CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
Vancouver	B.C.	V6C 3E1	604-682-6728	604-681-6799

CONTACT PERSON	CONTACT'S POSITION	CONTACT TELEPHONE NO.
Greg Shenton	Chief Financial Officer	604-681-6799

CONTACT E-MAIL ADDRESS	WEB SITE ADDRESS
greg@ivancorp.com	www.asiagold-corp.com

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD
"Pierre Lebel"	Pierre Lebel	04/04/08
"Andre Deepwell"	Andre Deepwell	04/04/08

(Electronic signatures should be entered in "quotations")

Auditors' Report and Consolidated Financial Statements of

ASIA GOLD CORP.
(formerly MX Capital Corp.)

December 31, 2003 and 2002
(Stated in U.S. dollars)

Auditors' Report

To the Directors of
Asia Gold Corp.
(formerly MX Capital Corp.)

We have audited the consolidated balance sheets of Asia Gold Corp. (formerly MX Capital Corp.) as at December 31, 2003 and 2002 and the consolidated statements of operations and deficit and cash flows for the year ended December 31, 2003 and the period from incorporation on February 14, 2002 to December 31, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2003 and 2002 and the results of its operations and its cash flows for the year ended December 31, 2003 and the period from incorporation on February 14, 2002 to December 31, 2002 in accordance with Canadian generally accepted accounting principles.

"Deloitte & Touche LLP"

Chartered Accountants
Vancouver, British Columbia
March 16, 2004 (except as to Notes 8 and 14,
which are as of April 5, 2004)

ASIA GOLD CORP.
(formerly MX Capital Corp.)
Consolidated Balance Sheets
(Stated in U.S. dollars)

	December 31, 2003	December 31, 2002
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 11,869,149**	$ 3,868
Accounts receivable	**342,596**	5,856
Inventory	**248,083**	-
Prepaid expenses	**21,993**	1,747
	12,481,821	11,471
MINERAL PROPERTIES (Note 4)	**333,982**	65,119
PLANT AND EQUIPMENT (Note 5)	**656,600**	1,968
	$ 13,472,403	$ 78,558
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 1,195,390**	$ 110,955
Asset retirement obligation (Notes 2 (g) and 6)	**387,766**	-
Note payable	**-**	6,331
	1,583,156	117,286
SHAREHOLDERS' EQUITY		
Share capital (Note 8)		
Authorized		
Unlimited common shares without par value		
Issued and outstanding		
14,622,349 (2002 - 2,043,416) common shares	**14,183,003**	217,197
Contributed surplus (Note 2 (h))	**240,177**	-
Deficit	**(2,533,933)**	(255,925)
	11,889,247	(38,728)
	$ 13,472,403	$ 78,558

APPROVED BY THE BOARD

"Pierre Lebel"
Director

"Andre Deepwell"
Director

ASIA GOLD CORP.
(formerly MX Capital Corp.)
Consolidated Statements of Operations and Deficit
(Stated in U.S. dollars)

	Year ended December 31, 2003	Period from incorporation on February 14, 2002 to December 31, 2002
EXPENSES		
Depreciation	$ 1,275	$ -
Exploration, net of incidental revenues (Schedule)	517,954	72,111
Investor relations	7,526	2,898
Legal	58,567	13,365
Office and administration	105,567	28,407
Professional fees	140,592	97,032
Salaries	163,961	1,623
Stock-based compensation	240,177	-
Travel	67,923	41,402
	1,303,542	256,838
OTHER (INCOME) EXPENSES		
Interest income	(16,313)	(234)
Interest expense	3,657	-
Foreign exchange gains	(233,372)	(679)
Loss on disposal of equipment	53,418	-
Write-down of mineral property (Note 4 (c))	1,078,277	-
Write-down of plant and equipment (Note 5)	81,032	-
Other expenses	43,682	-
	1,010,381	(913)
LOSS BEFORE INCOME TAXES	2,313,923	255,925
FUTURE INCOME TAX RECOVERY (Note 7)	(35,915)	-
NET LOSS	2,278,008	255,925
DEFICIT, BEGINNING OF PERIOD	255,925	-
DEFICIT, END OF PERIOD	$ 2,533,933	$ 255,925
BASIC AND DILUTED LOSS PER SHARE	$ (0.43)	$ (0.16)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	5,336,340	1,615,381

ASIA GOLD CORP.
(formerly MX Capital Corp.)
Consolidated Statements of Cash Flows
(Stated in U.S. dollars)

	Year ended December 31, 2003	Period from incorporation on February 14, 2002 to December 31, 2002
OPERATING ACTIVITIES		
Net loss	**$ (2,278,008)**	$ (255,925)
Items not requiring use of cash		
Depreciation	**274,751**	-
Interest expense	**3,049**	-
Unrealized foreign exchange gain	**(276,858)**	-
Stock-based compensation	**240,177**	-
Loss on disposal of equipment	**53,418**	-
Write-down of mineral property	**1,078,277**	-
Write-down of property and equipment	**81,032**	-
Future income tax recovery	**(35,915)**	-
Changes in non-cash working capital items (Note 10 (a))	**626,345**	120,659
	(233,732)	(135,266)
INVESTING ACTIVITIES		
Cash acquired on acquisition of net assets (Note 3)	**376,888**	-
Mineral properties	**(93,265)**	(65,119)
Property, plant and equipment	**(106,732)**	(1,968)
	176,891	(67,087)
FINANCING ACTIVITIES		
Convertible loans	**1,299,895**	-
Share capital issued	**10,351,700**	199,890
(Repayment of) proceeds received from note payable	**(6,331)**	6,331
	11,645,264	206,221
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**276,858**	-
INCREASE IN CASH	**11,865,281**	3,868
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**3,868**	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	**$ 11,869,149**	$ 3,868
CASH AND CASH EQUIVALENTS ARE COMPRISED OF:		
Cash in bank	**$ 3,245,724**	$ 3,868
Term deposits	**8,623,425**	-
	$ 11,869,149	$ 3,868

SUPPLEMENTAL CASH FLOW INFORMATION (Note 10 (b))

1. NATURE OF OPERATIONS

MX Capital Corp. (the "Company") was incorporated on February 14, 2002 and commenced business activities after March 31, 2002. Effective August 26, 2003 the Company changed its name to Asia Gold Corp.

Asia Gold Corp. is a Canadian exploration stage mining company focused on exploring, developing and operating of precious and base metal properties located in Mongolia and South Korea.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies used in these consolidated financial statements are as follows:

(a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned (except where noted) subsidiaries, Korean Exploration Inc., Korea Exploration & Mining Ltd. (90% owned), Sun Shin Gold Mines Co., Ltd. (90% owned), Mongolia Holding Company Ltd. and Asia Gold Mongolia LLC. All intercompany transactions and balances have been eliminated.

(b) Accounting estimates

Generally accepted accounting principles require management to make assumptions and estimates that affect the reported amounts and other disclosures in these consolidated financial statements. Actual results may differ from those estimates.

Significant estimates used in the preparation of these consolidated financial statements include, amongst other things, the recoverability of accounts receivable, the estimated net realizable value of inventories, the expected economic lives of and the estimated future operating results and net cash flows from mineral properties, plant and equipment and the anticipated costs of asset retirement obligations including the reclamation of mine sites.

2. SIGNIFICANT ACCOUNTING POLICIES (Continue d)

(c) Foreign currencies

The Company's functional currency is the U.S. dollar since it is the currency of the primary economic environment in which the Company and its subsidiaries operate. Accordingly, monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect at the balance sheet date and non-monetary assets and liabilities at the exchange rates in effect at the time of acquisition or issue. Revenues and expenses are translated at rates approximating exchange rates in effect at the time of the transactions. All exchange gains and losses are included in operations.

The Company anticipates that any dividends, to the extent declared, will be paid in Canadian dollars.

(d) Inventory

The inventory consists principally of stockpiled concentrate, which are valued at the lower of average cost and net realizable value.

(e) Mineral properties

All direct costs related to the acquisition of mineral property interests are capitalized by property. Exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized.

The Company reviews the carrying values of its mineral property interests whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. This review is made, as to properties in the exploration and development stage, by reference to the project economics including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others. The review of the carrying value of each producing property is made by reference to the estimated future operating results and net cash flows. An impairment loss is recognized when the carrying value of a property exceeds its estimated net recoverable amount.

On the commencement of commercial production, depletion of each mining property is provided on a unit-of-production basis using estimated proven and probable recoverable reserves as the depletion base. In cases where there are no proven or probable reserves, depletion is provided on a straight-line basis over the expected economic life of the mine.

Certain of the Company's exploration and development activities are conducted jointly with others. These consolidated financial statements reflect only the Company's interests in such activities.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation. Plant and equipment are depreciated over their expected economic lives using either the unit-of-production method or the straight-line method, as appropriate. Office equipment is depreciated on a straight-line basis over three to five years. The Company reviews the carrying values of its plant and equipment whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and undiscounted net cash flows. An impairment loss is recognized when the carrying value exceeds the estimated net recoverable amount.

(g) Asset retirement obligations

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the reclamation of mining property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement cost is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation.

(h) Stock-based compensation

The Company accounts for stock options granted using the fair value based method of accounting for stock-based compensation. Accordingly, the fair value of the options at the date of grant is accrued and charged to operations, with a corresponding credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

(i) Income taxes

Future income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values, using the enacted or substantially enacted, as applicable, income tax rates at each balance sheet date. Future income tax assets also result from unused loss carry-forwards and other deductions. The valuation of future income tax assets is reviewed on a regular basis and adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount.

(Stated in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding options and warrants to purchase common shares, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year.

3. ACQUISITION

Effective July 31, 2003, the Company acquired certain assets, including, amongst other things, mineral exploration licenses covering areas in the South Gobi region of Mongolia and mining interests in South Korea, including a gold and silver mine under development, and assumed certain liabilities relative thereto. These net assets were acquired by the acquisition of the subsidiaries referred to in Note 2 (a), in consideration for the issue of 6,130,246 common shares of the Company.

These net assets were acquired from Ivanhoe Mines Ltd. ("Ivanhoe Mines"), resulting in Ivanhoe Mines owning approximately 77% of the Company's outstanding share capital at the date of acquisition. Accordingly, the common share consideration has been measured at $2,217,573, which was the carrying value of these net assets to Ivanhoe Mines immediately prior to the transfer to the Company. The assigned cost of the net assets acquired was as follows:

Current assets (including cash of $376,888)	$	844,225
Mineral properties		866,109
Plant and equipment		957,099
		2,667,433
Current liabilities assumed		(413,925)
Future income tax liabilities assumed		(35,915)
		(449,840)
Net assets acquired	$	2,217,593

(Stated in U.S. dollars)

4. MINERAL PROPERTIES

(a) The following table summarizes the carrying value of the Company's mineral property interests:

	South Korea	Mongolia	Total
Acquisition of exploration licenses and balance, December 31, 2002	$ -	$ 65,119	$ 65,119
South Korea property acquired from Ivanhoe Mines (Note 3)	866,109	-	866,109
Acquisition of exploration licenses (b)	-	93,265	93,265
Asset retirement costs (Note 2 (g))	387,766	-	387,766
Write-down (c)	(1,078,277)	-	(1,078,277)
	175,598	93,265	268,863
Balance, December 31, 2003	$ 175,598	$ 158,384	$ 333,982

(b) The Company has a 100% direct or indirect interest in 40 exploration licenses covering an area of approximately 3.9 million hectares located in the Gobi Desert of Mongolia. Eleven of these licenses were acquired directly by the Company at an aggregate cost of $158,384. The remaining 29 licenses were acquired from Ivanhoe Mines (Note 3) and are carried in the accounts of the Company at $Nil, which amount was equal to the carrying amount to Ivanhoe Mines immediately before the transfer to the Company. Under the terms of these exploration licenses, the Company must pay an annual license fee per hectare. These fees start at $0.05 per hectare and increase to $1.50 per hectare over a seven-year period.

In connection with the acquisition of the exploration licenses from Ivanhoe Mines, the Company and Ivanhoe Mines have entered into a mineral exploration services agreement. Under the terms of this agreement, the Company has contracted with Ivanhoe Mines to conduct exploration activities on the Company's behalf. Ivanhoe Mines charges the Company for the expenses incurred for such activities on a cost recovery basis. Ivanhoe Mines will submit exploration programs to the Company and use its resources and infrastructure in Mongolia to conduct these proposed exploration programs. This services agreement was terminated in October 2003, and replaced with a technical consulting agreement. Under the new agreement, the Company assumed responsibility for its own exploration activities after November 30, 2003, while retaining Ivanhoe Mines to conduct exploration activities and using Ivanhoe Mines' infrastructure on a cost recovery basis from time to time.

In addition, the Company and Ivanhoe Mines have entered into a coal rights retention agreement whereby Ivanhoe Mines will retain the rights to any coal, coal-related products and coal-bed methane gas situated in, on or under the geographical boundaries of any of the 40 exploration licenses.

(Stated in U.S. dollars)

4. MINERAL PROPERTIES (Continued)

(c) The Company owns a 90% indirect interest in the Eunsan gold-silver exploration project located in the Chollom-Do Province of South Korea. This asset was acquired from Ivanhoe Mines (Note 3) at a cost of $866,109, which was equal to the carrying amount to Ivanhoe Mines immediately before the transfer to the Company. Ivanhoe Mines constructed mine facilities on this property in 2002. The Company has also acquired the exploration rights to certain other mineral prospects in the surrounding area of the Eunsan property.

In view of the unsuccessful exploration results of the Eunsan gold-silver project in the latter half of 2003 and the anticipated limited resources and project life in 2004, the Company reviewed the carrying values of this mineral property with the result that an impairment provision of $1,078,277 was made in the fourth quarter of 2003.

Subsequent to December 31, 2003, the Company has decided to cease all further activity at the Eunsan gold-silver project. This will result in the closure of the mine and related reclamation activities, processing of the remaining stockpiled ore and the ultimate disposition of mining assets. It is anticipated that this process will be completed in the third quarter of 2004.

5. PLANT AND EQUIPMENT

	December 31, 2003			December 31, 2002
	Cost	Accumulated Depreciation and Write-Down	Net Book Value	Net Book Value
Plant and equipment	**$ 958,324**	**$ 311,808**	**$ 646,516**	$ -
Office equipment	**14,196**	**4,112**	**10,084**	1,968
	$ 972,520	**$ 315,920**	**$ 656,600**	$ 1,968

In view of the matters discussed in Note 4 (c), the Company reviewed the carrying value of the plant and equipment held at the Eunsan gold-silver project with the result that an impairment provision of $81,032 was made in the fourth quarter of 2003.

(Stated in U.S. dollars)

6. ASSET RETIREMENT OBLIGATION

The total undiscounted and discounted amount of estimated cash flows required to settle the obligations is $387,766 (2002 - $Nil). Reclamation obligations at the Eunsan mine are expected to be paid in 2004 and will be funded from cash on hand. At the present time, the Company has concluded that there are no asset retirement obligations associated with the mineral properties in Mongolia.

7. FUTURE INCOME TAX RECOVERY

A reconciliation of the provision for recovery of income taxes is as follows:

	Year ended December 31, 2003		Period from incorporation on February 14, 2002 to December 31, 2002	
	Amount	**Rate**	Amount	Rate
Provision for recovery of income taxes based on combined Canadian federal and provincial statutory rates	**$ 870,035**	**37.6%**	$ 101,346	39.6%
Deduct:				
Lower effective tax rate on losses in foreign jurisdictions	**(102,108)**	**4.4%**	-	-
Tax effect of losses not recognized	**(641,705)**	**27.7%**	(101,615)	39.7%
Non-deductible expenses	**(90,307)**	**3.9%**	269	1.0%
Future income tax recovery	**$ 35,915**	**1.6%**	$ -	0.0%

The Company's future income tax assets and liabilities are as follows:

	December 31, 2003	December 31, 2002
Future income tax assets		
Tax loss carryforwards	**$ 2,992,415**	$ 101,615
Capital assets	**362,660**	-
Share issue costs	**288,150**	-
Total future income tax assets	**3,643,225**	101,615
Valuation allowance	**(3,643,225)**	(101,615)
Net future income tax assets	**$ -**	$ -

(Stated in U.S. dollars)

7. FUTURE INCOME TAX RECOVERY (Continued)

At December 31, 2003, the Company and its subsidiaries have unrecognized non-capital losses for income tax purposes of approximately $8,451,000 that may be used to offset future taxable income as follows:

		Local Currency		U.S. Dollar Equivalent	Expiry Dates
Canadian dollar	$	1,250,000	$	846,000	2009 - 2010
Mongolia	MNT	549,765,000		491,000	(a)
South Korea	KRW	9,100,430,000		7,114,000	2004 - 2008
			$	8,451,000	

(a) These losses are carried forward indefinitely until such time as production from a mine commences; thereafter, they can be amortized on a straight-line basis over a period of five years.

8. SHARE CAPITAL

In September 2003, the shareholders approved the consolidation of the Company's share capital on a six old for one new basis. All share and per share amounts have been restated to reflect this share consolidation. The issued and fully paid share capital, after giving effect to share consolidation, is:

	Number of Shares	Amount
Issued for cash	1,983,915	$ 199,890
Issued on settlement of accounts payable to related parties	59,501	17,307
Balance, December 31, 2002	2,043,416	217,197
Issued for acquisition of net assets from Ivanhoe Mines (Note 3)	6,130,246	2,217,593
Issued on conversion of loan (a)	833,333	721,101
Issued on conversion of debt (b)	109,732	93,569
Issued conversion of loan (c)	505,622	581,843
Issued for cash, net of issue costs of $957,958	5,000,000	10,351,700
Balance, December 31, 2003	14,622,349	$ 14,183,003

(Stated in U.S. dollars)

8. SHARE CAPITAL (Continued)

(a) In connection with the acquisition discussed in Note 3, Ivanhoe Mines provided a short-term loan in the amount of $721,101 (Cdn.$1,000,000) to the Company that was converted into units of the Company consisting of 833,333 common shares and 833,333 warrants to purchase 833,333 common shares at an exercise price of Cdn.$1.32 per share. The warrants expire July 31, 2004, one year from their date of issue.

(b) In September 2003, an amount of $93,569 (Cdn.$131,680) owing to the president of the Company was settled by the issue of 109,732 common shares of the Company at Cdn.$1.20 per common share.

(c) In November 2003, the Company converted a short-term loan owing to Ivanhoe Mines in the amount of $581,843 (Cdn.$758,433) into 505,622 common shares at a rate of Cdn.$1.50 per common share.

Stock options

In October 2003, the Company established an Employees and Directors Equity Incentive Plan which authorizes the Board of Directors of the Company to grant options, which vest over a period of years, to directors and employees of the Company at an exercise price equal to the last closing price of the Company's common shares before the date of the grant. The Company is authorized to issue a maximum of 2,600,000 shares pursuant to the Plan. At December 31, 2003, an aggregate of 1,314,000 common shares are available for future grants under the Plan.

A summary of the share option activity and information concerning outstanding and exercisable options at December 31, 2003 is as follows:

	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price Per Share (Cdn.$)	Number Exercisable	Weighted Average Exercise Price Per Share (Cdn.$)
Granted during the year and balance at December 31, 2003	1,286,000	4.92	$ 3.00	428,667	$ 3.00

Subsequent to December 31, 2003, the Company granted to employees 100,000 stock options at an exercise price of Cdn.$3.00, 5,000 stock options at an exercise price of Cdn.$2.14 and 30,000 stock options at an exercise price of Cdn.$2.00. All of these options are exercisable for a period of five years and vest over a two-year period.

(Stated in U.S. dollars)

8. SHARE CAPITAL (Continued)

Stock options (continued)

The fair value of the stock options granted during 2003 was Cdn.$0.67. The fair value of these options was determined using a Black-Scholes option pricing model, recognizing forfeitures as they occur, using the following assumptions:

Risk-free interest rate	4.39%
Expected life	5.0 years
Expected volatility	11.83%
Expected dividends	$Nil

Option pricing models require the input of highly subjective assumptions regarding the expected volatility. Changes in assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options at the date of grant.

Share purchase warrants

Share purchase warrants held by Ivanhoe Mines and outstanding at December 31, 2003 are discussed in Note 8 (a).

During the year ended December 31, 2003, and in connection with a public offering, the Company issued 500,000 non-transferable share purchase warrants. Each warrant entitles the holder to acquire one common share at a price of Cdn.$3.00 per share at any time on or before December 11, 2005.

9. OTHER RELATED PARTY TRANSACTIONS

(a) The Company incurred the following expenses with companies related by way of directors or shareholders in common:

	Year ended December 31, 2003	Period from incorporation on February 14, 2002 to December 31, 2002
Exploration expenses (Note 4 (b))	**$ 572,090**	$ -
General and administrative expenses	**218,977**	-
Interest expense	**3,049**	-
	$ 794,116	$ -

(Stated in U.S. dollars)

9. OTHER RELATED PARTY TRANSACTIONS (Continued)

(b) Accounts payable and accrued liabilities include the following amounts:

	December 31, 2003	December 31, 2002
Amounts due to companies related by way of directors and officers in common	**$ 46,276**	$ -
Amount due to Ivanhoe Mines	**388,085**	-
Amounts due to the President for services provided	**-**	58,763

10. CASH FLOW INFORMATION

(a) Net change in non-cash working capital items:

	Year ended December 31, 2003	Period from incorporation on February 14, 2002 to December 31, 2003
Net (increase) decrease in:		
Accounts receivable	**$ (306,454)**	$ (5,856)
Inventory	**6,361**	-
Prepaid expenses	**162,360**	(1,747)
Net increase (decrease) in:		
Accounts payable and accrued liabilities	**376,312**	128,262
Asset retirement obligation	**387,766**	-
	$ 626,345	$ 120,659

(Stated in U.S. dollars)

10. CASH FLOW INFORMATION (Continued)

(b) Supplementary information regarding other non-cash transactions:

	Year ended December 31, 2003	Period from incorporation on February 14, 2002 to December 31, 2002
Investing and financing activities:		
Share capital issued on settlement of accounts payable to related party	**$ 93,569**	$ 17,307
Share capital issued as consideration for acquisition of net assets, net of cash acquired (Note 3)	**1,840,705**	-
Share capital issued on conversion of loans (Note 8)	**1,302,944**	-

11. SEGMENT DISCLOSURES

(a) The Company operates in one industry segment (Note 1).

(b) Mineral properties at the end of the period:

	December 31, 2003	December 31, 2002
Mongolia	**$ 158,384**	$ 65,119
South Korea	**175,598**	-
	$ 333,982	$ 65,119

(Stated in U.S. dollars)

11. SEGMENT DISCLOSURES (Continued)

(c) Plant and equipment at the end of the period:

	December 31, 2003	December 31, 2002
South Korea	**$ 630,137**	$ -
Mongolia	**20,089**	-
Canada	**6,374**	1,968
	$ 656,600	$ 1,968

12. FINANCIAL INSTRUMENTS

(a) *Fair value of financial instruments*

The Company's financial instruments include cash, accounts receivable, and accounts payable and accrued liabilities, for which the carrying values approximate fair values.

(b) *Foreign exchange risk*

The Company incurs certain of its expenses and holds certain assets in currencies other than the U.S. dollar. As such, the Company is subject to foreign exchange risk as a result of fluctuations in exchange rates.

13. CONTINGENT LIABILITY

A claim has been filed against a subsidiary of the Company in South Korea with the National Environmental Dispute Resolution Commission alleging that noise, vibration and dust from the Eunsan mine has caused direct damage to fish in a nearby hatchery, cracks in hatchery buildings and mental distress. The Company believes this claim is without merit and intends to vigorously defend it. Should the Commission not rule in favour of the Company, the potential damages could total a maximum of approximately $350,000 (Korean Won 421,110,000). Under the terms of the acquisition agreement with Ivanhoe Mines (Note 3), Ivanhoe Mines has agreed to indemnify the Company for any losses arising from this claim.

14. OTHER SUBSEQUENT EVENT

On April 5, 2004, the Company entered into an agreement to sell its 90% interest in its South Korean properties to Hangum Co. Ltd., a South Korean company that currently owns the other 10% interest in these assets. In consideration for the sale of these assets, the Company will receive $422,000 plus all proceeds from the eventual sale of concentrate produced up to March 31, 2004 and held in inventory at that time. This transaction is scheduled to close in mid-June, 2004 and is subject to regulatory approval.

ASIA GOLD CORP.
(formerly MX Capital Corp.)
Consolidated Schedule of Exploration Expenses
(Stated in U.S. dollars)

	Year ended December 31, 2003			Period from incorporation on February 14, 2002 to December 31, 2002
	Mongolia	**South Korea**	**Total**	(Mongolia)
Assaying	**$ 7,296**	**$ -**	**$ 7,296**	$ 13,264
Camp costs	**60,677**	**40,144**	**100,821**	7,171
Consulting	**379,041**	**1,045,474**	**1,424,515**	51,676
Depreciation	**-**	**273,476**	**273,476**	-
Drilling	**35,028**	**6,140**	**41,168**	-
Filing fees	**160,628**	**164,479**	**325,107**	-
Fuel	**-**	**24,704**	**24,704**	-
Maps, photos and reproductions	**25**	**340**	**365**	-
Office	**16,006**	**218,858**	**234,864**	-
Rental, lease and charter costs	**59,790**	**24,090**	**83,880**	-
Salaries	**48,109**	**660,210**	**708,319**	-
Supplies	**-**	**44,948**	**44,948**	-
Travel	**60,486**	**40,650**	**101,136**	-
	827,086	**2,543,513**	**3,370,599**	72,111
Incidental revenues from the sale of gold-silver	**-**	**(2,852,645)**	**(2,852,645)**	-
	$ 827,086	**$ (309,132)**	**$ 517,954**	$ 72,111

British Columbia
Securities Commission

QUARTERLY AND YEAR END REPORT
BC FORM 51-901F (previously Form 61)

Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Securities Act*. Questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6731), P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2. Toll Free in British Columbia 1-800-373-6393.

INCORPORATED AS PART OF:

_____ Schedule A

X Schedule B

(place X in appropriate category)

ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT YY/MM/DD
Asia Gold Corp.	December 31, 2003	04/04/08

ISSUER'S ADDRESS Suite 654, 999 Canada Place

CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
Vancouver	B.C.	V6C 3E1	604-682-6728	604-681-6799

CONTACT PERSON	CONTACT'S POSITION	CONTACT TELEPHONE NO.
Greg Shenton	Chief Financial Officer	604-681-6799

CONTACT E-MAIL ADDRESS	WEB SITE ADDRESS
greg@ivancorp.com	www.asiagold-corp.com

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD
"Pierre Lebel"	Pierre Lebel	04/04/08
"Andre Deepwell"	Andre Deepwell	04/04/08

(Electronic signatures should be entered in "quotations")

MANAGEMENT DISCUSSION AND ANALYSIS
ASIA GOLD CORP.
(formerly MX Capital Corp.)
December 31, 2003
(Stated in U.S. Dollars)

OVERVIEW

Asia Gold Corp.(the "Company" or "AGC") is a mining exploration and development company with a focus on precious and base metal exploration and development in Mongolia and South Korea. Asia Gold Corp was incorporated on February 14, 2002.

Corporate Reorganization

On July 31, 2003, the Company issued 6,130,246 common shares, representing approximately 75% of the common shares then outstanding, to Ivanhoe Mines Ltd. ("Ivanhoe Mines") in exchange for Ivanhoe Mines' interest in 29 exploration licenses in Mongolia and a 90% interest in certain exploration and mining licenses in South Korea. In addition, on July 31, 2003 Ivanhoe Mines converted loans of Canadian ("Cdn"). $1 million in the Company in exchange for 833,333 units, each unit consisting of one common share and one warrant to purchase one common share and, on November 19, 2003, Ivanhoe Mines converted further loans and accrued interest aggregating Cdn. $758,433 into 505,622 common shares. As a result, Ivanhoe Mines held at December 31, 2003 a total of 7,469,201 common shares which represented approximately 51% of the issued and outstanding common shares of the Company.

In connection with the Ivanhoe Mines acquisition, the Company and Ivanhoe Mines entered into a mineral exploration services agreement (the "Exploration Services Agreement") under which the Company contracted with Ivanhoe Mines to conduct exploration on the Company's behalf on its Mongolian properties on a cost recovery basis. Ivanhoe Mines conducted an exploration program during the late summer and fall of 2003 pursuant to this agreement. On October 23, 2003 Ivanhoe Mines and AGC replaced the Exploration Services Agreement with a Technical Consulting Agreement ("Technical Consulting Agreement").

Change of Directors

On August 14, 2003, four nominees were appointed to the Company's Board of Directors consisting of: Mr. Pierre Lebel and Mr. Andre Deepwell and two nominees of Ivanhoe Mines, Mr. Peter Meredith, and Mr. Edward Flood. On November 26, 2003 Mr Douglas Kirwin, also a nominee of Ivanhoe Mines, was appointed to the board replacing Mr. Don Poirier. The current Board of Directors consists of six members, Mr. David Owens being the other member.

Capital Consolidation

On September 22, 2003 the Company consolidated its outstanding share capital on a six for one basis (one new common share for each 6 old common shares outstanding). Accordingly, at December 31, 2003, there were 14,622,349 common shares issued and outstanding as a result of this consolidation.

Initial Public Offering

On December 1, 2003 the Company filed a final prospectus with certain securities regulatory authorities in Canada for an initial public offering ("IPO") of 5 million common shares for gross proceeds of Cdn. $15,000,000. This offering closed on December 11, 2003 and the Company's shares began trading on the TSX Venture Exchange on December 15, 2003. Under the terms of this offering, the Company paid the agents a commission of 5.5% of the gross proceeds of the offering and granted the agents' non-assignable broker warrants to acquire up to an aggregate of 10% of the number of common shares issued pursuant to the offering. Each broker warrant is exercisable for a period of two years following the closing of the offering at Cdn. $3.00 per share. Expenses of the offering, including commissions paid to the agents, were approximately $958,000 .

FORWARD LOOKING STATEMENTS

Except for statements of fact relating to the Company together with its subsidiaries (collectively referred to as the "Company"), certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan", "expect","project","intend","believe","anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the dates the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other ecological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties related to the availability of and costs of financing needed in the future and other factors described in this discussion under the heading "Outlook". The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

MINING AND EXPLORATION PROPERTIES

Mongolia Exploration Licenses

In early 2002, the Company acquired 11 exploration licenses covering an approximately 900,000 hectare ("ha") site in the West Gobi area located in the west-central portion of the Omnogovi Aimag (province) approximately 510 kilometers ("km") from Ulaan Baatar, Mongolia. On July 31, 2003, the Company acquired from Ivanhoe Mines an additional 29 licenses which cover an area of approximately 3,000,000 ha. 24 of these additional licenses are adjacent to the original 11 licenses owned by the Company (the "Western Gobi Property"); the 5 remaining licenses are known as the Oyut Ovoo property and are located approximately 270 km southwest of Ulaan Baatar.

During 2002, the Company conducted a first stage reconnaissance field exploration program consisting of geological mapping and geochemical sampling on the 11 original Western Gobi Property licenses at a cost of $72,000. This program continued into early 2003 but, due to lack of funding and the time constraints imposed on management during the reorganization negotiations with Ivanhoe Mines, little exploration work was done on these properties with only $31,000 being spent to July 31, 2003. This reconnaissance program resulted in the identification of gold mineralization in several areas.

Based on interpretation of satellite images covering the entire Western Gobi Property, Ivanhoe Mines also completed a helicopter reconnaissance survey of prospective targets in April 2003. In total, 15 areas were selected for study, six locations were visited and four sites were sampled, with 175 samples obtained. Significant geochemical anomalies were reported from rock grab samples.

Ivanhoe Mines geologists visited Oyut Ovoo as part of a regional helicopter-based reconnaissance program, and collected forty-three rock chip grab samples. Some of the samples returned anomalous gold values while eight samples returned significant copper assays with some significant molybdenum values.

<u>Exploration Programs and Budgets.</u>

Previous exploration on the Western Gobi Property by both the Company and Ivanhoe Mines has identified a number of targets for accelerated exploration. In the fall of 2003, geological mapping, additional rock sampling, soil sampling, magnetics and trenching were conducted on first priority targets. Activities conducted on second priority targets included additional sampling, interpretation of Landsat 7 satellite images and geological mapping.

Detailed fieldwork on the main zone of potential mineralization at Oyut Ovoo started in August 2003. The work program included detailed mapping, outcrop sampling and a ground magnetic geophysical survey. The Company also conducted reconnaissance work on the surrounding Oyut Ovoo licenses. A gradient array induced polarization ("IP") geophysical survey was completed in December 2003. Structural interpretation of high-resolution satellite images was completed in conjunction with the field exploration. This work has identified a skarn intrusive complex, with coincident high chargeability and highly magnetic anomalies. There is good correlation between high copper values in outcrop and the geophysical anomalies. A 2,000 metre drill program will commence in 2004.

The field season for exploration work in Mongolia ended in mid-November, 2003. The Company will not conduct any additional field exploration activity until the Spring of 2004. Costs of exploration activity on the Mongolian licenses for the year ended December 31, 2003 were approximately $827,000.

The Company has received the results of the 2003 exploration work carried out by Ivanhoe Mines. This work has identified Dune, Yagaan, Tsagaan Temme and Alag Mtn as high priority areas for follow-up work. Additional mapping, sampling and ground geophysical surveys are planned for these areas to define drill targets; this work is to commence in the spring of 2004. Another eight priority areas have been identified for additional follow-up, and the Company will continue with reconnaissance exploration of the licenses not explored to date. The initial exploration budget for the 2004 field season is approximately $3.8 million.

In accordance with the Technical Consulting Agreement with Ivanhoe Mines, commencing November 30, 2003, the Company is responsible for its own exploration operations, with assistance of Ivanhoe Mines on a cost recovery basis in respect of such matters as may be agreed by the parties from time to time. Accordingly, the Company has commenced the process of sourcing and hiring experienced local and expatriate personnel and to establish the necessary infrastructure in order to commence independent exploration programs in the spring of 2004.

South Korea

The Company carries out exploration and limited production activities at the Eunsan gold and silver mine which is located on the coast of Chollonam-Do Province in the southwestern part of South Korea approximately 25 km south of the port city of Mokp'o. Eunsan was acquired from Ivanhoe Mines on July 31, 2003.

Ivanhoe Mines operated the Eunsan property during 2002 and the first half of 2003 but was unable to bring the property into commercial production during this time. Ivanhoe Mines constructed a mill at a cost of $1.3 million which is capable of processing 140 tonnes of ore per day. By the end of 2002, Ivanhoe Mines had processed approximately 25,000 tonnes of ore from the initial open pit. This oxide ore concentrate was initially smelted on site producing approximately 5,000 ounces of gold and 200,000 ounces of silver. In addition, Ivanhoe Mines commenced underground operations which were designed to access a relatively narrow high-grade vein. Due to instability encountered in the underground formations, the underground operations proved largely unsuccessful in gaining access to the vein and in early 2003 were halted. In addition, problems were encountered in the smelting process of the ore concentrate which resulted in recoveries of gold and silver which were well below those anticipated. The mill was idle from the end of 2002 until September 2003, during this time limited underground mining continued and ore was added to the stockpile. By September 2003, the stockpile consisted of 3,158 tonnes of oxide ore and 7,798 tonnes of non-oxide ore.

The Company initiated a number of changes at Eunsan which resulted in improved recoveries. Foremost among these changes, the Company negotiated an agreement whereby the processed ore concentrate was sold to a third party who operates an established smelting facility. In addition, the mill underwent a refurbishment which has resulted in enhanced gold and silver recovery of 95% and 93%, respectively. Finally, the original underground access which was constructed by Ivanhoe Mines was sealed, and a second adit, which encountered underground formations with greater stability, was opened on the opposite side of the ore body. These improvements commenced in August 2003 and were completed in early September 2003. During this time, significant tonnages of ore were mined with the processing of stockpiled ore commencing in September, 2003 and the first sale of concentrate occurring in October, 2003. The mine is producing from the new underground access and to February, 2004 has extracted approximately 7,100 tonnes of sulphide ore and 9,800 tonnes of oxide ore.

The long term viability of the Eunsan property was always entirely dependant upon the discovery of additional high grade ore shoots at either Eunsan or one of the other related South Korean properties which were acquired from Ivanhoe Mines. Exploration activities at Eunsan during the period from September, 2003 through to January, 2004 proved unsuccessful in this regard. Of the other license areas acquired, the Gasado Island property, a 914 hectare intermediate-stage gold-silver exploration property which is located 35 km West Southwest of the Eunsan mine, was the most promising. An inferred gold/silver resource had been identified on this property and consideration was given to a plan which would have seen this resource mined and the ore shipped to the Eunsan mill for processing into concentrate. However, due to geological uncertainty similar to that experienced at Eunsan, environmental risks and a limited (1 year) potential mine life with a low investment return, the Company decided to not pursue development of the Gasado Island property. Accordingly, mining activity at the Eunsan property will be completed in April 2004 and restoration activities on this mine site will be carried out during the spring of 2004. The mill will continue to process stockpiled ore and tailings through to July 2004 after which time all operations will cease at Eunsan.

A total of $800,000 of net cash flow has been received by the Company from the Eunsan project during the period from acquisition to March, 2004. This amount represents the net costs recovered by the Eunsan project from the sale of concentrate in excess of those amounts used for exploration and operational activities during this period. In view of the decision to discontinue activities at Eunsan, the Company reviewed the carrying values of this property and related plant and equipment, and has made impairment provisions aggregating approximately $1,159,000 in the December 31, 2003 accounts.

In April 2004, the Company entered an agreement to sell its 90% interest in its South Korean properties to Hangum Co. Ltd. a South Korean company that currently owns the other 10% interest in these assets. In consideration for the sale of these assets, the Company will receive $422,000 plus all proceeds from the eventual sale of concentrate produced up to March 31, 2004 and held in inventory at that time. This transaction is scheduled to close in mid-June and is subject to regulatory approval.

RESULTS OF OPERATIONS

This review of the results of operations should be read in conjunction with the Consolidated Financial Statements of the Company for the year ended December 31, 2003.

Overview

The net loss for the year ended December 31, 2003 was $2,278,000, the majority of this loss, $2,096,000, was incurred in the five-month period ended that date. Current operations commenced with the completion of the acquisition agreement with Ivanhoe Mines on July 31, 2003. The aggregate net loss for the sixteen month period from February 14, 2002, the date of incorporation, to July 31, 2003 was $438,000 and included exploration expenses of $103,000 and administration costs of $317,000. In contrast, $3,339,000 ($487,000 net of incidental revenues of $2,852,000) was spent on exploration and $653,000 on administration in the five months ended December 31, 2003. This significant increase in expenditures is due to the completion of the acquisition agreement with Ivanhoe Mines on July 31, 2003 and reflects not only the acquisition of the new properties in Mongolia and South Korea, but the availability, from both the IPO and the Ivanhoe Mines loans, of those funds necessary to carry out the Company's exploration programs.

CRITICAL ACCOUNTING POLICIES

A detailed summary of all of the Company's significant accounting policies is included in Note 2 to the annual Consolidated Financial Statements for the year ended December 31, 2003.

Significant estimates used in the preparation of these consolidated financial statements include, amongst other things, the recoverability of accounts receivable, the estimated net realizable value of inventories, the expected economic lives of and the estimated future operating results and net cash flows from mineral properties, plant and equipment, and the anticipated costs of asset retirement obligations including the reclamation of mine sites.

Three Months Ended September 30, 2003 and December 31, 2003

	Three Months Ended	
	September 30, 2003	December 31, 2003
EXPENSES		
Depreciation	$ 2,337	$ (1,062)
Exploration	1,319,102	(821,619)
Investor relations	235	5,580
Legal	26,533	27,515
Office and administration	37,272	55,376
Professional fees	67,625	39,455
Salaries	52,070	110,973
Stock based compensation	-	240,177
Travel	31,649	26,702
	1,536,823	(316,904)
OTHER (INCOME)/EXPENSES		
Interest income	(213)	(16,085)
Interest expense	824	2,833
Foreign exchange (gains) losses	25,874	(263,795)
Loss on disposal of equipment	-	53,418
Write down of mineral property	-	1,078,277
Write down of plant and equipment	-	81,032
Other income	(13,197)	56,879
	13,288	992,559
LOSS BEFORE INCOME TAX RECOVERY	1,550,111	675,655
FUTURE INCOME TAX RECOVERY	-	(35,915)
NET LOSS	$ 1,550,111	$ 639,740

The Company incurred a net loss of $640,000 for the three-month period ended December 31, 2003 as compared to a net loss of $1,550,000 for the preceding three-month period. The loss in the December quarter was largely the result of a write-down of the Eunsan mineral property and plant and equipment costs as a result of the anticipated mine closure. The net loss in the September quarter was primarily due to exploration expenditures incurred during that period.

Of the exploration expenditures of $1,319,000 incurred in the third quarter of 2003, $928,000 was spent on modifications and operations at the Eunsan mine, and $391,000 was spent in respect of the Mongolian properties. Exploration expenditures of $2,031,000 were incurred during the fourth quarter, $416,000 on the Mongolian properties and $1,615,000 on exploration and operations at the Eunsan mine. However, these fourth quarter expenses were offset by the sale of concentrate at Eunsan in the amount of $2,853,000 resulting in a net exploration cost recovery of $822,000. Expenses incurred at the Eunsan mine have been recorded as exploration costs as the Eunsan mine was unable to demonstrate that it could run as a self-sustaining operation.

Professional fees for the six months ended December 31, 2003 include accrued audit fees of $50,000 for the Company's year-end audit, $10,000 for the cost of a review, performed by the Company's auditors, of the Company's September 2003 quarterly financial statements, and consulting fees which were paid to the President of the Company and a former director of the Company.

The increase in investor relations costs results from the Company's change in status to a public entity; the majority of the amount for the December quarter resulting from news release and conference fees.

Legal fees were incurred on a relatively consistent basis throughout the September and December periods. Included in the balance paid over this six-month period is an amount of $35,000 paid to South Korean counsel for their work on the agreement with Ivanhoe Mines. The balance of the charges were for costs paid to counsel for costs associated with the Company's annual general meeting and for general corporate affairs.

Office and administration fees and salary costs also increased as direct result of the IPO. The increase of $18,000 from the September quarter to the December quarter results from additional office infrastructure associated with an increase in corporate staff. Salary and other compensation expense in the fourth quarter increased by $59,000 over those amounts recorded for the September quarter which reflects additional staffing levels associated with both the completion of the IPO as well as a general increase in corporate activity. Stock based compensation in the amount of $240,000 was recorded in the December quarter as a result of employee stock options which were granted in December, 2003.

Interest income increased substantially in the fourth quarter of 2003 as a result of the increase in cash from the completion in December of the Company's IPO. An unrealized foreign exchange gain of $276,000 was recorded in the December quarter, primarily the result of an increase in the U.S. dollar equivalent of Canadian dollar denominated cash deposits.

Year Ended December 31, 2003

Both administrative charges and exploration costs increased for 2003 over those incurred in 2002 commensurate with the increase in corporate activity associated with the commencement of exploration activities in August 2003 and the preparation of the Company's prospectus. The net loss incurred in 2003 increased almost tenfold over the corresponding 2002 amount and reflects these increased activities. A comparison of costs incurred for 2002 versus those incurred for 2003 will not be made as the Company did not acquire the majority of exploration properties nor commence its current operations until after July 31, 2003. Those costs incurred in 2002 reflect an administrative focus and start-up activities, the costs incurred in 2003, particularly those for the five-month period ended December 31, 2003, have resulted from the availability of financing and reflect commencement of exploration activities and those costs associated with a public offering and administration of a public company. Comparative discussion of the results of operations for the third and fourth quarters presented above encompasses the vast majority of activities during the 2003 year.

Related party transactions

Certain administrative costs are paid to Global Mining Management ("GMM") for corporate secretarial, accounting, investor relations and administrative services performed on behalf of the Company. GMM is related to Asia Gold Corp. as certain officers and directors are common to each company. GMM provides these services to a group of companies some of which are related to Asia Gold Corp., such as Ivanhoe Mines, and others which are not. The services provided by GMM are incurred on an as-used basis. The Company has utilized the services of the GMM staff and office since June 1, 2003 and has incurred costs for the seven-month period to December 31, 2003 totaling $219,000.

Under the Exploration Services Agreement, the Company contracted Ivanhoe to conduct exploration on the Company's behalf on its Mongolian properties during the latter half of 2003. Ivanhoe was reimbursed a total of $572,000 for personnel and services used in this regard. In addition, Ivanhoe was paid interest of $3,000 on loans it advanced to the Company during August and October, 2003.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2003, the Company had a working capital balance of $10.9 million and cash resources of $11.9 million. It is anticipated that a further $667,000 will be made available during the first six months of 2004 as net cash flow is generated from the Eunsan mine. Budgeted expenditures for 2004 are $5,000,000, consisting of exploration and administrative expenditures in Mongolia of $3.8 million and corporate administrative costs of $1.2 million. Planned exploration expenditures are contingent upon the relative success of exploration initiatives, and may be adjusted during the year accordingly. In addition, the Company is actively pursuing exploration opportunities outside the scope of its existing properties; should any of these opportunities come to fruition, the annual exploration budget would need to be revised to encompass the additional expenditures. For 2004, the Company expects to fund its exploration programs and ongoing administrative costs from the balance of working capital on hand.

Despite the foregoing, the Company does not have the funds or the ability to generate funds necessary to complete all planned exploration activities or maintain operations for the long term. Significant additional funding will be required in future periods, and this funding will likely be in the form of additional equity financings. There can be no assurance given; however, that such funding will be available when required or on terms which are acceptable to the Company.

SECURITIES ISSUED

A summary of all securities authorized and issued by the Company up to April 5, 2004 is included in Note 8 to the annual Consolidated Financial Statements for the year ended December 31, 2003.

RISK FACTORS

The business of mineral exploration and extraction involves a high degree of risk. Few properties that are explored are ultimately developed into production. At present, none of the Company's properties, with the potential exception of the ore stockpile at Eunsan, has a known body of commercial ore. In addition to specific risks disclosed throughout this discussion, other risks facing the Company include competition, reliance on third parties, environmental and insurance risks, political instability, statutory and regulatory requirements, metal prices and foreign currency fluctuations, share price volatility, and title risks.

OUTLOOK

The Company will concentrate its efforts on (i) identification and drilling of prospective copper-gold targets on its exploration licenses in Mongolia, (ii) cessation of mining activities at Eunsan, restoration work on the mine site, and processing of the remaining ore stockpile, and (iii) identification and acquisition of new mineral property exploration opportunities. The Company is well positioned to conduct its activities as market prices for gold and copper are at multi-year highs and, due to its proximity to China, it has access to a market which has a strong demand for raw materials and precious metals.

April 5, 2004