COURT FILE NUMBER 1401- 06625

COURT: COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE: CALGARY

APPLICANTS: IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36, AS AMENDED

AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9

AND IN THE MATTER OF MONGOLIA MINERALS CORPORATION

DOCUMENT: **PROPOSED MONITOR'S REPORT**

JUNE 16, 2014

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

PROPOSED MONITOR

ERNST & YOUNG INC.
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Introduction

1. The purpose of this proposed report (the "Proposed Monitor's Report") of the proposed monitor (the "Proposed Monitor") is to provide this Honourable Court with the Monitor's comments in respect of the Mongolia Minerals Corporation's ("MMC" or the "Company") cash flow forecast (the "Cash-Flow Statement") for the period of June 16, 2014 to August 3, 2014 (the "Forecast Period") prepared in accordance with section 10(2) of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36, as amended (the "CCAA").

2. All references to dollars are in Canadian currency unless otherwise noted.

CASH FLOW FORECAST

3. A copy of the Cash-Flow Statement is appended as Exhibit "20" to the Affidavit of William J. Foster sworn June 13, 2014 (the "Foster Affidavit"). A copy of the signed Cash-Flow Statement, Notes and a report containing the prescribed representations of the Company regarding the preparation of the Cash Flow Statement are attached hereto as Appendix "A".

4. In preparing the Cash-Flow Statement, management of the Company has used the probable and hypothetical assumptions set out in notes 1 to 5 to the Cash-Flow Statement.

5. As indicated in the Cash-Flow Statement, the Company estimates that it will have cash receipts of approximately $30,000 and total disbursements of approximately $322,000 for the Forecast Period. As reflected in the Cash-Flow Statement and as set out in the Foster Affidavit, the Company has sufficient funds to satisfy its projected uses of cash for the Forecast Period.

Proposed Monitor's review of the Cash-Flow Statement

6. Ernst & Young Inc. has reviewed the Cash-Flow Statement in our capacity as proposed monitor (the "Proposed Monitor") of the Company. The Proposed Monitor's Report is to provide the Court with our findings with respect to our review of the Company's Cash-Flow Statement as to its reasonableness in accordance with section 23(1)(b) of the CCAA.

7. The Proposed Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied to us by certain of the management and employees of the Company. Since hypothetical assumptions need not be supported, the procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash-Flow Statement. The Proposed Monitor also reviewed the support provided by management of the Company for the probable assumptions and the preparation and presentation of the Cash-Flow Statement.

Proposed Monitor's opinion on Cash-Flow Statement

8. Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

    a) the hypothetical assumptions are not consistent with the purpose of the Cash-Flow Statement;

    b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash-Flow Statement, given the hypothetical assumptions; or

    c) the Cash-Flow Statement does not reflect the probable and hypothetical assumptions.

9. Since the Cash-Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash-Flow Statement will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report.

10. The Cash-Flow Statement has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, this 16th day of June, 2014

ERNST & YOUNG INC.
in its capacity as the proposed
Monitor of the Applicant and not in
its personal or corporate capacity

Neil Narfason, CA•CIRP, CBV
Senior Vice-President

Nick JB Purich, CA
Senior Staff

Appendix A

Mongolia Minerals
CORPORATION

THIS IS EXHIBIT " 20
referred to in the Affidavit of
William J. Foster
Sworn before me this 13th
day of June A.D. 2017
Taylor Schaapveld
NOTARY PUBLIC / COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

June 13, 2014

Ernst & Young Inc.

1000, 440-2nd Ave SW

Calgary AB T2P 5E9

Attention: Neil Narfason, Senior Vice President

Dear Sir:

Re: **Proceedings under the Companies' Creditors Arrangements Act ("CCAA")**

Responsibilities/Obligations and Disclosure with Respect to Cash Flow Projections

In connection with the application by Mongolia Minerals Corporation ("MMC"), for the commencement of proceedings under the CCAA in respect of MMC, the management of MMC has prepared the attached Cash-Flow Projection and the assumptions on which the Cash-Flow Statement is based.

MMC confirms that:

1. The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in Notes 1 to 5, and the probable assumptions are suitably supported and consistent with the plans of the debtor company and provide a reasonable basis for the projections. All such assumptions are disclosed in Notes 1 to 5.

2. Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

3. The projections have been prepared solely for the purpose described in Notes 1 to 5, using the probable and hypothetical assumptions set out in Notes 1 to 5. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Yours Truly,

William J. Foster
President and Chief Executive Officer

Suite 404, 1015 4th Street SW, Calgary, Alberta Canada T2R 1J4 Tel: 403-686-1010 Fax: 403-686-1018 www.mongoliaminerals.com

A	B	C	D	E	F	G	H	I	J	N

Mongolia Minerals Corporation
Cash Flow Projection
$CAD, unaudited

For the week commencing:	16-Jun	23-Jun	1-Jul	7-Jul	14-Jul	21-Jul	28-Jul	Total	Notes
Cash receipts									
Operating receipts	-	-	-	-	-	-	-	-	1
Other receipts	30,000	-	-	-	-	-	-	30,000	1
Total cash receipts	30,000	-	-	-	-	-	-	30,000	
Cash disbursements									
Personnel costs	10,446	123,483	100	2,100	-	-	43,184	179,313	2
Administrative expenditures	-	26,379	32,650	200	-	-	52,100	111,329	3
Operating costs	-	3,342	1,350	200	-	-	2,800	7,692	4
Maintenance capital expenditures	-	-	-	-	-	-	23,412	23,412	4
Total cash disbursements	*10,446*	*153,204*	*34,100*	*2,500*	-	-	*121,496*	321,746	
Net cash flows	19,554	(153,204)	(34,100)	(2,500)	-	-	(121,496)	(291,746)	
Opening cash balance	361,651	381,205	228,001	193,901	191,401	191,401	191,401	361,651	5
Net cash flows	19,554	(153,204)	(34,100)	(2,500)	-	-	(121,496)	(291,746)	
Closing cash balance	381,205	228,001	193,901	191,401	191,401	191,401	69,905	69,905	

Notes to the cash flow projection:

Management of Mongolia Minerals Corporation ("MMC") have prepared this Cash Flow Projection based on the probable and hypothetical assumptions detailed in Notes 1 to 5. Consequently, actual results will likely v ary from performance projected and such variations may be material.

1. MMC is an exploration-stage mining company, and, as such, has no operating revenues . MMC has redeemed an investment and anticipates receiving the proceeds the week commencing June 16, 2014.

2. Personnel costs include payroll in Mongolia as well as all statutory payroll remittances .

3. Administrative costs include office rental, IT costs, consultant and professional costs. Administrative costs also include payment of professional fees of MMC's legal counsel, the Monitor, and the Monitor's legal counsel.

4. MMC has endeavoured to minimize its operating and capital expenditures to preserve its financial resources. The costs included in the projection include license fees and land lease fees which must be paid in order to preserve the value of MMC's assets.

5. MMC's opening cash balance includes cash held by MMC and cash held in trust with its counsel ,the use of which is restricted for salaries, wages, payroll remittances and director's insurance. Of the opening cash balance held by MMC, approximately $66,000 is held in Mongolia with the remainder held in Canada.

William J. Foster
President and Chief Executive Officer

June 13, 2014
Date

THIS IS EXHIBIT " ______
referred to in the Affidavit of ______

~~Sworn before me this~~ ______
day of ______ *A.D.* ______

NOTARY PUBLIC / COMMISSIONER FOR OAT-
IN AND FOR THE PROVINCE OF ALBERT