



Mongolian Resource Corporation / Nelson Resources*

BlueMount Capital is the Lead Manager and exclusively mandated to assist Mongolian Resource Corporation Ltd to raise up to AUD \$7.5m in equity as part of its re-compliance listing as Nelson Resources Limited* on the Australian Securities Exchange (ASX).

Nelson Resources is an Australian focused gold explorer with a number of highly prospective exploration properties in Western Australia, including the Socrates Project south east of Kalgoorlie, the Yarrie Project near Edjudina, the Wilga Gold Project near Sunrise Dam Gold Mine in Laverton, the Happy Jack Project near Menzies and the Woolshed Well Gold Project near Leonora. The acquisition of these projects is subject to and conditional upon Nelson being granted conditional approval to be listed on the official list of the ASX.

Company Information

| | |
|-------------------|---|
| Name | Mongolian Resource Corporation Ltd to be renamed Nelson Resources Limited (ASX: NES)* |
| Based | Perth, Western Australia |
| Website | www.nelsonresources.com.au |
| Prospectus | www.bluemountcapital.com/NES |

Company Overview

| | |
|----------------------------|-----------------------------------|
| Founded | 2007 |
| FTE Employees | 2 |
| Industry Sector | Resources / Gold |
| Status | Unlisted |
| Requirement | Up to \$7.5m |
| Use of Funds | Project Development / Exploration |
| Pre-Money Valuation | \$11.6m |
| Liquidity | ASX re-compliance listing |
| Type of Raise | Equity (approx. 29%) |
| Minimum Investment | \$2,000 |
| Share price | \$0.20 per share |

*Mongolian Resource Corporation Ltd (Mongolian) will be renamed Nelson Resources Limited after the completion of the re-compliance listing (Nelson Resources, the Company)

Key Investor Highlights

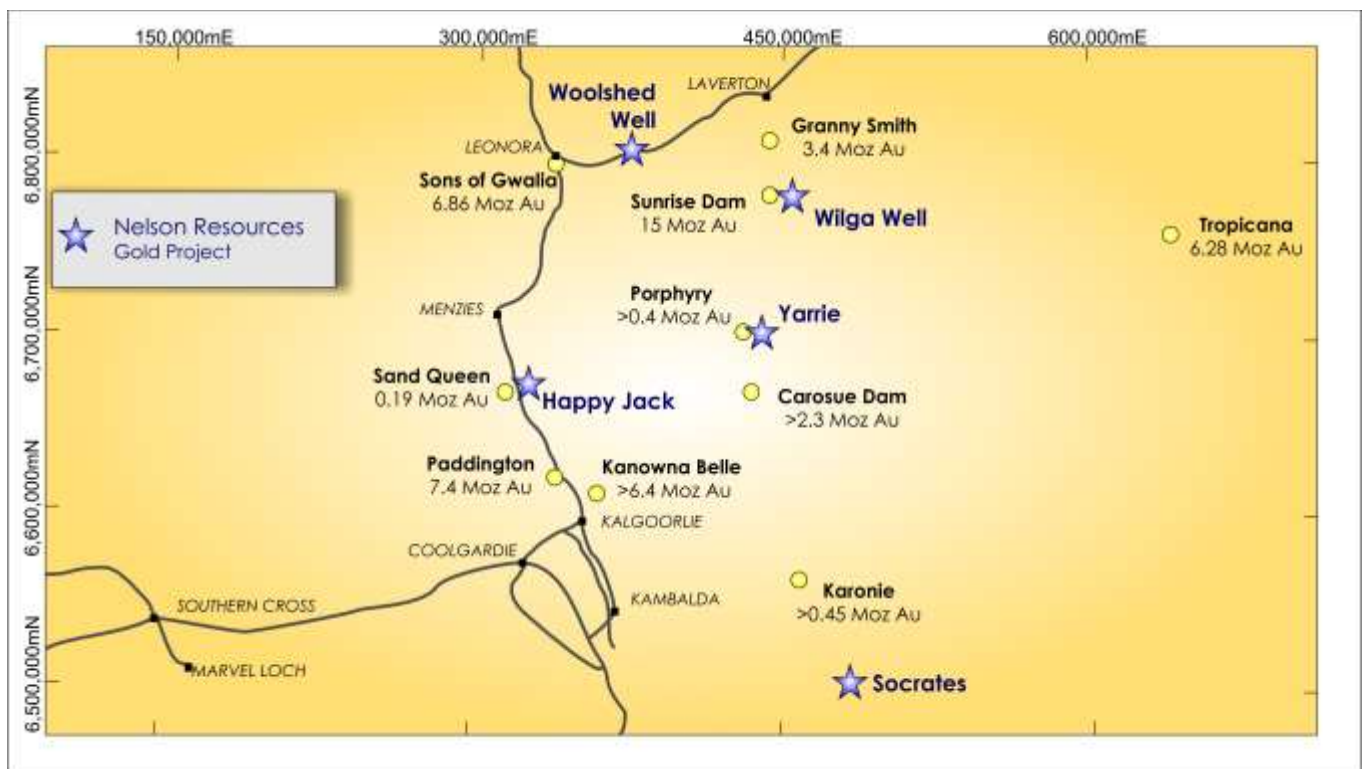
- The Company has installed an experienced board and management team
- The projects have good grades, with some drilling having been performed
- A successful mining company has undertaken to become a cornerstone investor for 20% or \$1m of the capital raising.

Ask

Mongolian Resource Corporation is raising up to \$7.5m for approx. 29% equity in the Company, including the projects. The investment is part of its re-compliance listing on the Australian Stock Exchange, as part of which it will be renamed Nelson Resources Limited.

The majority of funds will be used for project development / exploration. The remainder will be used to cover administration costs, working capital and the cost of issue.

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Projects

The Socrates Project

The Socrates Project is located 155km southeast of Kalgoorlie and 110km northeast of Norseman on the gold belt that has already seen significant gold production from the nearby Karonie and Carosue Dam gold projects. Socrates comprises one Exploration license application covering an area of approximately 12 km². Socrates is considered as having the potential to host Archaean greenstone-hosted gold mineralisation of Golden Mile and Kanowna Belle style.

The Socrates Project area is underlain by Archaean mafic greenstone lithologies overprinted with structural architecture and fabrics developed during the Proterozoic Albany Fraser Orogen which could be fluid pathways for ore forming solutions. Drilling to date has defined enriched gold trends with strong gold results, however, the orientation of drilling is now thought to sub-parallel these mineralisation trends. Thus many holes may have been missed or drilled above and/or below the interpreted lode positions. The surface expression of the gold lode's are a coherent >50ppb gold in soil anomaly aligning with lode trends as defined by the drilling and which supporting the revised geological interpretation. Further opportunity remains at the prospect where other significant soil anomalies remain undrilled or have inadequately tested the gold-in-soil anomalies.

Previous drilling at Socrates by other third parties including Sipa and Newmont have returned the following significant intercepts:

- 24m @ 2.5g/t Au from 12m
Inc. 9m @ 5.1g/t Au from 20m
- 18m @ 3.35 g/t Au from 19m
- 10m @ 3.01g/t Au from 99m
- 4m @ 3.74g/t Au from 6m
- 1m @ 86.7 g/t Au from 94m
- 15m @ 1.82 g/t Au from 45m
Inc. 5m @ 3.6 g/t Au
- 14m @ 3.10 g/t Au from 10m
- 9m @ 5.38 g/t Au from surface

Toll processing opportunities at numerous gold plants within trucking distance exist.

Funds raised will be deployed on a near term drilling program to fully evaluate the mineralisation and revised trend.

The Yarrie Project

The Yarrie Project is located 170km northeast of Kalgoorlie, in the prolific Eastern Goldfields region of Western Australia. The Yarrie Project comprises 3 Prospecting licenses covering an area of approximately 35 ha. The tenure is strategically located close to existing mills and infrastructure. The Yarrie Mining Centre has produced significant amounts of high grade gold historically, the region has produced 169,645t at an average grade of 7.5g/t Au for

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41,000oz produced. Recent nearby major deposit discoveries in the regions include the 4.3 million oz's Carosue Dam deposits operated by Saracen lying 30 kilometres south of the project.

The project covers multiple west-dipping and layered sequences of mafic and felsic volcanic rocks cut by low angle faults. On a regional basis, the Yarrie Monzogranite intrudes stratigraphy in the tenure and nearby structural interactions has culminated in good mineralisation at the Wallaby Central and nearby Yarrie Proprietary mines. The Wallaby Central mine sits within the Nelson tenure and together these have produced over 400kg of gold. Smaller amounts of gold were won from Nelson's Great Banjo prospect, which recorded production of 129.0 t of ore for 2.62 kg Au (20.3 g/t Au).

The Nelson tenure already host known small pockets of mineralisation from drilling around historic workings at Wallaby, and possibly at Gibbert's and Great Banjo. However, in general the tenure is significantly under-explored past explorers specifically targeted shallow oxide mineralisation.

The better intercepts from previous drill testing include:

- 10m @ 5.86g/t Au from 8m
- 4m @ 9.22 g/t Au from 10m
- 1m @ 18.8g/t Au from 13m
- 4m @ 4.25 g/t Au from 6m
- 2m @ 6.94 g/t Au from 16m
- 3m @ 8.79 g/t Au from 12m
- 6m @ 3.58 g/t Au from 20m

The Wilga Well Project

The Wilga Well Project is located 50km south of Laverton and approximately 9kms east of the Sunrise Dam Gold Mine, in the Eastern Goldfields region of Western Australia. Wilga Well comprises one Prospecting license covering an area of approximately 44 ha. The Wilga Project covers archaean greenstone sequences of mafic and ultramafic volcanics with interbedded banded iron and cherty units. Historical production from the Wilga Mine is approximately 1,000t at >20 g/t gold returned mainly from a stockworks of quartz carbonate veins in altered and sheared meta-gabbro. The west-northwest trending mineralised shear zone extends over 150 metres, is up to 3.5 metres wide, and dips steeply southwest at between 70° to 85°. Previous geochemical surveys have outlined 3 areas of strong gold-in-soil anomalism and to date two of these anomalies have had very little follow up work. Drilling beneath the old workings is sparse and shallow, and the

potential at depth remains largely untested. Best drilling intercepts include:

- 9m @ 18.26 g/t Au from 12m
- 1m @ 17.6 g/t Au from 15m
- 4m @ 4.07 g/t Au from 4m
- 1m @ 10.7 g/t from 28m

The Happy Jack Project

The Happy Jack Project is located 30km south of Menzies on the Goldfields Highway in the Eastern Goldfields region of Western Australia. Happy Jack comprises one Prospecting license covering an area of approximately 6 ha. The mine is situated about 500 metres northeast of the Sand Queen Gold Mine, a typical Archaean narrow, high-grade gold quartz lode deposit within a shear hosted system. At Sand Queen, Reed Resources (2010) report a total Indicated and Inferred Mineral Resource (JORC, 2004) comprising 534,000 tonnes at an average grade of 10.8 g/t Au for 186,000 ounces of gold and had been mining it in recent times. The project is located at the northern end of the Bardoc Tectonic Zone (BTZ), a strong north-north west structural trend defined by major faults and shear zones, developed in the Bardoc greenstone belt that lies between Kalgoorlie and Menzies. The BTZ is physically linked along strike to the Boulder-Lefroy Shear Zone (BLSZ), one of the most prolific orogenic gold shear systems in the world.

The Woolshed Well Project

The Woolshed Well Project is located 20km east of Leonora along the Leonora-Laverton Highway, in the Eastern Goldfields region of Western Australia. The Woolshed Well Project comprises 4 Prospecting licenses covering an area of approximately 795 ha. Primary gold mineralisation is associated with zones of increased shearing along lithological contacts mainly between the mafic and felsic rocks. The Woolshed Well tenements lie on the western limb of the Benalla anticline and cover a sequence of intermediate to mafic and felsic volcanic lithologies and locally derived epiclastic sediments that are exposed in a parasitic synformal structure. Disseminated carbonate-sericite-quartz-pyrite alteration zones are present adjacent to the gold mineralisation along the nearby Mertondale Shear. This style of gold mineralisation is characterised by quartz veining, and increased silicification with minor pyrite within the Mertondale shears and splay structures off it. Nelson anticipates similar styled mineralisation within the Woolshed Well property.

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Exploration Budget

| Location | Project | Minimum Subscription (\$5m) | | Over-subscription (\$7.5m) | |
|---------------------------|---------------|-----------------------------|--------------------|----------------------------|--------------------|
| | | Year 1 | Year 2 | Year 1 | Year 2 |
| Albany-Fraser | Socrates | \$350,000 | \$650,000 | \$525,000 | \$975,000 |
| Eastern Goldfields | Wilga | \$155,000 | \$300,000 | \$232,500 | \$450,000 |
| | Yarri | \$210,000 | \$525,000 | \$315,000 | \$787,500 |
| | Woolshed Well | \$135,000 | \$140,000 | \$202,500 | \$210,000 |
| | Happy Jack | \$70,000 | \$25,000 | \$105,000 | \$37,500 |
| Grand Total | | \$920,000 | \$1,640,000 | \$1,380,000 | \$2,460,000 |

Board & Management Team

Adam Schofield Executive Director

With over 20 years' experience in the resources sector in Australia and Africa, Mr Schofield is a Mechanical Engineer with significant experience in conducting feasibility studies and taking projects from feasibility stage into operations. He has extensive experience in copper, gold and iron ore.

Peter Cook Non-Executive Director MSc (Min. Econ) BSc (Appl Geol) MAusIMM Chief Executive Officer of Metals X

Mr Cook is a highly experienced and successful mining company executive with many years' experience and in recent years has led Metals X into becoming a profitable producer of gold, tin, cobalt and copper.

Brett Clark Non-Executive Director B Eng., Dip Finance

Mr Clark has 25 years' experience in the mining and energy sectors in funding, operations and advisory. Extensive experience from project development to operations and sales and marketing in gold, copper, nickel, coal, iron ore, industrial minerals and upstream oil and gas across a number of continents. His experience extends to the US and Asian capital markets, including middle markets and structured debt, equity and mezzanine transactions.

Mark Wallace Company Secretary

Mr Wallace holds a Bachelor of Business in Economics and Accounting and is a Certified Practising Accountant with over 20 years of commercial experience. He has held senior executive positions with a range of ASX listed companies within the mining and engineering sector operating in Australia, Asia, Canada and Africa.

Tony Hamilton Mining Consultant

Mr Hamilton holds a Bachelor Business Degree and is a Fellow of the Institute of Directors in London with over 30 years of extensive experience in international mining in the exploration and production of gold, diamonds, base metals and oil and gas.

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Balance Sheet

| Pro-Forma Balance Sheet (\$m's) | 30 June 2016 | Post Listing |
|---------------------------------|---------------|--------------|
| Cash and Receivables | 0.03 | 4.93 |
| Exploration | - | 0.78 |
| Total Assets | 0.03 | 5.71 |
| Loan | (0.98) | - |
| Trade and Other Payables | (0.08) | 0.09 |
| Total Liabilities | (1.06) | 0.09 |
| Net Assets | (1.03) | 5.62 |
| Share Capital | 28.58 | 35.97 |
| Retained Earnings | (29.61) | (30.35) |
| Shareholders' Equity | (1.03) | 5.62 |

Financial statements for 30 June 2016 subject to audit.

Use of Funds

| Use of funds (\$m's) Over 24 months | Minimum subscription | Maximum subscription |
|--|-------------------------|-------------------------|
| Project Development / exploration | 3.00 | 4.60 |
| Administration | 0.60 | 0.60 |
| Working Capital | 0.80 | 1.70 |
| Costs of Issue | 0.60 | 0.60 |
| Total | \$5.00 | \$7.50 |

Capital Structure

(post-consolidation)

| Number of Shares | Min. Raise (\$5m) | Max. Raise (\$7.5m) |
|------------------------|----------------------|------------------------|
| Existing | 11,416,012 | 11,416,012 |
| Project Vendor | 53,500,000 | 53,500,000 |
| IPO @ \$0.20 per share | 25,000,000 | 37,500,000 |
| Lead Manager | 3,000,000 | 3,000,000 |
| Total | 92,916,012 | 105,416,012 |

| Options | Min. Raise (\$5m) | Max. Raise (\$7.5m) |
|----------------------|----------------------|------------------------|
| Seed Capital Options | 5,000,000 | 5,000,000 |
| Broker Options | 3,000,000 | 3,000,000 |
| Total | 8,000,000 | 8,000,000 |

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More information

For more detailed information, please

- download the Prospectus here: www.bluemountcapital.com/NES
- contact BlueMount Capital via email:
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+61 8 9380 6261.



DISCLAIMER

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