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**

Clerk's Stamp

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Osler, Hoskin & Harcourt LLP
Suite 2500, 450 – 1st Street SW
Calgary, Alberta T2P 5H1

Solicitors: A. Robert Anderson, Q.C. / Taylor Schappert
Phone: (403) 260-7004 / 7039
Facsimile: (403) 260-7024
Email: randerson@osler.com / tschappert@osler.com
File Number: 1144003

AFFIDAVIT OF WILLIAM J. FOSTER
Sworn on November 21, 2014

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

1. I am a Director of Mongolia Minerals Corporation ("**MMC**" or the "**Company**"), a Canadian-owned coal exploration and development company with mining interests in Mongolia. I have served as MMC`s President and CEO from August 2010 to July 2014.

2. I have personal knowledge of the matters herein deposed to, except where stated to be based on information and belief, in which case I believe same to be true.

RELIEF REQUESTED

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

   (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) 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**"), until and including December 19, 2014; and

   (c) Extending the time within which MMC is required to hold the next annual meeting of its shareholders (the "**AGM**") to 60 days after the CCAA Proceedings (as defined below) has been completed.

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 ("**MRAM**").

5. On June 16, 2014, Justice LoVecchio granted 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 until and including July 16, 2014. The Stay has since been extended on subsequent court applications to November 30, 2014.

THE DALAN SALE AGREEMENT

6. On September 4, 2014, MCGT LLC ("**MCGT**"), a subsidiary of MMC, executed a purchase and sale agreement with a purchaser (the "**Purchaser**") for the Dalan Assets, as defined below (the "**Dalan Sale Agreement**"). Pursuant to the Dalan Sale Agreement, MCGT agreed to sell and transfer to the Purchaser the minerals mining license (the "**Dalan License**") and all documents, data and other information related to the Dalan License ("**Dalan License Area Data**") which covers territory located in the Dalanjargalan Soum, Dornogobi Province of Mongolia (collectively, the "**Dalan Assets**").

7. Among other things, the Dalan Sale Agreement stipulates that:

   (a) The purchase price for the Dalan Assets shall be paid in two installments with the majority of the proceeds being paid in the second installment;

(b) The purchase price is subject to Mongolian license transfer taxes (the "**Transfer Taxes**");

(c) The Transfer Taxes are paid on behalf of MMC by the Purchaser and the second tranche of the purchase price payable to MMC is reduced by the amount of such tax payment. The Transfer Taxes were paid in order to complete the sale transaction by the Purchaser on or about September 10, 2014; and

(d) The closing of the Dalan Sale Agreement requires that the transfer of the Dalan License to the Purchaser receive the approval of MRAM.

8. The Dalan Sale Agreement was approved by this Honourable Court by way of order granted on September 5, 2014 (the "**September Order**"). Further details of the Dalan Sale Agreement, including the name of the Purchaser and a summary of its key terms are found in the Confidential Exhibit to the Affidavit of William J. Foster, sworn on September 4, 2014.

9. The first installment of the purchase price for the Dalan Assets was received on or about September 10, 2014. The second installment will not be paid until MRAM approves the transfer of the Dalan License to the Purchaser.

DELAYS IN CLOSING THE DALAN SALE AGREEMENT

10. An order granted by this Honourable Court on October 23, 2014 (the "**October Order**") extended the Stay until November 30, 2014. At that time, MMC anticipated that the extension to November 30, 2014 would provide sufficient time to effect the closing of the Dalan Sale Agreement. However, the closing of the Dalan Sale Agreement has been delayed, and it is possible that it will not close before the current Stay expires.

11. MRAM must approve the transfer of the Dalan License to the Purchaser in order to complete the sale transaction. The parties submitted an application to MRAM for approval on November 10, 2014 and have been advised that MRAM's review of the application will take 10 to 15 business days.

12. Due to the nature of the Mongolian government, and given that MMC has previously experienced significant delays when dealing with Mongolian government authorities on other matters, there may be additional unanticipated delays in receiving the approval from MRAM.

13. I am of the belief that MMC will be in a position to close the Dalan Sale Agreement before the expiry of the Stay period requested.

MMC'S ANNUAL GENERAL MEETINGS

14. The Company's preceding financial year ended on December 31, 2013, and the last AGM was held on October 15, 2013.

15. On June 20, 2014, we applied for an order to extend the time within which MMC was required to hold the next annual meeting of its shareholders until October 1, 2014 which

was granted by this Honourable Court. Since then, MMC has been engaged in the Dalan process in order to raise funds to widely market MMC's core assets.

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

17. In order to reduce the Company's expenses at this sensitive time and permit management and the Board to focus on the CCAA Proceedings, it is my belief that it would be appropriate to postpone the calling of the AGM until 60 days after the CCAA Proceedings are completed. At that time, the Company should have greater financial resources and management will be able to focus on organizing the AGM. I am not aware of any prejudice that would occur to MMC's shareholders by delaying the AGM as aforesaid.

MMC'S FINANCIAL POSITION

18. Relevant details of the Company's financial position, including an updated cash flow statement, are included in the Fifth Report of the Monitor dated November 21, 2014. The Monitor has advised that it anticipates the Company will have sufficient funds to continue operating until the expiry of the Stay period requested in the Application.

BENEFITS OF THE EXTENSION OF THE STAY AND THE AGM

19. MMC has been working in good faith and with due diligence in these proceedings and is of the belief that it is in the best interests of MMC and all stakeholders to continue these proceedings. It is fair and reasonable and in the best interests of all stakeholders that the Stay extension and the AGM extension be granted to provide MMC and the Purchaser with sufficient time to close the Dalan Sale Agreement and enable the Restructuring Professionals to complete all work necessary to close such agreement.

NO PREJUDICE

20. I am not aware of and do not believe that there will be any prejudice to the secured creditors or any other stakeholders by the granting of this brief Stay extension until December 19, 2014 and by delaying the holding of an AGM until 60 days after the CCAA Proceedings have been completed.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 21st day of November, 2014.	)))))	
Commissioner for Oaths in and for the Province of Alberta Steven Ngo Student-at-Law	)	William J. Foster