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Politics

Ch.Saikhanbileg PM works in Arkhangai

Ulaanbaatar, December 14 (MONTSAME) While working in Arkhangai aimag (province) on Friday and Saturday, the Prime Minister Ch.Saikhanbileg attended two openings--of 100km paved road in Tariat soum, between Khalzanburgedei and Solongot mountain pass, and of a new center of auto transportation.

The Premier noted that the government intends to implement concrete projects and said that 200 new buses will be supplied to the inter-city transport service within a soft loan from the Republic of Korea, "hopefully, this will expand this type of service and will directly connect the capital city with the western region".

On the second day of the tour he got au fait with the roads, buildings of kindergarten, sport school and apartments. The sport school has halls for judo, wrestling, pool, football pitch and a dormitory for 100 pupils, and it also unveils kids' talents for arts and the sport.

Until 2013, apartments for 36 families were built, and those for over 1,000 families have been erected since then. Stressing that it is necessary to carry out the current project in the locality on apartment renting, not only in the capital city and other aimags, the Premier obliged Z.Bayanselenge, the Minister of Construction and Urban Development and A.Gantulga, an executive director of the State Housing Corporation, to work out a plan on this matter and to present it to the cabinet.

The Premier also appreciated the aimag's experience in creating kindergartens on first floors of apartments and promised to give the kindergartens toys of one million togrog.

D.Terbishdagva to resign as MPRP Deputy Chairman?

December 14 (news.mn) There are reports that Member of Parliament D.Terbishdagva is going to request being dismissed from the post of Deputy Chairman in the Mongolian People's Revolutionary Party. Last week, he also refused the appointment of director of the "Justice Union Group" in Parliament.

Some politicians are assuming that these actions of the D.Terbishdagva are connected with the proposal for N.Enkhbayar to be Deputy Prime Minister, as well as pressure from the heads of the party. Possibly, it is because Mr Terbishdagva is unable to bargain on these positions.

It can be noted that a few months ago, when the ministers from the Mongolian People's Party were dismissed from the Government few months ago, Mr Terbishdagva also refused the post of Deputy Prime Minister.



Deputy PM participates in SCO meeting in China

Ulaanbaatar, December 16 (MONTSAME) A delegation headed by Ts.Oyunbaatar took part in the 14th meeting of the Council of Heads of Government (Prime Ministers) of the Shanghai Cooperation Organization (SCO) which ran December 14-15 in Zhengzhou of China.

The meeting brought together representatives of the SCO members Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, the observers Afghanistan, Belarus, India, Iran, Pakistan, and some international organizations.

They discussed a present situation of the international and regional economy, the economic and financial cooperation's situation within the SCO, and directions of the further cooperation.

At an expanded meeting, Mr Oyunbaatar said Mongolia is interested in taking part in the SCO economic cooperation's and other biggest projects on the infrastructure, considering the SCO as one of the important channels of participating in the regional multilateral cooperation.

The participants noted that the global financial and economic crisis is still continuing and emphasized necessities to maintain the social-economic stability, to intensify the cooperation in trade, economy and investments, to introduce progressive technologies in the economic area and to develop the regional transportation sector.

Cabinet meeting in brief

Ulaanbaatar, December 15 (MONTSAME) The cabinet on Monday approved results of the 19th meeting of the Mongolia-Russia intergovernmental commission for trade, economy, science and technological cooperation, held November 22-24 in Chita, Russia. Then, the Foreign Minister of Mongolia and head of the intergovernmental commission for the Mongolian side L.Purevsuren was obliged to adopt a plan of works by the meeting's agreements and to monitor the implementation.

- In connection with adoption of the general administrative law, the cabinet backed draft amendments to some relevant laws, and decided to submit them to parliament.

- The cabinet backed a draft concept of a new version of the law on lands for special reservation, and then ordered N.Battsereg, the Minister of Environment, Green Development and Tourism, to approve the concept and to formulate the draft new version of the law.

- A rule on internal audit was approved at the cabinet meeting. Obligations were given to general managers of budgets and the Finance Minister B.Bolor to maintain the rule and to control the rule's implementation.

- Passed through state borders with a license, the list of products has included cedar-nuts.

- The cabinet discussed and backed a draft cultural exchange intergovernmental programme for 2015-2018 between Mongolia and the Democratic People's Republic of Korea. An order of the Prime Minister will be issued to authorize the Mongolian Ambassador to North Korea to sign the programme.



Cabinet Secretariat about fulfillment of governmental programme

Ulaanbaatar, December 17 (MONTSAME) Head of the Cabinet Secretariat for Government S.Bayartsogt delivered a report on implementation of the governmental programme and social-economic works, at a seminar that started Thursday for heads of the Citizens' Representative Khurals (Council) and governors of aimags.

This seminar aims to give the gathered a general understanding and directions of the 2016 basic guidelines of social-economic development and budgets' realizations.

Out of 319 goals, reflected in the governmental action programme, 106 have been realized well, 182 are in implementation process, 31 have slackened, he said. By the first half of this year, the programme's realization stood at 63.6%, Bayartsogt added.

He said many goals have been realized successfully, they have deepened the legal reforms, boosted the infrastructure especially the auto road sector, connected the city to centers of some provinces by highways, provided people with apartments, augmented jobs, made the public services quicker. He went on that the government will take concrete measures for intensifying the governmental action programme. Here he mentioned about budget and construction.

Within the two-day seminar, the participants will also receive reports from Ministers on goals put in some sectors, on responsibilities of localities and others.

President meets reps of political parties with parliament seats

Ulaanbaatar, December 18 (MONTSAME) The leader of Mongolia Ts.Elbegdorj convened December 16 the representatives of political parties with seats in parliament.

For the meeting came the Chairman of the State Great Khural (parliament) and head of Democratic party (DP) Z.Enkhbold, a head of the DP's faction B.Garamgaibaatar, a Deputy head of the Mongolian People's Party (MPP) faction D.Khayankhyarvaa, a head of the "Justice" coalition's faction N.Battsereg, and a secretary-general of the MPP J.Monkhat.

Mr Elbegdorj noted that Ulaanbaatar is hosting these days a meeting of the governors of aimags and soums. "I have attended this meeting, some people called on parliament to do its work and address the problems".

The Office of the President initiated the Law on Glass Account, Law on Public Hearing and the General Administrative Law, essential legislations for public administration to strengthen accountability and to monitor and promote a civil participation, he said.

"Parliament already passed these laws. However, some important laws such as the Law on Accountability of Elected and Appointed Officials, the Law on Public Servant and the Law on Wealth Fund are so far left unconcerned. These laws must be discussed and passed by parliament urgently", he reminded.



Korean PM's Visit

S. Korean PM leaves for Mongolia

SEOUL, Dec. 15 (Yonhap) — South Korean Prime Minister Hwang Kyo-ahn left for Mongolia Tuesday to discuss enhancing bilateral ties after wrapping up a three-day visit to Laos, his office said.

This marks the first time in 14 years that a South Korean prime minister has made an official visit to Mongolia.

Hwang will hold talks with his Mongolian counterpart, Chimediiin Saikhanbileg, and President Tsakhiagiin Elbegdorj on how to boost cooperation in trade and infrastructure, according to the Prime Minister's office.

Hwang will also discuss South Korea's possible participation in constructing a power plant in the Central Asian country, according to the office.

This overseas trip is Hwang's second since taking office in June. In September, he traveled to France.

South Korean PM arrives in Mongolia

December 15 (gogo.mn) South Korean Prime Minister Mr.Hwang Kyo-ahn landed in Chinggis Khaan International Airport today at 4.50pm. He was welcomed by the Minister of Road and Transportation M.Zorigt and other officials.

Tomorrow (On Dec 15), PM Mr.Hwang Kyo-ahn is scheduled to be officially welcomed by PM Ch.Saihanbileg in Baganat hall in the State House at 10am.

Following PM Mr.Hwang Kyo-ahn to sign the honorable guest book. After tete-a-tete meeting with PM Ch.Saihanbileg, official talks between the two sides to be started at B Hall in the State House.

Then the two PMs to sign the communication and cooperation agreement. Mr.Hwang Kyo-ahn who is paying the first visit to Mongolia will visit at conference hall of State Great Hural. His visit will be concluded after meeting with the President Ts.Elbegdorj as well as Speaker of the Parliament Z.Enhbold.

Ch.Saikhanbileg PM welcomes his S.Korean colleague

Ulaanbaatar, December 16 (MONTSAME) The Prime Minister of Mongolia Ch.Saikhanbileg Wednesday officially welcomed Mr Hwang Kyo-ahn, the Head of S.Korea's executive power, who has come to pay the official visit to Mongolia.

After this ceremony, Mr Hwang Kyo-ahn left his signature on the Note of Honored Guests. Then, the two PMs have begun their tete-a-tete meeting and the official talks.

As planned, Mr Hwang Kyo-ahn will pay courtesy calls on the President Ts.Elbegdorj and the Speaker of parliament Z.Enkhbold.



Official talks between PM Ch.Saihanbileg and South Korean PM Mr.Hwang Kyo-ahn starts

December 16 (gogo.mn) At the invitation of PM Ch.Saihanbileg, South Korean PM Mr.Hwang Kyo-ahn is paying an official visit in Mongolia during Dec 15-17.

His plane landed at Chinggis Khaan International Airport at 4.50pm yesterday.

Today PM Ch.Saihanbileg officially welcomed the PM Mr.Hwang Kyo-ahn at Chinggis Square.

PM Mr.Hwang Kyo-ahn paid tribute to monument of Chinggis Khaan and signed the the honorable guest book.

At the beginning of the visit, two PMs held tete-a-tete meeting and official talks.

South Korean PM pays courtesy call on Speaker of The Parliament of Mongolia

December 16 (gogo.mn) On December 16, 2015, Prime Minister of the Republic of Korea, Mr. Hwang Kyo-ahn, who is conducting an official visit to Mongolia, has paid a courtesy call on Chairman of the State Great Hural (Parliament) Mr. Zandaakhuu ENKHBOLD.

At the beginning of meeting, Chairman Z.Enkhbold wished the delegates headed by Premier Hwang Kyo-ahn to have a pleasant visit to Mongolia.

Prime Minister of the Republic of Korea, Hwang Kyo-ahn thanked the Speaker Z.Enkhbold for sparing a time to receive the delegates and underscored the significance of this visit in the scope of the 25th anniversary of diplomatic relations between the Republic of Korea and Mongolia being marked in 2015. He further noted, the reciprocal visit of Speakers of the two Parliaments as well as active inter-parliamentary cooperation play important role in the diplomatic ties between the two states. Moreover, the "E-Parliament" project that was successfully implemented at the State Great Hural and granted by Government of the Republic of Korea has being a symbol of lasting friendship and cooperation between the Republic of Korea and Mongolia, added the Prime Minister Hwang Kyo-ahn.

Speaker of the Parliament Z.Enkhbold emphasized the importance of this official visit, which is being paid to Mongolia after 14 years at Prime Minister-level that would bring the interaction and partnership into a newer level, besides to deepen mutual economic cooperation and to strengthen people-to-people communication. He further noted with satisfaction the continued development of bilateral relations at all potential sectors in the framework of a comprehensive partnership and noted the top level reciprocal visits and political dialogues that play important roles to enhance partnership. In addition, Chairman Z.Enkhbold underlined the importance of inter-parliamentary cooperation and thanked the Government of the Republic of Korea on successful implementation of the "E-Parliament" project at the State Great Hural.

Present at the meeting representing Mongolian side were Head of Democratic Party group at the State Great Hural, MP B.Garamgaibaatar, Head of "Justice" Coalition



group at the State Great Hural, MP N.Battsereg, Deputy Head of Mongolian People's Party group at the State Great Hural, MP D.Khayankhyarvaa and other officials. Following the meeting with Chairman Z.Enkhbold, the delegates led by Prime Minister of the Republic of Korea, Hwang Kyo-ahn were got acquainted with the "E-Parliament" project implementation as well as with activities of the State Great Hural introduced by Secretary-general of the Parliament Secretariat B.Boldbaatar.

Mongolia and S.Korea to cooperate in several issues

Ulaanbaatar, December 16 (MONTSAME) Documents were established on Wednesday in frames of the official visit of the Prime Minister of South Korea to Mongolia.

The S.Korean Premier Mr Hwang Kyo-ahn said he is confident that his visit will contribute to boosting of the bilateral cooperation and enhancing the inter-citizen ties.

The Mongolian Minister of Finance and the South Korean First Deputy FM signed a letter on prolonging the intergovernmental general agreement regarding loans to be taken in 2011-2015.

A memorandum of mutual understanding was signed by M.Zorigt, Mongolia's Minister of Road and Transportation, and by Yoon Hag-bae, South Korea's Deputy Minister of Oceans and Fisheries.

Other memorandums of mutual understanding were inked to collaborate between the Development Foundation for Small- and Middle-sized Entities at Mongolia's Ministry of Industry and the South Korea's Corporation of SME; and between the Development Center for Energy at Mongolia's Ministry of Energy and South Korea's laboratory at the National Institute of Technology and Technical Standards.

South Korean PM signed the documents

December 16 (gogo.mn) South Korean PM Mr.Hwang Kyo-ahn is paying an official visit in Mongolia at the invitation of PM Ch.Saihanbileg during Dec 15-17.

Following the tete-a-tete meeting and official talks between the two MPs, PM Mr.Hwang Kyo-ahn attended signing ceremony of following documents.

- Letter of Exchange for the extension of validity of the "Framework Arrangement between the Government of Mongolia and the Government of the Republic of Korea concerning Loans from the Economic Development Cooperation Fund for the Years 2011 through 2015" by Mr.Bayarbaatar Bolor, Minister for Finance of Mongolia, and Mr.Lim Sung-nam, Vice Minister of the Ministry of Foreign Affairs of the Republic of Korea,
- Memorandum of Understanding between the Ministry of Road and Transport of Mongolia and the Ministry of Oceans and Fisheries of the Republic of Korea on Cooperation in the Fields of Maritime Transport and Logistics by Mr.Munkhchuluun Zorigt, Minister for Road and Transport of Mongolia, and Mr.Yoon Hag-bae, Vice Minister of Oceans and Fisheries of the Republic of Korea,
- Memorandum of Understanding on Cooperation between the Small and Medium Enterprises Development Fund under the Ministry of Industry of Mongolia and the Small and Medium Business Corporation of the Republic of Korea by Ms.Byamba Bolor-



Erdene, Director of Small and Medium Enterprises Development Fund, and Mr.Chae-Un Lim, President of the Small and Medium Business Corporation of the Republic of Korea, • Memorandum of Understanding between the Energy Development Center under the Ministry of Energy of Mongolia and the Korea Conformity Laboratories under the Ministry of Trade, Industry and Energy of the Republic of Korea by Mr.Yadamjav Purevjav, Director of the Energy Development Center, and Mr.Kim Kyung Sik, President of the Korea Conformity Laboratories.

"Mongolia wants to cooperate with S.Korea in green technology"

Ulaanbaatar, December 16 (MONTSAME) On December 16, the President Ts.Elbegdorj received the Prime Minister of the Republic of Korea Mr Hwang Kyo-ahn. Mr Elbegdorj said the visit is a proper conclusion to the milestone year for the two countries' diplomatic relations.

It is a great deal that, aside from the intergovernmental relations, Mongolian and S.Korean businesses have been establishing new cooperation in the recent years, noted the President.

He also offered to intensify bilateral cooperation in information technology, most particularly in green technology industry, by which South Korea tops the world.

In reoponse, Mr Hwang Kyo-ahn expressed the President a gratitude for the hospitality and congratulated on the 25th anniversaries of both Mongolia-S.Korea diplomatic relations and of the Mongolian democracy.

He wished Mongolia more success in strengthening of the democracy, human rights and rule of law. The Korean Premier expressed a support for the "Ulaanbaatar Dialogue", initiated by the President Ts.Elbegdorj, and thanked for a support for "Northeast Asia Peace and Cooperation Initiative" by the S.Korean President Park Geun-hye.

Mr Hwang also expressed a willingness to cooperate with Mongolia in contributing to the regional and global peace and security and to the democratic development of the nations.

He invited the President to the Republic of Korea in 2016. This was accepted with a pleasure.

S.Korean PM legs Parliamentary Session Hall

Ulaanbaatar, December 16 (MONTSAME) The Prime Minister of the Republic of Korea Mr Hwang Kyo-ahn Wednesday legged the Hall of Parliamentary Session in the State House, after the meeting with the Speaker Z.Enkhbold.

The Secretary-General of the Parliamentary Office Mr Boldbaatar introduced to the S.Korean PM actions of our parliament and results of the "E-parliament" project, which was implemented by the Parliamentary Office with a support from the S.Korea's government.



Mr Boldbaatar said the “E-parliament” project has been realized successfully by the Korea International Cooperation Agency (KOICA), and that it was completed before the due time. He emphasized that Mongolian parliament always aspires to maintain the latest directions and to utilize IT achievements in its actions.

Hyosung Signs MOU with Mongolian Government to Build Electrical Grids

December 18 (businesskorea.co.kr) The Hyosung Corporation has become the nation's first company to establish an electrical grid in Mongolia, which shows more than 10 percent growth every year.

The company signed a 142 billion won (US\$120.29 million) memorandum of understanding (MOU) with the Mongolian Government at Shangri-La Hotel in Ulaanbaatar City, Mongolia, on Dec. 16 to set up two 220 kV substations, transmission lines approximately 315 km-long, and 975 transmission towers. The signing ceremony was attended by Hyosung Vice Chairman Lee Sang-woon and Dashzeveg Zorigt, minister for energy of Mongolia.

With the latest MOU, Hyosung has succeeded in becoming the first mover into the Mongolian power infrastructure construction market. Accordingly, the company now has an advantage over winning the Mongolian government's power projects, which will be carried out in earnest in the next two to three years. Hyosung is also able to target the Mongolian electricity market, which will have a capacity of 3,090 MW in total by 2030, in earnest.

The company will complete the construction of transmission lines that cross from Ondorhaan in eastern Mongolia to Choybalsan and two substations by as early as 2018, contributing to power industry development and power supply stabilization in Mongolia.

Thanks to mineral resource exports and foreign investments, Mongolia is considered to be a rapidly developing market with annual growth of more than 10 percent. The country has abundant energy resources, such as coal, uranium, solar power and wind power, but the energy industry is generally underdeveloped due to a lack of electrical technologies and infrastructure. Therefore, it really needs social overhead capital investments.

To do so, Hyosung plans to reduce power losses and address the imbalance of power supply and demand by using a static synchronous compensator, of which the company succeeded in the development and commercialization for the first time in the domestic industry, and energy storage system (ESS) technologies for stable and efficient power supplies.

Official visit of S.Korean PM ends

Ulaanbaatar, December 17 (MONTSAME) The Prime Minister of the Republic of Korea Mr Hwang Kyo-ahn Thursday finished his official visit to Mongolia.

Within this visit, the two Premiers held official talks. Mr Hwang was received by the President of Mongolia Ts.Elbegdorj and the Chairman of the State Great Khural.

Present at the ceremony of seeing off the PM of S.Korea were M.Zorigt, the Minister of Road and Transportation and other officials.



Foreign Relations

Mongolia-OSCE joint committee meets

Ulaanbaatar, December 14 (MONTSAME) Mongolia and the Organization for Security and Co-operation in Europe (OSCE) held last Friday its 16th meeting of the joint committee in Brussels, Belgium.

Co-chaired by Mr S.Bayartsogt, head of the Cabinet Secretariat for Government; and Mr Ugo Astuto, Managing director of the Asia Pacific of the European External Action Service, the joint committee meeting concluded a present situation of the Mongolia-OSCE ties and cooperation, designed prospects of the cooperation and exchanged information on political and socio-economic situations.

The parties exchanged views on regional and global issues, human rights, full utilization of "GSP+" tariff preferences granted to Mongolia, introduction of European norms and standards to all sectors of Mongolian social and economic structures, and discussed issues of the technical assistances from European Union in the framework of the upcoming ASEM Summit to be held in Ulaanbaatar in 2016 as well as the ongoing and future projects and programmes.

A joint statement regarding matters discussed at the meeting was signed by the sides. Within the joint committee meeting, the sub-committee on trade and investment held a meeting under leadership of Ms A.Ariunaa, deputy director of the Economic cooperation department of the Ministry of Foreign Affairs of Mongolia and Mr Peter Berz, Head of Unit for relations with Far East of the Directorate-General for Trade of the European Commission.

Mongolian Ambassador received by Prime Minister of Laos

Ulaanbaatar, December 14 (MONTSAME) The newly appointed Ambassador Extraordinary and Plenipotentiary of Mongolia to the Lao People's Democratic Republic Mr L.Galbadrakh has paid a courtesy call on Mr Thongsing Thammavong, the Prime Minister of Laos.

The news was published on Monday on the website of the Mongolian Ministry of Foreign Affairs.

Mr Galbadrakh expressed his satisfaction with being appointed as the Ambassador to Laos to contribute to the bilateral traditional and friendly relations and cooperation, and then conveyed to Mr Thongsing Thammavong greetings of the Mongolian Premier.

The Lao Premier Mr Thongsing Thammavong said he is satisfied with mutual trust of the bilateral relations and cooperation despite many changes in the world's political and economic situations. He emphasized Lao people are thankful to Mongolia for the establishment of a medical hospital and sheep breeding house in Xiangkhouang province, which are still in operations, and put forward a proposal to seek a chance for augmenting the breeding house's productivity in order broaden the economic ties in economic sphere. Mr Thongsing Thammavong also expressed willingness to study experience of Mongolia in the mining sector.



Thanking the Lao Premier for giving directions and recommendations on the bilateral ties, Mr Galbadrakh noted the countries are possible to resolve the transportation matter because of a distance between the countries, and he will make big efforts to widen effectiveness of the economic cooperation and to study a chance for augmenting the trade turnover.

The Ambassador expressed hope that Laos will take part with a high-level delegation in the 11th ASEM Summit to be held next year in Ulaanbaatar.

Mr Thongsing Thammavong accepted the invitation, confirming that his country will participate in the ASEM Summit as a member of the organization.

Mongolia and the Republic of Cuba Organised Reception

December 14 (gogo.mn) Minister of Foreign Affairs of Mongolia, L.Purevsuren and Ambassador of Cuba to Mongolia Omar Marrero Betancourt hosted the ceremony upon the establishment of the 55th anniversary of the diplomatic relations between Mongolia and the Republic of Cuba at the Ministry of Foreign Affairs of Mongolia.

Minister of Foreign Affairs of Mongolia, L.Purevsuren noted his pleasure that traditional and friendly relations between Mongolia and Cuba have been expanded and developed in the fields of politics, education, culture, sports and health, along with the mutual support in the international arena. Cuba was the first country to establish diplomatic relations with Mongolia among the American continent, thus the Minister expressed the gratitude to Cuba for acting as our main bridge to the Latin American and Caribbean countries for over half a century. He also illustrated the readiness to share Mongolia's experiences on economic reforms with Cuba.

Ambassador M.Omar stated that "During the 55 years we have been developing our relations on the basis of the principles of the Charter of the United Nations, International Law aimed at peaceful solution of international conflicts in inalienable law of the people consisting in political, economic, social and cultural rights. It constitutes an essential condition for peaceful coexistence among nations". He conveyed the gratitude for successfully collaborating in other sectors, especially in the field of education, apart from the multilateral cooperation and specified to continuously offer Cuban scholarships to the young Mongolian students.

B.Delgermaa appointed as Ambassador to Russia

December 17 (gogo.mn) At the plenary session of the Parliament held today, issues of recalling and appointment of Mongolian Ambassadors were discussed by MPs.

During President's visit to Russia in May to attend the Victory Day Parade, Mongolian Ambassador Extraordinary and Plenipotentiary to the Russian Federation Sh.Altangerel proposed to recall. Therefore, the Government agreed to recall Ambassador Sh.Altangerel after negotiating with the President.



MPs asked questions and expressed their positions, following the majority of them approved to appoint Banzragchiin Delgermaa as Mongolian Ambassador Extraordinary and Plenipotentiary to the Russian Federation.

MP N.Battserreg advised B.Delgermaa to focus on trans-boundary water agreements between the two countries and its bilateral different views and its consequences as well as trans-boundary protected areas.

MP D.Sarangerel wanted to pay attention to residents who could not enter Russian border standing in a queue for several days at Altanbulag port. MP Ts.Oyungerel views that issue of recalling ambassador should be discussed by the State Great Hural, it should not be decided by non-procedural way.

Mongolia establishes diplomatic ties with almost all UN countries

Ulaanbaatar, December 17 (MONTSAME) A bill on establishing diplomatic ties with certain countries was submitted to the State Great Khural December 17 by Minister of Foreign Affairs L.Purevsuren.

Issue of establishing diplomatic relations with all member countries of the United Nations has been reflected in the ideology of Mongolia's National Security and Foreign Policy Concepts and in the Government Action Plan for 2012-2016. Since then, Mongolia has submitted its interest to establish such relations to 45 countries through the diplomatic missions abroad. So far, 32 countries have accepted the proposals.

Today, Mongolia has diplomatic ties with 181 countries. The Gabonese Republic, Saint Lucia, the Republic of Niger, the Republic of Cameroon and the Republic of Marshall Islands have received Mongolia's proposals through the embassy in Tokyo and the permanent mission in New York and have signed the joint statements, informed the FM.

Draft resolution on establishing diplomatic relations with several new countries was submitted

December 18 (infomongolia.com) The Minister for Foreign Affairs of Mongolia, Mr. Lundeg PUREVSUREN handed a draft resolution on establishing diplomatic relations with several new countries to the Speaker of Parliament, Mr. Zandaakhuu ENKHBOLD on December 17, 2015.

The draft resolution reflects intention of Mongolian government to establish diplomatic ties with all member countries of United Nations, covering concepts of Mongolian foreign policy and National security strategy and goals indicated in the Government's Action Plan for 2015-2016.

For this purpose over the past years, Mongolia contacted 45 member countries of UN through its embassies and consulates expressing its interest in establishing diplomatic relations. As a result, 32 countries have accepted Mongolia's offer so far.

Foreign Minister L.Purevsuren informed Speaker Z.Enkhbold that Mongolia has official diplomatic relations with 181 countries and recently five countries such as the



Gabonese Republic, the Saint Lucia, the Republic of Niger, the Republic of Cameroon and the Republic of Marshall Islands have agreed to establish diplomatic relations with Mongolia and required documents are already signed.

Foreign Trade

Mongolia's imports in 2015

Ulaanbaatar, December 14 (MONTSAME) As of November, 29 percent of total imports were consumer goods, 38 percent were capital goods and 19 percent were fuels in 2015, reports the Bank of Mongolia (BoM).

Share of the capital goods in total imports decreased by 3 percent from that of the previous year, while the share of consumer goods import increased by 3 percent.

Mongolian imports decreased by 27.7 percent from that of the previous year. Main contributions of this decrease were capital goods decrease, which equals to 13 percent of the total decrease and fuel imports which equals to 8 percent of the total decrease.

Capital goods and petroleum products imports decreased by 32 percent (USD 640 million) and 38 percent (USD 401 million) respectively. Thus total import decreased from that of the previous year.

Economy

Tax revenue falls by MNT 182.7 billion

December 14 (news.mn) The Mongolia National Statistics Office of has provided social and economic data for the first eleven months of 2015. The Social Insurance fund has provided payments and benefits of MNT 135.6 billion to 192,700 people. The number of the people, on social insurance has reduced by 5.1% (10,400 people), and the amount of benefit payment being made has increased by MNT 7.4 billion (5.8%).

Total taxation revenue fell by 4%, MNT 182.7 billion, in comparison to 2014. The reduction has been caused by the MNT 318.6 billion of the value added tax, MNT 51.9 billion income tax, and MNT 33.2 billion of the foreign operation income.

Revenue from excise tax has increased by 29.5%, MNT 121.7 billion, from social insurance increased by 6.8% MNT 58 billion, and from other tax es by MNT 32.6 billion.

Mongolia's debt soars to 6.1 trillion MNT

December 14 (UB Post) The National Statistical Office (NSO) of Mongolia has reported on socio-economic conditions of November 2015, highlighting that the nation's total debt has reached 6.1 trillion MNT.



The NSO reported that the state budget deficit has reached 1.1 trillion MNT. Money supply equaled 9.8 trillion MNT at the end of November, which is a decrease of 91.2 billion MNT since October, and a decrease of 119 billion MNT compared to 2014.

Cash in circulation equaled 710.5 billion MNT in November. The result is a drop of 29.2 billion MNT compared to October.

Total bank loans amounted to 11.9 trillion MNT in November, while overdue debt amount equal 899.5 billion MNT. The figure is an increase of 454.9 billion MNT compared to last year.

Non-performing loans, which have steadily been increasing in recent months, have reached 849.8 billion MNT, which is an increase of 229.8 billion MNT (37.1 percent) compared to last year.

The number of registered unemployed people reached 31,300, an increase of 4,600 (12.8 percent) compared to November 2014. Fifty-six percent, or 17,500, of the unemployed are women. Analysts highlighted that lack of foreign direct investment to the nation's mining sector is one of the reason for the increase in unemployment. They added that entities are downsizing due to economic difficulties, which is aggregating the unemployment rate.

The NSO reported that coal, zinc concentrate, fluorite and iron ore exploration has declined by two to 46 percent since last year. The industrial processing sector, production of cement, carpet, concrete, vacuum window, door, metal fabrication and steel casting experienced 0.9 to 64 percent decrease.

Since the beginning of the year, 135.6 billion MNT was distributed in pensions and allowances to 192,700 people. The number of pensioners was down by 10,400 (5.1 percent) since last year, but the amount distributed was up by 7.4 billion MNT (5.8 percent).

As of November, a total of 225.7 billion MNT was issued to 27,600 children through the Human Development Fund.

Tax income had dropped by 182.7 billion MNT compared to 2014. Value-added tax income, which makes up the majority of collected taxes, decreased by 318.6 billion MNT. Excise tax income had increased by 121.7 billion MNT, social insurance income by 58 billion MNT, and revenue from other taxes and payments were up by 32.6 billion MNT, reported the NSO.

NSO: Economic Sector Indicators as of the first 11 months of 2015

December 16 (infomongolia.com) The National Statistical Office (NSO) of Mongolia has released its Social and Economic report for the first 11 months of 2015.

Economic Sector Indicators

According to the report of the Bank of Mongolia, money supply (M2) reached 9.8 trillion.tug (MNT, Tugrug) at the end of November 2015, it has decreased by 91.2 bln.tug (0.9%) from the previous month and by 119.0 bln.tug (1.2%) compared to the same period of the previous year.

At the end of November 2015, currency issued in circulation reached 710.5 bln.tug, it has decreased by 29.2 bln.tug (3.9%) from the previous month and by 58.4 bln.tug (7.6%) compared to the same period of the previous year.



Loans outstanding amounted to 11.9 trillion.tug, it has decreased by 20.7 bln.tug (0.2%) from the previous month and by 759.1 bln.tug (6.0%) compared to the same period of the previous year. Principals in arrears reached 899.5 bln.tug, showing an increase by 37.8 bln.tug (4.4%) from the previous month and by 454.9 bln.tug or 2 times compared to the same period of the previous year.

At the end of November 2015, the non-performing loans over the bank system reached 849.8 bln.tug, it has decreased by 6.0 bln.tug (0.7%) from the previous month and increased by 229.8 bln.tug (37.1%) compared to the same period of the previous year.

In the first 11 months of 2015, 29.7 mln.shares traded in the stock market valued at 839.8 bln.tug. Securities' trading has increased by 671.5 bln.tug or 5.0 times, where the number of shares has decreased by 14.7 mln.pieces (33.1%) compared to the same period of the previous year.

In the first 11 months of 2015, total equilibrated revenue and grants of the General Government Budget amounted to 5,030.2 bln.tug, total expenditure and net lending amounted to 6,132.4 bln.tug, representing a deficit of 1,102.2 bln.tug in the equilibrated balance.

In November 2015, total equilibrated revenue and grants of the General Government Budget amounted to 461.0 bln.tug, it has shown a decrease of 62.4 bln.tug (11.9%) from the previous month.

The total expenses amounted to 647.8 bln.tug, it has shown an increase of 76.5 bln.tug (13.4%) from the previous month. But the equilibrated balance amounted to deficit of 186.8 bln.tug, showing an increase of 138.9 bln.tug or 2.9 times from the previous month.

Tax revenue has decreased by 182.7 bln.tug (4.0%) compared to the same period of the previous year. This decrease was mainly due to decreases of 318.6 bln.tug (25.9%) in value added taxes and 51.9 bln.tug (5.5%) in income taxes, 33.2 bln.tug (10.2%) in taxes on international trade and transactions, although excise taxes, social contribution and other taxes increased by 121.7 bln.tug (29.5%), 58.0 bln.tug (6.8%) and 32.6 bln.tug (4.8%) respectively.

In the first 11 months of 2015, total expenditure and net lending of the State Budget reached 6,132.4 bln.tug, it has increased by 424.1 bln.tug (7.4%) compared to the same period of the previous year. This increase was mainly due to increases of 165.0 bln.tug (7.3%) in expenditure on goods and service, 141.3 bln.tug (8.1%) in current transfers and 162.2 bln.tug (46.1%) in interest payments, although subsidies and capital expenditures decreased by 25.1 bln.tug (17.5%) and 28.4 bln.tug (2.4%) respectively.

In the first 11 months of 2015, Mongolia traded with 146 countries of the world and the total external trade turnover reached 7,737.5 mln.US dollars, of which 4,242.9 mln.US dollars were made by exports and 3,494.7 mln.US dollars by imports. Total external trade turnover decreased by 2,284.5 mln.US dollars (22.8%), where exports decreased by 947.0 mln.US dollars (18.2%) and imports by 1,337.5 mln.US dollars (27.7%) compared to the same period of the previous year.

External trade balance showed a surplus of 748.2 mln.US dollars in the first 11 months of 2015, it has increased by 390.5 mln.US dollars or 2.1 times compared to the same period of the previous year.

In November 2015, exports amounted to 316.2 mln.US dollars, showing a decrease of 69.6 mln.US dollars (18.0%), imports were 331.3 mln.US dollars, increasing by 24.8 mln.US dollars (8.1%) from previous month.



In November 2015, the national consumer price index increased by 0.2% from the previous month, by 2.1% from the beginning of the year and by 2.9% over the same period of the previous year. The increase of 2.1% from the beginning of the year was mainly due to increases of 62.8% in educational group.

The industrial production index (seasonally adjusted) in November was 127.6 (2010=100), it has decreased by 10.0% from the previous month, by 7.7% from the beginning of the year and by 5.1% over the same period of the previous year.

Data: GDP of Mongolia

In the mining and quarrying sectors, the mining products such as crude oil, molybdenum with concentrate, copper concentrate and gold have increased by 15.6-31.6%. The manufacturing of products such as sawn wood, fodder, kind of sausage, felt, camel woollen blanket, book, pure water, beer, railway sleeper, combed down, soft drinks, copper (99%) increased by 0.3% to 7.2 times compared to the same period of the previous year.

But the mining products such as coal, zincum concentrate, iron ore, fluor spar concentrate, broken or crashed stone decreased by 2.1-46.0% compared to the same period of the previous year. In the manufacturing sector, the products such as cement, carpet, articles of iron concrete, milk, buuz and dumpling, bakery products, spirit, bread, cigarettes, vacuum windows and doors, metal steel, metal foundries, electric wire, steel casting decreased by 0.9-64.9%.

In the first 11 months of 2015, 17,373.4 thous.tons of freight and 2,598.3 thous.passengers (double counting) were carried by railway. Compared to the same period of the previous year, the carried freight decreased by 1,684.6 thous.tons (8.8%) and the number of carried passengers by 494.6 thous.persons (16.0%).

The revenue of railway transport reached 352.4 bln.tug, it has decreased by 36.7 bln.tug (9.4%) compared to the same period of the previous year.

Data: Transport and Communication

In the first 11 months of 2015, 2,584.8 tons of freight and 573.7 thous.passengers (double counting) were carried by air transport. Compared to the same period of the previous year, the carried freight decreased by 592.7 tons (18.7%) and the number of passengers by 59.6 thous.persons (9.4%).

The revenue of air transport reached 232.0 bln.tug, showing an increase of 3.9 bln.tug (1.7%) compared to the same period of the previous year.

MNT 5 trillion declared under “Economic Transparency Law”

December 16 (news.mn) The deadline of the “Economic Transparency law” is the 31st December 2015. Not surprisingly, there has been an increase in pressure on the taxation, social insurance and state registration offices.

According to a report by the director of the General Department of Taxation: “On 7th December, the prediction for the amount to be declared was estimated MNT 3.5 trillion; as of 15th December - MNT 5 trillion. So far a total of 5789 people have submitted their reports”.

The Director of the Mongolian Chamber of Trade and Industry also noted: “The working processes of the social insurance agencies are often conducted manually. In addition, it



can take five days to solve the issues of three people. Therefore, the deadline for the "Economic Transparency Law" needs to be extended".

Business

Australia's export credit score company assured native companies will win Oyu Tolgoi work

December 17 (sunnewsjournal.com) Australia's export credit score company is assured that small Australian corporations will win work on Mongolia's Oyu Tolgoi enlargement. Photograph: Philip Gostelow

Australia's export credit score company says the very fact procurement work for the huge Oyu Tolgoi enlargement can be carried out from Rio Tinto's Brisbane workplace ought to assist small Australian contractors to win their share of labor on the challenge.

The federal authorities's Export Finance and Insurance coverage Company (EFIC) was this week confirmed as one among 20 lenders behind a \$US4.4 billion (\$6.1 billion) debt package deal for the Mongolian mine enlargement, with EFIC contributing \$US150 million.

The mortgage was the primary by EFIC on a giant assets challenge because the company was given a stricter mandate to concentrate on small and medium sized enterprises, and got here as export credit score businesses in Canada and the US additionally participated.

When requested if Australian contractors could possibly be crowded out by the involvement of the Canadian and US export credit score businesses, EFIC managing director Andrew Hunter stated there have been a number of the reason why he was assured Australian corporations would win their share.

Commercial

"Numerous the procurement on this venture is being led out of Brisbane, and the decrease Australian greenback relative to a few years in the past is making our mining providers corporations a lot extra aggressive," he stated.

"We're the one which has carried out the best degree of due diligence on small and medium sized enterprises ... We've got a really excessive diploma of confidence that this venture goes to subcontract loads of work again to some very extremely specialised and really profitable Australian corporations," he stated.

Covenants require Australian content material

EFIC's government director David Graham stated the mortgage contained covenants that required sure quantities of Australian content material on the enlargement.

"We now have put in place some covenants that may help Australian small and medium sized corporations take part going ahead," he stated.

"We have now a treatment in there."



The company believes greater than 200 corporations have already gained \$US83 million value of work on the primary stage of the Oyu Tolgoi mine, which began working in 2013.

The second stage incorporates a lot of the worth within the venture, and has an official mine lifetime of round 40 years.

When requested what number of Australian corporations he anticipated to win work on the second stage enlargement, Mr Hunter stated; "it is a substantial quantity".

The Oyu Tolgoi mortgage is definitely the most important dedication made by EFIC this monetary yr, with the earlier 19 value a cumulative quantity of \$US51 million, with \$US29 million of that in a single mortgage.

It's believed the loans from EFIC and the Canadian export credit score company have been on 14-year phrases, with rates of interest which are three.65 per cent above LIBOR whereas the mine enlargement is being constructed, after which four.65 per cent above LIBOR after the mine is accomplished.

That places EFIC's charges among the many least expensive within the syndicate, with a Rio subsidiary saying the general value of your complete finance package deal was 6 per cent above LIBOR.

Shaw and Companions analyst Peter O'Connor stated the rates of interest appeared affordable.

"The charges look comparatively engaging to us, particularly given the normal premium for a undertaking facility versus a conventional bond or financial institution debt, and given the nation danger and challenge danger," he stated.

"Importantly, the power tenure could be very long run (12 to 15 years) and debt is contained inside the challenge and undertaking money flows utilised to retire debt and make curiosity funds."

Banking

Banks end low interest mortgage loan

December 14 (UB Post) Commercial banks announced to suspend the annual eight percent interest mortgage loan for an indefinite period of time due to a decision by the Constitutional Court. The court believes that the Civil Law and Law on Real Estate Mortgages, related to the mortgage loan, violate some provisions in the Constitution.

Banks explained that their decision was related to the Constitutional Court's conclusion, and added that the decision was unfavorable for banks and does not provide legal environment for future low-interest mortgage loans.

In response, the Mongolian People's Party (MPP) claimed that the Democratic Party (DP) defamed the party by conspiring with the Constitutional Court to stop the mortgage loan issuance.

Head of the MPP S.Byambatsogt said, "People believe that the Constitutional Court works under the MPP, but they are elected by the majority. Our party initiated the eight percent interest mortgage loan and we will keep working to reduce mortgage loan



interest rates in the future. Only the blue sky is above the Constitutional Court. They made their final decision.”

In response to the MPP's accusations, the DP and Justice Coalition issued a joint statement announcing that the two parties are working towards resuming the mortgage loan.

The statement noted that the parties do not accept the Constitutional Court's decision and don't agree that the Civil Law and Law on Real Estate Mortgages violate the Constitution. The DP and Justice Coalition added that they will amend the laws and submit it to Parliament for approval.

On December 10, the Mongolian Bankers Association reported that the eight percent mortgage loan cannot be issued until Parliament amends and adopts relevant provisions of the Civil Law and Law on Real Estate Mortgages that were cancelled by the Constitutional Court.

Member of the Constitutional Court D.Naranchimeg told reporters that the court usually does not provide any explanation to their decisions and added that the issue was resolved following a request and petition from some citizens and officials.

Particularly, citizen A.Bazar complained that he needs permission from the bank that issued the mortgage loan to lease an apartment he purchased as it has been collateralized by banks. He believes that this violates private property rights of citizens.

“We did resolve disputes regarding some provisions to the Civil Law and Law on Real Estate Mortgages, and made a final decision. But we don't ask which party citizens belong to. They have separately submitted their requests, and we are making clarifications today to provide the public with a balanced and accurate information,” added D.Naranchimeg.

She noted that the mortgage loan is the government's policy issue, and the Constitutional Court is obliged to only make decisions that protect citizen's basic rights.

Mining

Oyu Tolgoi Signs Project Finance Agreement

December 17 (e-mj.com) The development of the Oyu Tolgoi underground mine in Mongolia took an important step forward with the signing of a \$4.4 billion project financing agreement. Oyu Tolgoi has secured project finance for the underground mine development with funding by international financial institutions and export credit agencies representing the governments of the United States, Canada and Australia, along with 15 commercial banks.

A signing ceremony on December 15 in Ulaanbaatar included Mongolian Prime Minister Ch. Saikhanbileg and representatives from Turquoise Hill Resources, Rio Tinto, Erdenes Mongol, Erdenes Oyu Tolgoi, as well as many of the financial institutions and commercial banks that participated in the facility. An agreement on the Oyu Tolgoi underground mine development and financing plan was reached earlier this year by the



government of Mongolia, Turquoise Hill and Rio Tinto, which set out a pathway toward development, including the basis for the funding of the project.

Turquoise Hill CEO Jeff Tygesen said the signing was an, “unprecedented milestone for Turquoise Hill and Oyu Tolgoi.” He also noted that Turquoise Hill is a “long-term believer in copper and absolutely committed to Oyu Tolgoi and the corresponding economic development of Mongolia,” and Turquoise Hill, “looks forward to working with Rio Tinto and the Mongolian government to complete the remaining steps leading to the commencement of underground development in mid-2016.”

Rio Tinto Copper and Coal chief executive Jean-Sébastien Jacques said, “This kind of mining development partnership model sets the industry benchmark for future schemes and underscores Rio Tinto’s commitment to responsible and prudent growth. Long-term copper fundamentals remain strong and Oyu Tolgoi as a tier one asset will be a globally important source of supply as the market moves back into structural deficit over the next few years.”

Oyu Tolgoi is a copper-gold mine in the South Gobi region of Mongolia and is one of the largest undeveloped high-grade copper deposits in the world. Construction of an open-pit mine was completed on schedule in less than two years and production started in 2013. More than 1.5 million metric tons (mt) of copper concentrate has been produced from Oyu Tolgoi.

While all of the copper concentrate currently produced is from the open-pit mine, more than 80% of the value of Oyu Tolgoi lies in the proposed underground mine.

Rio secures financing for Mongolian mega mine

December 16 (australianmining.com.au) Rio Tinto has signed a US\$4.4 billion financing agreement for its Oyu Tolgoi copper mine in Mongolia.

“Oyu Tolgoi has secured Project Finance for the underground mine development with funding by international financial institutions and export credit agencies representing the governments of the United States, Canada and Australia, along with 15 commercial banks,” Rio Tinto said in a company statement.

This agreement caps off a turbulent period for the mine, which has been plagued by financing issues and ongoing disputes with the Mongolian Government over royalties.

The Oyu Tolgoi expansion project was plagued by disagreement between the Mongolian Government and JV partners over accusations of non-payment of US\$30 million in taxes, which Rio Tinto denied.

Construction of the project began in 2009, and was suspended in July 2013 over the deadlock between Rio Tinto and the Mongolian Government, which resulted in job losses for 1700 workers.

The push to develop the asset, however, remained a key focus for Rio Tinto despite the ongoing issues and falling copper price, with the miner’s head of copper and coal, Jean-Sébastien Jacques, labelling it a top tier asset.

When asked if he believed the site was worth the hassle, Jacques stated: “No doubt, it’s bloody awesome.”

With the new financing agreement Rio Tinto is now able to progress the project to its next stage.



"Rio Tinto and all Oyu Tolgoi shareholders will now continue to work towards updating the feasibility study, including the revised capital estimates, and securing all necessary permits for the development of the underground mine," Rio Tinto said.

"Once these steps have been completed the project will be submitted to the various boards for approval and the \$4.4 billion tranche will be drawn down."

"This Project Finance agreement is significant in the industry and is the next important step towards further development of the world class Oyu Tolgoi mine in Mongolia," Jacques said.

"This kind of mining development partnership model sets the industry benchmark for future schemes and underscores Rio Tinto's commitment to responsible and prudent growth. Long-term copper fundamentals remain strong and Oyu Tolgoi as a tier one asset will be a globally important source of supply as the market moves back into structural deficit over the next few years."

The financing will be provided through facilities provided by Export Development Canada; the European Bank for Reconstruction and Development (EBRD); the International Finance Corporation (IFC), the Export-Import Bank of the United States; the Export Finance and Insurance Corporation of Australia (Efic); and commercial lenders comprising BNP Paribas; ANZ; ING; Société Générale Corporate & Investment Banking; Sumitomo Mitsui; Standard Chartered Bank; Canadian Imperial Bank of Commerce; Crédit Agricole; Intesa Sanpaolo; National Australia Bank; Natixis; HSBC; The Bank of Tokyo-Mitsubishi UFJ; KfW IPEX-Bank; and Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden.

The Multilateral Investment Guarantee Agency (MIGA) provided political risk insurance for the commercial banks.

The parties have agreed a debt cap of US\$6 billion, providing the option for an additional US\$1.6 billion of supplemental debt in the future.

Special fee must be paid, if uranium used

December 15 (news.mn) The Mongolia has approved the "Nuclear Energy Law" in the 2009, and has formed the special authority for this sector. Last year, Ch.Saikhanbileg has liquidated the authority, and made it into the "Nuclear Commission", after he became the Prime Minister.

Now, Mongolia is going to change the "Nuclear Energy Law". The Government has discussed the law project on 26th October 2015, and decided to present law project to the Parliament. Due to the new project, the uranium explorer entities must pay special fee.

The Mongolian uranium reserve is estimated as 43,900 tons. This is just the known amount of current time. The subsidiary company of "Areva", which owns the uranium explorer license has taken their permission of uranium usage in 2014. Therefore, officials are saying that Mongolia will be available to export uranium from 2017.

The issue, related to the biggest uranium reserve in the Dornod is still not completed. The license of the Canadian "Khan Resource Company", which were operating exploration in Dornod was cancelled on 10th July 2009. Due to the Arbitration Court, Mongolia is in charge of USD 100 million debt.



Mineral exploration license applications – put on hold

December 16 (news.mn) As of yesterday, 15th Decemeber, the Mineral Resource Authority (MRA) stopped receiving applications for special exploration permission. Subsequently, the MRA has clarified that: "Government Protocol number 239 of 28th July 2014 has been changed. In accordance with this alteration, it is planned to establish a "National Natural Resource Park". The new lists of ecologically important regions together with the exploration blocks to be added to State Special Protection need to be correlated. Also, the coordination work on the new blocks, which will provide the basis for special exploration permission, is being studied. Therefore, we have temporarily stopped receiving applications". The MRA will receive no more applications until the end of 2015.

Infrastructure

Solongot mountain pass connected to Ulaanbaatar by paved road

Ulaanbaatar, December 14 (MONTSAME) Construction of 100 km paved road connecting Khalzanburgedei and Solongot passes has completed. On Friday, PM Ch.Saikhanbileg attended the opening ceremony in Zavkhan aimag.

Through this road, the remote Solongot mountain pass is connected to Ulaanbaatar. Travelers are now able to reach Solongot pass from Ulaanbaatar within seven hours, cruising 700 km. This enables people to visit the main tourist attractions of Mongolia such as Terkhiin Tsagaan Lake and Khorgiin Togoo (Khorgo volcano) in easier way.

In the last four years, total of 6,000 km paved road was built. Accordingly, the paved road will reach Tosontsengel soum of Zavkhan aimag next spring.

PM Ch.Saikhanbileg noted that the Government will achieve the goal of connecting 21 aimags to the capital city by paved road within 2016.

The 100 km road construction has been executed by MonRoad, consulted by Geo Zuraglal LLC and financed by the Development Bank of Mongolia.

New 34.5 km railroad opens from Tumurtei mine to Khandgait

December 16 (UB Post) Last week, a 34.5 km railroad from Bold Tumur Eruu Gol's Tumurtei mine to Khandgait Station was commissioned. Prior to the opening of the new



railroad, the company had been transporting their ore by truck along a 20 km road to be transferred to a train car.

In 2011, the company exported 98,000 tons of iron ore. At that time, the price of iron ore stood at 137 USD per ton, while the price has since dropped to 36 USD per ton in the global market. The company underlined that despite Mongolia's economic crisis delaying the company's development, it has now moved forward to complete this project. Company representatives said that a construction team from Ulaanbaatar Railway completed earthwork for the railroad within one year, and they finished railroad construction in three months.

The Tumurtei deposit, located in Selenge Province, has an estimated 230 million tons of reserves, and is considered the country's only strategic iron deposit. Its special license is owned by the Darkhan Metallurgical Plant. Darkhan Metallurgical Plant is planning to export six million tons of iron ore per year, while Bold Tumur aims to sell eight tons of iron ore annually.

Mongolia's total iron ore reserves are estimated to be two billion tons, 600 million of which are approved reserves, and 450 million of which are approved in the Darkhan and Selenge regions. The Tumurtei, Khust-uul, Bayangol, and Tumur Tolgoi deposits are located in two soums of Selenge Province covering an area of 30 to 40 km. Representatives from the metallurgical sector underlined that putting these deposits into economic circulation will bring about economic efficiency before the completion of the Tavan Tolgoi or Sainshand industrial complexes.

Animal Husbandry

56.2 million cattle wintering at 145.2 herder households

December 16 (gogo.mn) Total of 56.2 million cattle are wintering at 145.2 herder households in aimags and capital in 2015-2016. As of today winter preparation is at 85.7 percent nationwide.

Total of 29.454 tons of hay was planned to be prepared nationwide of which 23,044 tons or 78.2 percent have been prepared, while 11,115 tons of fodder was planned to be prepared nationwide of which 3,345 tons or 30.1 percent have been prepared respectively.

As of December, 90 percent of total territory was covered in snow. 97 soums of 12 aimags including Arhangai, Bayanhongor, Bayan-Ulgii, Bulgan, Gobi-Altai, Dundgobi, Zavhan, Umnugobi, Tuv, Uvs, Huvsgul and Suhbaatar are experiencing harsh winter and snow thickness have reached 7-40 cm.

"Meat" Program Approved

December 16 (gogo.mn) MNT 100 billion financing was provided to the implementation of "Meat" program and was agreed to monitor the loan repayment.



This year our country has potential to prepare 10 million cattle for food and 5.6 million cattle or 128.5 thousand tons of meat for export.

However meat export have not reached at that high due to foreign quarantine conditions, the low financial capacity of domestic enterprises authorized to export meat and the lack of cash to buy cattle from herders.

"Meat" program have formulated with the aim to increase the export of meat, specially create opportunities to export meat to China, ensure the potential of international level in meat quality, health and safety, reduce the number of cattle to winter in order to avoid potential weather complications, stabilize the meat price in domestic, commercialize the excess of domestic demand, improve the standard of living of herders, support meat export enterprises which prepare meat and export in order to increase income and implement policy.

Construction

Umnugovi aimag provided housing to 1,272 families

December 14 (infomongolia.com) The authority of Umnugovi aimag provided housing to 1,272 families within its intensive public housing program that started in 2013.

The program has provided apartment to 431 people in 2013 and 336 in 2014. In 2015, the construction of apartment for 505 households was launched and 70 residents could receive their apartments as of September 2015.

Umnugovi aimag's authority has allocated 12.8 billion MNT (Tugrug) to its intensive public housing program from its budget in 2013-2015.

Transportation

Railway transportation falls by 2 million tons

December 16 (news.mn) Last year, "Ulaanbaatar Railway" transported 21 million tons of freight. During the first eleven months of 2015, the figure has fallen to 17,373,000 tons and 25,983 passengers. The number of passengers has fallen by 15% and income by 30%. "UB Railway" representatives have said that economical slowdown of the Chinese economy has had an impact on freight transportation.

Also, the creation of domestic cement and building material plants has resulted in a decline in imports. This represents a figure of 700,000 tons.



During 2010-2012, the Mongolian and Russian governments invested USD 250 million in "Ulaanbaatar Railway" primarily in technical upgrading.

Direct Ulaanbaatar - Busan flight

December 17 (news.mn) The official visit of South Korean Prime Minister Hwan Kyo-ahn ends today. During his visit, Mr Hwan had a private meeting with his Mongolian counterpart, ChSaikhanbileg, following which the two prime ministers said that they had discussed co-operation in the transportation, infrastructure and natural resources sectors in a clear and effective manner. They have also concluded a deal for the implementation of a project related to 5th Power Plant.

In the area of transportation, the prime ministers have agreed to increase the flights between the two countries, and decided to launch the new direct flight between Ulaanbaatar and South Korea's second largest city Busan from March 2016.

During the official visit, ministers and officials of the two countries signed four memoranda of understanding (MoU).

Ulaanbaatar

U.S. Embassy Launching Air Quality Monitoring Program

December 14 (gogo.mn) On December 16, 2015, the U.S. Embassy in Ulaanbaatar will formally launch an "Air Quality Monitoring Program" (AQMP). The Embassy's AQMP will include a U.S. Environmental Protection Agency (EPA)-certified measuring instrument (a MET One BAM 1020), a real-time air quality index website, and a Twitter feed. The AQMP will continuously monitor and record the level of fine particulate matter (PM2.5) in the air outside the Embassy and continuously convert the data collected onto the EPA-created "Air Quality Index" (AQI) scale. This information is open to the public and is intended to benefit Ulaanbaatar residents, including American citizens living and working in Ulaanbaatar, the local health community, and the Government of Mongolia.

We invite members of the media to explore the U.S. Embassy's AQI website at www.stateair.mn and its Twitter feed at twitter.com/USEmbUBAir. Since AQMP will be part of the U.S. EPA's "AirNow" system, the air quality data generated on the U.S. Embassy neighborhood in Ulaanbaatar by the program is simultaneously published on www.airnow.gov. Note that the Embassy reports its AQI as an hourly average and the EPA reports AQI as a 24-hour average.

BACKGROUND: Air pollution is a critical global health threat. In February 2015, the U.S. Department of State and the EPA formed a partnership with the goal of improving real-time air quality data from around the world by adding data from participating U.S. embassies to the EPA data already published on air quality conditions in the United States.



PLANNING NOTE: The Embassy will not host a media event on December 16, the day of the AQMP launch. An Embassy press tour will be planned in January to show the monitor and discuss air quality. We refer press-related inquiries to the U.S. Embassy Public Affairs Section at (976) 7007-6249 or paspress@usembassy.mn.

Residents are enabled to receive more than 200 government services from one place

December 15 (gogo.mn) "Government Service Center" centralised more than 200 services provided by the Government at one place is to be commissioned soon.

This center to be built in three places of capital city and the first one is being established in "Dunjingarav" shopping center. "Government Service Center" covers 2800 square meter areas.

More than 200 public servants to be employed from local authorities including City General Planning Department, Road and Transportation Department, Property Relations Department, Ulaanbaatar District Heating Network Company and Ulaanbaatar Electricity Distribution Network.

Moreover direct payments for some services are regulated and branches of Ulaanbaatar and Golomt banks to be opened. The center have capacity to serve for 180 residents at one time while 2880-6480 residents at one day. In addition, it has self-serving hall, child care room, notary office and cafe.

Following services are offered to the public:

- More than 200 government services at one place
- On-site more than 60 government services
- Any residence affiliation is allowed
- Extended hours service
- Comfortable environment

City Governor and City Mayor E.Bat-Uul stated: "By establishing "Government Service Center", services provided by the Government will come closer to the residents and the bureaucracy will be eliminated. It has been my dream for 25 years.

In other words, any residents able to come here and receive directly government services within 12 hours. We are aiming to advance to the principle of efficient government services."

"Government Service Center" is expected to be commissioned on Jan 04, 2016, reported by the Press and Public Relations Department of City Governor Office.

City to cooperate with Huawei Technologies Co.,LTD

December 17 (gogo.mn) City Governor and City Mayor E.Bat-Uul received the Vice President of Huawei Technologies Co.,LTD and exchanged their views on cooperation within the "Friendly Ulaanbaatar" program.



Vice President of Huawei Technologies Co.,LTD said "We are implementing "Smart city" project in 60 cities around the world. In scope of this project, we would like to cooperate with UB city in information and technology sector by installing camera at city highway intersections, introducing new technologies and creating dashboard.

In response City Mayor E.Bat-Uul: "I am favorable for your willingness to work together with UB city. First of all, we need to cooperate without causing problems to our duty."

"16th regular meeting of City Council approved "Smart Ulaanbaatar" program which will be implemented by three stages until 2020. In scope of this program, we are glad to cooperate with your company in information and technology sector."

Company News

Turquoise Hill Resources Ltd (TRQ) Forecasted to Post Q1 2016 Earnings of \$0.05 Per Share

December 19 (storminvestor.com) Turquoise Hill Resources Ltd (NYSE:TRQ) – Investment analysts at Scotiabank upped their Q1 2016 earnings per share estimates for shares of Turquoise Hill Resources in a research note issued to investors on Wednesday, Zacks Investment Research reports. Scotiabank analyst O. Wowkodaw now anticipates that the brokerage will earn \$0.05 per share for the quarter, up from their previous estimate of \$0.04. The consensus estimate for Turquoise Hill Resources' Q1 2016 earnings is \$0.05 per share. Scotiabank also issued estimates for Turquoise Hill Resources' Q3 2016 earnings at \$0.00 EPS, Q4 2016 earnings at \$0.00 EPS and FY2016 earnings at \$0.09 EPS.

Turquoise Hill Resources (NYSE:TRQ) last posted its quarterly earnings data on Thursday, November 5th. The company reported \$0.01 earnings per share (EPS) for the quarter, missing analysts' consensus estimates of \$0.02 by \$0.01. The business earned \$431.70 million during the quarter, compared to analyst estimates of \$522.85 million. The company's quarterly revenue was down 12.2% compared to the same quarter last year. During the same period last year, the business posted (\$0.05) EPS.

A number of other equities analysts have also recently issued reports on the company. Zacks Investment Research cut Turquoise Hill Resources from a "hold" rating to a "sell" rating in a report on Monday, November 9th. TD Securities upgraded Turquoise Hill Resources from a "hold" rating to a "buy" rating in a report on Friday, December 11th. Finally, Macquarie upgraded Turquoise Hill Resources from a "neutral" rating to an "outperform" rating in a report on Monday, November 9th. Two research analysts have rated the stock with a sell rating, one has given a hold rating and three have issued a buy rating to the stock. The stock presently has an average rating of "Hold" and an average price target of \$5.67.

Turquoise Hill Resources (NYSE:TRQ) opened at 2.35 on Friday. The company has a market capitalization of \$4.73 billion and a P/E ratio of 16.79. Turquoise Hill Resources



has a one year low of \$2.28 and a one year high of \$4.74. The stock's 50 day moving average price is \$2.63 and its 200 day moving average price is \$3.14.

Turquoise Hill Resources Ltd. (NYSE:TRQ) is an international mining company focused on mining operations in Mongolia. The Company's principal and only material mineral resource property is the Oyu Tolgoi copper-gold mine in southern Mongolia. The Oyu Tolgoi Mine is approximately 550 kilometers south of Ulaanbaatar, Mongolia's capital city, and 80 kilometers north of the Mongolia-China border. The minerals on the property consist of porphyry-style copper, gold, silver and molybdenum contained in a linear structural trend (the Oyu Tolgoi Trend) that extends over 26 kilometers. Mineral resources include, from south to north, the Heruga Deposit, the Southern Oyu deposits (Southwest Oyu, South Oyu, Wedge and Central Oyu) and the Hugo Dummett deposits (Hugo South, Hugo North and Hugo North Extension).

Prophecy Signs EPC and Equity Investment Agreements with China's SEPCO2 for Chandgana Power Plant in Mongolia

VANCOUVER, BC / ACCESSWIRE / December 18, 2015 / Prophecy Development Corp. ("Prophecy" or the "Company") (TSX:PCY, OTCQX:PRPCF, Frankfurt:1P2) is pleased to announce today, the signing of an Engineering, Procurement and Construction ("EPC") Agreement, Equity Investment Agreement, and Share Purchase Agreement (collectively, the "Agreements") with China-based Shandong Electrical Power Construction No.2 Company ("SEPCO2") to invest in, and build the Company's 600 MW Chandgana power plant (the "Chandgana Power Plant") in Mongolia.

The Chandgana Power Plant Project, under the development of Prophecy's wholly-owned Mongolian subsidiary, Prophecy Power Generation LLC ("PPG") since 2011, has secured power plant land use rights and the construction license, and is included on the Mongolian Government concession list.

SEPCO2 was founded in 1952 and is wholly-owned by the Power Construction Corporation of China ("POWER CHINA"), a Global Fortune 500 company with 200,000 employees as of June 2015, specializing in engineering, construction, design consultation and equipment manufacturing in the global energy sector. SEPCO2 has 6,400 employees and has constructed power plants in 11 countries such as: Saudi Arabia, Zambia, India, Malaysia and Sudan.

The Agreements signing ceremony took place today at the Canadian Embassy in Mongolia's capital city of Ulaanbaatar and was witnessed by Senior Trade Commissioner from Embassy of Canada to Mongolia. Mr. Zhang Shitao, the President of SEPCO2, and Mr. John Lee, the Executive Chairman of Prophecy, executed the Agreements on behalf of SEPCO2, and Prophecy, respectively.

Project Summary and Update

The Chandgana Power Plant is strategically located in Khentii province, 150km east of Baganuur, to provide power to both Mongolia's Eastern Energy Grid and Central Energy Grid. The Chandgana Power Plant will be a coal-fired mine-mouth power plant where



coal will be supplied from Prophecy's wholly owned Mongolian subsidiary Chandgana Coal LLC's adjacent open pit coal mine.

The total capital investment necessary to complete the 600MW Chandgana Power Plant is expected to be approximately USD\$1 billion. The proposed investment for Phase 1 (150MW x2) is estimated to be USD\$600 million, Phase 1 is to be completed within 3 years from the start of construction. Prophecy has identified the main EPC contractor, and equity and debt investors that are ready to invest and start the project once a bankable Concession Agreement and Power Purchase Agreement including tariff are finalized with the already-established Mongolian government-appointed working group. Mongolia currently imports approximately 20% of its electric power from Russia and China. Prophecy is proposing to build a new, modern power plant to provide a stable 20-year power supply in Mongolia, with 100% private funding and with no up-front payment or subsidies from the Mongolia government. Prophecy is offering a fixed, long-term tariff that is lower than those of foreign import to assist Mongolia to save money, create employment and establish its energy independence. The Chandgana Power Plant and Chandgana coal mine would be expected to employ over 600 full-time skilled local staff, cause the start of many new support businesses, and revitalize Khentii province.

Prophecy believes having a mine-mouth power plant (as opposed to having a power plant located in the city) is the solution to Mongolia's power shortage, eliminates costly coal and ash transportation, preserves the capital city's limited water resources and reduces severe air pollution in the city.

In addition to working with the Mongolia government and its people to fulfill growing domestic energy demand, Prophecy with its experienced partners, looks forward to these future steps to expand the Chandgana Power Plant in order to transform Mongolia, into a net exporter of electricity to its neighboring countries.

EPC Agreement

In early 2012, the Company held a public tender for the Chandgana Power Plant EPC contract. After a rigorous evaluation process, SEPCO2 was eventually selected as the main EPC contractor to build and complete the Chandgana Power Plant based on: price, performance, experience and time for completion. The EPC Agreement executed today, is the result of over one year of investigative and research work conducted by both Prophecy and SEPCO2 according to the set of detailed Owner's Technical Specifications & Requirements (OTSR) developed by experienced Prophecy consultants considering operating variables such as: coal quality and supply, operating temperatures, auxiliary heat consumption, water consumption, environmental limits and power output, and incorporated detailed cost and performance optimization considerations including shortest transportation routes by most cost-effective transportation carrier, and offers from insurance providers and local construction material and fuel suppliers. The binding EPC contract prepared by an international law firm also includes specific performance requirements and completion guarantees.

Share Purchase Agreement and Equity Investment Agreement

Prophecy has agreed to transfer Common shares representing a 5% ownership interest in the capital of PPG (the "Subject Shares") to SEPCO2, in consideration for SEPCO2 preparing and delivering any remaining engineering or design studies required by either the Mongolian government or investors to proceed to project financial close. Upon SEPCO2 acquiring the Subject Shares from Prophecy, SEPCO2 has agreed to



contribute to the overall expenses of PPG based on SEPCO2's pro rata equity share interest. Such expenses may be offset against the fees payable by PPG to SEPCO2 in relation to the Chandgana Power Plant under any EPC services agreement entered into by PPG or Prophecy and SEPCO2 or its affiliates or associates. Conditions precedent to the Equity Investment Agreement and Share Purchase Agreement include the parties having obtained all necessary prior approval of relevant authorities.

Project Financing and Financial Close

SEPCO2 has extensive international project financing experience for power plant projects in developing countries in the Middle East and Africa, and has expressed confidence in arranging debt financing for the Chandgana Power Plant. In 2014, SEPCO2 provided Prophecy with a bank financing term sheet for the project which needs to be renewed for 2016, based on a 12-year term with 85% of the total value of the EPC Agreement advanced at the London Interbank Offered Rate (LIBOR) + 5%.

In parallel, Prophecy expects to partner with the overseas investment subsidiary of the world's largest coal-fired power generation group (the "Strategic Partner") to jointly invest in the Chandgana Power Plant. In May 2015, the Strategic Partner signed an exclusivity agreement with Prophecy whereby the Strategic Partner agreed to focus its development and construction activities in Mongolia solely on the Chandgana Power Plant for the remainder of 2015. Negotiations on a share purchase agreement and equity investment agreement in PPG, between Prophecy and Strategic Partner are ongoing. The Strategic Partner has stated its readiness to invest in the Chandgana Power Plant upon Prophecy obtaining a satisfactory Concession Agreement and Power Purchase Agreement.

To achieve project financial close, first the Mongolia government, represented by the Invest Mongolia Agency and Energy Ministry needs to approve the Chandgana Power Plant Concession Agreement and Power Purchase Agreement. Thereafter, a consortium of equity and debt partners could proceed to arrange project financing at the best terms available.

Qualified Persons

The technical content of this news release was reviewed and approved by Christopher M. Kravits, P. Geo., who is a Qualified Person within the meaning of NI 43-101. Mr. Kravits is a consultant to the Company and serves as its Qualified Person and General Mining Manager.

About Prophecy

Prophecy Development Corp. is a Canadian public company listed on the Toronto Stock Exchange that is engaged in developing mining and energy projects in Mongolia Bolivia and Canada. Further information on Prophecy can be found at www.prophecydev.com.

PROPHECY DEVELOPMENT CORP.

ON BEHALF OF THE BOARD

"JOHN LEE"

Executive Chairman

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Neither the Toronto Stock Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Toronto Stock Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this news release, including statements which may contain words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or similar expressions, and statements related to matters which are not historical facts, are forward-looking information within the meaning of applicable securities laws. Such forward-looking statements, which reflect management's expectations regarding Prophecy's future growth, results of operations, performance, business prospects and opportunities, are based on certain factors and assumptions and involve known and unknown risks and uncertainties which may cause the actual results, performance, or achievements to be materially different from future results, performance, or achievements expressed or implied by such forward-looking statements. These estimates and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies, many of which, with respect to future events, are subject to change and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by Prophecy. In making forward-looking statements as may be included in this news release, Prophecy has made several assumptions that it believes are appropriate, including, but not limited to assumptions that: there being no significant disruptions affecting operations, such as due to labour disruptions; currency exchange rates being approximately consistent with current levels; certain price assumptions for coal, prices for and availability of fuel, parts and equipment and other key supplies remain consistent with current levels; production forecasts meeting expectations; the accuracy of Prophecy's current mineral resource estimates; labour and materials costs increasing on a basis consistent with Prophecy's current expectations; and that any additional required financing will be available on reasonable terms. Prophecy cannot assure you that any of these assumptions will prove to be correct.

Numerous factors could cause Prophecy's actual results to differ materially from those expressed or implied in the forward-looking statements, including the following risks and uncertainties, which are discussed in greater detail under the heading "Risk Factors" in Prophecy's most recent Management Discussion and Analysis and Annual Information Form as filed on SEDAR and posted on Prophecy's website: Prophecy's history of net losses and lack of foreseeable cash flow; exploration, development and production risks, including risks related to the development of Prophecy's mineral properties; Prophecy not having a history of profitable mineral production; the uncertainty of mineral resource and mineral reserve estimates; the capital and operating costs required to bring Prophecy's projects into production and the resulting economic returns from its projects; foreign operations and political conditions, including the legal and political risks of operating in Bolivia, which is a developing jurisdiction; amendments to local Bolivian laws which may have an adverse impact on the Company's operations; title to Prophecy's mineral properties; environmental risks; the competitive nature of the mining business; lack of infrastructure; Prophecy's reliance on key personnel; uninsured risks; commodity price fluctuations; reliance on contractors; Prophecy's need for substantial additional funding and the risk of not securing such funding on reasonable terms or at



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all; foreign exchange risks; anti-corruption legislation; recent global financial conditions; the payment of dividends; and conflicts of interest.

These factors should be considered carefully, and readers should not place undue reliance on Prophecy's forward-looking statements. Prophecy believes that the expectations reflected in the forward-looking statements contained in this news release and the documents incorporated by reference herein are reasonable, but no assurance can be given that these expectations will prove to be correct. In addition, although Prophecy has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Prophecy undertakes no obligation to release publicly any future revisions to forward-looking statements to reflect events or circumstances after the date of this news or to reflect the occurrence of unanticipated events, except as expressly required by law.

SOURCE: Prophecy Development Corp.