COURT FILE NUMBER	1401-06625
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended
	AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MONGOLIA MINERALS CORPORATION
DOCUMENT	**AFFIDAVIT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Osler, Hoskin & Harcourt LLP** Suite 2500, 450 – 1st Street SW Calgary, Alberta T2P 5H1 Solicitors: A. Robert Anderson, Q.C. / Michael Bokhaut Phone: (403) 260-7004 / 7023 Facsimile: (403) 260-7024 Email: randerson@osler.com / mbokhaut@osler.com File Number: 1144003

CLERK OF THE COURT
FILED
JUN 20 2014
CALGARY, ALBERTA

AFFIDAVIT OF WILLIAM J. FOSTER
Sworn on June 20, 2014

I, William J. Foster of the City of Calgary in the Province of Alberta, **SWEAR AND SAY THAT**:

1. I am the President and Chief Executive Officer of Mongolia Minerals Corporation ("**MMC**" or the "**Company**"), a Canadian-owned coal exploration and development company with mining interests in Mongolia.

2. I have served as MMC's President and CEO since August 2010 and as such have personal knowledge of the matters herein deposed to, except where stated to be based on information and belief, in which case I believe the same to be true.

RELIEF REQUESTED

3. This Affidavit is made in support of an application (the "**Application**") by MMC for an Order (the "**Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44 ("**CBCA**"):

(a) Extending the time to hold the next annual general meeting of the shareholders (the "**AGM**") to October 1, 2014; and

(b) such further and other relief as counsel for MMC may advise and this Honourable Court considers to be just and appropriate in the circumstances.

BACKGROUND AND BUSINESS OPERATIONS

4. MMC is an exploration and development stage company. Its most significant assets are the exploration and mining licenses (the "**Licenses**") located in Mongolia granted to certain of its indirect subsidiaries by the Mineral Resources Authority of Mongolia.

5. On June 16, 2014, Justice LoVecchio granted an order (as amended on June 18, 2014) (the "**Initial Order**") granting the Company protection from its creditors under the CCAA (the "**CCAA Proceedings**"). Ernst & Young (the "**Monitor**") has been appointed as the Company's monitor during the currency of the CCAA process. The Initial Order set the Stay Period until July 16, 2014.

6. The Company is diligently working to develop a market solicitation process with a view to refinance the Company or sell the Licenses and repaying its secured creditors. MMC has taken active steps to reduce its expenditures while it pursues these options.

7. On June 18, 2014, MMC's Board of Directors held a meeting to discuss the development of a market solicitation process and to discuss the possible sale of non-core assets (subject to Court approval).

8. Members of MMC's Board have been engaged in discussions with several potential purchasers for the sale of several non-core Licenses. Specifically, MMC's management has been in discussions with a potential purchaser for two of MMC's non-core Licenses and substantial progress has been made in settling the terms of that agreement. Another

member of the Board is planning to travel to Mongolia to meet with members of the Mongolian business community to identify parties interested in advancing additional capital to the Company or purchasing its Licenses or other assets.

9. In the Affidavit sworn by me on June 13, 2014 (the "**June 13 Affidavit**") I advised that MMC was intending on making this application to extend the time to call the AGM. That affidavit was served on the secured creditors most affected by the CCAA Proceedings and was posted on the Monitor's website.

MMC'S PREVIOUS ANNUAL GENERAL MEETINGS

10. The Company's preceding financial year ended on December 31, 2013, and the last AGM was held on October 15, 2013. I am advised that pursuant to the CBCA, the Company is required to hold an AGM on or before June 30, 2014.

11. Holding an AGM is a significant expense. Holding the AGM during the CCAA Proceedings would require MMC to divert a significant portion of its limited resources to a meeting that would not significantly impact the shareholders and would not assist MMC in developing a market solicitation process or reorganizing its affairs.

12. The shareholders have been kept appraised of the CCAA Proceedings as MMC's counsel sent a letter (the "**Letter**") to all shareholders on June 17, 2014, advising them of the commencement of the CCAA Proceedings. A copy of the Letter is attached as Exhibit "A". The Letter directed the shareholders to the Monitor's website for access to all materials filed in the CCAA Proceedings, including the June 13 Affidavit which advised of MMC's intention to apply to extend the AGM.

13. For the following reasons, I do not believe that the shareholders of MMC will suffer any prejudice should the calling of the AGM be postponed:

(a) There is no business to put before the AGM other than usual matters of providing an update to the shareholders of MMC's business, and electing relevant positions. The audited financial statements for the year ended December 31, 2013 have not been completed and as such, MMC is not able to present such statements at an AGM at this time. The unaudited financial statements for Q1, Q2, and Q3 of 2013 were submitted to the Court as an exhibit to the June 13 Affidavit and have been posted on the Monitor's website;

(b) The shareholders of the Company have been kept appraised on a timely basis of the CCAA Proceedings, and were most recently contacted by way of the Letter sent on June 17, 2014;

(c) The Company intends on continuing to keep the shareholders appraised of material developments in the CCAA Proceedings as they arise by way of further letters;

(d) MMC plans to hold the next AGM before October 1, 2014, as MMC expects the CCAA Proceedings to have been terminated by that time;

(e) MMC plans to provide notice of the next AGM date to all of its shareholders in adherence with the prescribed notice period under the CBCA; and

(f) Since the time of its incorporation, MMC has not been notified of any application by its shareholders pursuant to the CBCA requiring MMC to hold an AGM.

14. In order to reduce the Company's expenses at this sensitive time and permit management and the Board to focus on the CCAA process, it is my belief that it would be appropriate to postpone the calling of the AGM until October 1, 2014, at which time MMC expects the CCAA Proceedings to be complete. At that point, the company will be able to shift its focus to holding the AGM. Postponing the AGM will enable the Company to focus its limited resources on the restructuring process and increase the chances that MMC is able to successfully develop and implement a market solicitation process.

15. I am not aware of and do not believe that there will be any prejudice to the secured creditors, shareholders or any other stakeholder by delaying the holding of an AGM until October 1, 2014.

SERVICE OF THIS APPLICATION

16. The Company will serve notice of this application in the following way:

(a) By sending a letter to all shareholders advising of the application and directing the reader to the Monitor's website where the materials in support of this application shall be posted;

(b) By serving counsel for the Monitor, the secured creditors listed in Schedule "A" to this application, and the Director under the CBCA via email, facsimilie or ordinary mail.

17. Upon the granting of this Order, the Company will serve the Order on counsel to the Monitor, the secured creditors listed in Schedule "A" to this application and by posting a copy of the Order on the Monitor's website.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 20th day of June, 2014.	)))))	
Taylor Schappert Commissioner for Oaths in and for the Province of Alberta	)	William J. Foster

Taylor D. Schappert
Student-at-Law

Mongolia Minerals
CORPORATION

THIS IS EXHIBIT " A "
referred to in the Affidavit of
William J. Foster
Sworn before me this 20
day of June A.D. 2014
Taylor Achappert
NOTARY PUBLIC / COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

June 17, 2014

TO: MMC Securityholders

Dear Securityholder:

I am writing to you to report that on June 16, 2014, Mongolia Minerals Corporation ("**MMC**" or the "**Company**") applied for protection from its creditors under the *Companies' Creditors Arrangement Act* ("**CCAA**") at a hearing in front of Justice LoVecchio of the Court of Queen's Bench, held in Calgary, Alberta. The Company's initial application was granted. Ernst & Young has been appointed as the Company's monitor during the currency of the CCAA process.

The materials filed in the Court of Queen's Bench will be posted on the monitor's website at www.ey.com/ca/mongoliaminerals.

The Company is now considering its options which include seeking additional financing, selling assets, making a proposal to its stakeholders or some combination of the foregoing.

MMC has also taken active steps to reduce its expenditures while it pursues the options noted above. These steps include closing its Mongolian and Calgary offices and terminating all of its employees but for two and deferring additional capital spending on its licence areas.

Please do not hesitate to contact the undersigned at my contact information listed below should you have questions regarding the foregoing.

Yours truly,

William J. Foster, P. Eng.
President and Chief Executive Officer

wfoster@mongoliaminerals.com