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SEP 04 2014

CALGARY, ALBERTA

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
APPLICANT	MONGOLIA MINERALS CORPORATION
DOCUMENT	**APPLICATION (Re: Approval of Purchase and Sale Agreement)**
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 Fax: 403.260.7024 Email: randerson@osler.com / mbokhaut@osler.com

NOTICE TO RESPONDENT:

You have the right to state your side of this matter before the judge.

To do so, you must be in court when the application is heard as shown below:

Date:	September 5, 2014
Time:	2:00 p.m., or so soon thereafter as counsel may be heard
Where:	Calgary Courts Centre, 601 – 5th Street SW, Calgary, AB
Before Whom:	The Honourable Madam Justice Strekaf

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. The Applicant, Mongolia Minerals Corporation ("**MMC**" or the "**Company**") respectfully requests an order, substantially in the form attached hereto as Schedule "**A**":

   (a) Abridging the time for service of this Application and supporting materials, if necessary, and declaring that service of same to be good and sufficient;

   (b) Approving the License Area Data Purchase Agreement (the "**Agreement**") entered into between MCGT LLC ("**MCGT**"), a subsidiary of MMC and the Purchaser (defined below) and authorizing MCGT and MMC to complete the transaction contemplated in the Agreement;

   (c) Granting an extension of the stay of proceedings (the "**Stay**") set out in the initial order granted by the Honourable Justice S.J. LoVecchio on June 16, 2014, as amended and restated on June 18, 2014 (the "**Initial Order**") up to and including October 23, 2014;

   (d) Authorizing MMC to utilize the sale proceeds from the Agreement to pay the expenses outlined in the cash flow statement described in the Third Monitor's Report, dated September 4, 2014 (the "**Third Monitor's Report**");

   (e) Sealing on the Court file the Confidential Exhibit "A" to the Affidavit of William J. Foster, sworn on September 4, 2014 (the "**Confidential Exhibit**"). Subject to subparagraph (f) MMC shall disclose the Confidential Exhibit to any secured creditor who signs a confidentiality undertaking confirming that: (i) they will keep the Confidential Exhibit confidential, and (ii) will not use the information therein (or in participation with others) to bid or otherwise offer to purchase the Company or any of its assets without the prior consent of the Company.

   (f) MMC shall not be required to disclose the Confidential Exhibit to White Falcon Inc. or Enkhtaivan Chimed ("**Mr. E**").

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

Grounds for making this application:

2. On June 16, 2014, MMC sought and obtained protection from its creditors pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**") by way of the Initial Order. The Initial Order provided for a Stay which was extended most recently by Justice Jeffrey to September 5, 2014. The Stay is currently set to expire on September 5, 2014.

3. Since the Initial Order, MMC has taken significant steps and undertaken significant effort to: (i) market the Dalan Assets (defined below), one of MMC's non-core assets, (ii) seek further investors and alternate sources of financing, and (iii) develop a Sales and Investment Solicitation Process ("**Market Solicitation Process**") to raise funds for the Company by, *inter alia*, fully marketing MMC's core asset, the Khotgor Project. MMC

has been working closely with the Monitor, its counsel, and its international contacts in support of the activities listed above and is further described in the Affidavit of William J. Foster sworn on August 14, 2014 (the "**August Affidavit**"), and in the Affidavit of William J. Foster sworn on July 11, 2014 (the "**July Affidavit**").

4. MMC's efforts to market the Dalan project have been successful and on September 3, 2014, MCGT and a Mongolian limited liability company (the "**Purchaser**") came to agreement on all material terms of an agreement to sell the Dalan Assets (defined below) to the Purchaser (the "**Agreement**"). In order to minimize the foreign exchange risk associated with the Agreement, the parties intend to execute the Agreement on the afternoon of Thursday, September 4, 2014. The Agreement itself, as well as a summary of the material terms of the Agreement have been disclosed in the Confidential Exhibit and have not been disclosed in publicly available materials.

5. Pursuant to the Agreement, MCGT agreed to sell and transfer the minerals mining license and all document data and other information related to the mining license which covers territory located in the Dalanjargalan Soum, Dornogobi Province of Mongolia (the "**Dalan Assets**").

6. In order for the Purchaser to develop the Dalan Assets, the transfer of the Dalan License must be formally recognized by the appropriate Mongolian governmental authority. The purchase price for the Dalan Assets shall be paid in two installments. In the event the second installment is not paid by the Purchaser when due, the Dalan Assets shall be reconveyed to MMC and the Company will need to remarket these assets and find an alternate purchaser.

7. As described in the July Affidavit, the August Affidavit, and the Confidential Exhibit, MMC identified and contacted several prospective purchasers and conducted negotiations with multiple prospects in an effort to negotiate the best possible price and terms. The Company has invested significant time and effort to negotiate the best price and terms possible with the Purchaser. The foregoing marketing efforts to sell the Dalan Assets was fair and reasonable in the circumstances and the purchase price and terms for the Dalan Assets is the best price and under the best terms that the Company has been able to obtain.

8. Provided the Agreement is approved and the full Purchase Price is paid by the Purchaser, MMC will have sufficient funds to and intends on finalizing, seeking court approval for and commencing implementation of the Market Solicitation Process. During this time, MMC intends on selling other non-core assets to raise sufficient funds to enable the Company to complete the Market Solicitation Process.

9. The Confidential Exhibit contains commercially sensitive details regarding this transaction, including the name of the Purchaser, the Purchase Price, and other material terms. Should the Dalan Assets need to be remarketed, disclosure of the Purchase Price and other material terms of the Agreement will impair MMC's ability to market and sell these assets to an alternate purchaser. In these circumstances, sealing this information on the Court file at this time is necessary to prevent harming the Company's commercial

interests and to prevent placing any future prospective purchasers in an unfair bargaining position in relation to the Company.

10. Subject to paragraph 11, MMC is willing to provide the Confidential Exhibit to any secured creditor who signs a confidentiality undertaking confirming that: (i) they will keep the Confidential Exhibit confidential, and (ii) will not use the information therein (or in participation with others) to bid or otherwise offer to purchase the Company or any of its assets without the prior consent of the Company.

11. MMC does not intend to provide the Confidential Exhibit to Mr. E or White Falcon Inc. because Mr. E is a prospective bidder.

12. MMC has been acting in good faith and with due diligence in these proceedings and there is a reasonable prospect that the restructuring of the Company can be successful. Granting the remedy sought in the Application will enable MMC to realize the full purchase price from the sale of the Dalan Assets, finalize the terms of the Market Solicitation Process, seek this Honourable Court's approval of same and commence its implementation to restructure its affairs. These actions will maximize and realize the value of MMC's assets to repay the secured creditors and benefit all other stakeholders.

13. MMC respectfully requests that this Honourable Court approve the Agreement and grant an extension of the Stay until and including October 23, 2014.

Materials or evidence to be relied upon:

1. The Affidavit of William J. Foster, sworn on July 11, 2014;
2. The Affidavit of William J. Foster, sworn on August 14, 2014;
3. The Affidavit of William J. Foster, sworn on September 4, 2014;
4. The Third Report of the Monitor, dated September 4, 2014;
5. Such further and other evidence or materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

6. The *Alberta Rules of Court*, Alta Reg. 124/2010 (the "**Rules**").
7. Such other Rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

8. The *Companies' Creditors Arrangement Act*, Act, RSC 1985, c C-36, as amended.
9. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

10. Such other Acts and Regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

11. None.

How the application is proposed to be heard or considered:

12. In person, before the Honourable Madam Justice Strekaf at the Calgary Courts Centre, 601 – 5th Street SW, Calgary, AB at 2:00 p.m. on September 5, 2014, or so soon thereafter as counsel may be heard.

WARNING

If you do not come to court either in person or by your lawyer, the court may give the applicant what they want in your absence. You will be bound by any order that the court makes, or another order might be given or other proceedings taken which the applicant is entitled to without any further notice of them to you. If you want to take part in this application, you or your lawyer must attend in court on the date and time shown above. If you intend to rely on an affidavit or other evidence when the originating application is heard or considered, you must reply by giving reasonable notice of that material to the applicant.

FORM OF ORDER

Clerk's Stamp

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
APPLICANT	MONGOLIA MINERALS CORPORATION
DOCUMENT	**ORDER (Re: Approval of Purchase and Sale Agreement)**
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 Fax: 403.260.7024 Email: randerson@osler.com / mbokhaut@osler.com

DATE ON WHICH ORDER WAS PRONOUNCED:	September 5, 2014
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Madam Justice Strekaf
LOCATION OF HEARING:	Calgary, Alberta

UPON the application of Mongolia Minerals Corporation ("**MMC**") heard on September 5, 2014; **AND UPON** having read the Application of MMC, and the Affidavit of William J. Foster, sworn on September 4, 2014 (the "**September Affidavit**"); **AND UPON** having reviewed Confidential Exhibit "A" to the September Affidavit; **AND UPON** having read the Third Report of the Monitor dated September 4, 2014 (the "**Third Monitor's Report**"); **AND UPON** having reviewed the Initial Order granted by Justice LoVecchio on June 16, 2014, as amended on June 18, 2014 (the "**Initial Order**") and the Order granted by Justice Jeffrey on August 15, 2014; **AND UPON** hearing from counsel for the Applicant, counsel for the Monitor and any other counsel present, **IT IS HEREBY ORDERED, ADJUDGED, AND DECLARED THAT:**

1. The time for service of this application and supporting materials is hereby abridged and deemed good and sufficient and this application is properly returnable today.

2. The License Area Data Purchase Agreement (the "**Agreement**") entered into between MCGT LLC, a subsidiary of MMC and the Purchaser (as that term is defined in the Agreement) is hereby approved and MCGT LLC and MMC are authorized to complete the transaction contemplated in the Agreement.

3. The stay of proceedings granted in the Initial Order is extended until and including October 23, 2014.

4. MMC is authorized to utilize the sale proceeds from the Agreement to pay the expenses outlined in the cash flow statement described in the Third Monitor's Report, dated September 4, 2014.

5. Confidential Exhibit "A" to the September Affidavit is hereby ordered to be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

    THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED BY MONGOLIA MINERALS CORPORATION; and

    THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO THE ORDER ISSUED BY ______________ON , 2014.

6. Subject to paragraph 7, MMC shall disclose the Confidential Exhibit to any secured creditor who signs a confidentiality undertaking confirming that: (i) they will keep the Confidential Exhibit confidential, and (ii) will not use the information therein (or in participation with others) to bid or otherwise offer to purchase the Company or any of its assets without the prior consent of the Company.

7. MMC shall not be required to disclose the Confidential Exhibit to White Falcon Inc. or Enkhtaivan Chimed.

8. MMC shall serve, by courier, ordinary mail, fax or e-mail transmission a copy of this Order on the Purchaser, on all parties present at this application, on all parties who are presently on the service list established in this proceeding, and by posting a copy of this Order on the Monitor's website and such service shall be deemed good and sufficient.

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J.C.Q.B.A.