

# Oyu Tolgoi: starting of a world-class mine

Annual Meeting of Shareholders – May 2013



# Forward-looking statements

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This presentation includes certain “forward-looking information” within the meaning of applicable Canadian securities legislation and “forward-looking statements” within the meaning of the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995. All statements and information, other than statements of historical fact, are forward-looking statements and information that involve various risks and uncertainties. There can be no assurances that such statements or information will prove accurate and actual results and future events could differ materially from those anticipated in such statements. Such statements and information contained herein represent management’s best judgment as of the date hereof based on information currently available. The Company does not assume the obligation to update any forward-looking statements or information or to conform these forward-looking statements or information to actual results. For a more detailed list of specific forward-looking statements and information applicable to the Company, refer to the “Forward-Looking Information and Forward-Looking Statements” section of the Annual Information Form.

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## **Cautionary Note to U.S. Investors**

The United States Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms on this website such as “measured,” “indicated,” and “inferred” “resources,” which the SEC guidelines generally prohibit U.S. registered companies from including in their filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 40-F which may be secured from us, or from the SEC's website at [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml).

## **Qualified Persons**

The technical information in this presentation is derived from Turquoise Hill Resources’ news releases, each of which has been reviewed by one or more qualified persons (QPs), as defined by NI 43-101. Copies of the releases naming the QPs for the Turquoise Hill Resources are available at SEDAR ([www.sedar.com](http://www.sedar.com)) or on the company’ website.

## Key Oyu Tolgoi milestones

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### Milestone

Commence pre-stripping of open pit

Signing of binding power purchase agreement

Opening of 100,000 tonnes per day concentrator

First concentrate produced

First concentrate shipment

Close project finance package

Complete expansion feasibility study

### Timeline

Completed - Q2 2012

Completed – Q4 2012

Completed – Q4 2012

Completed – Q1 2013

June 2013

Q2 2013

H1 2014





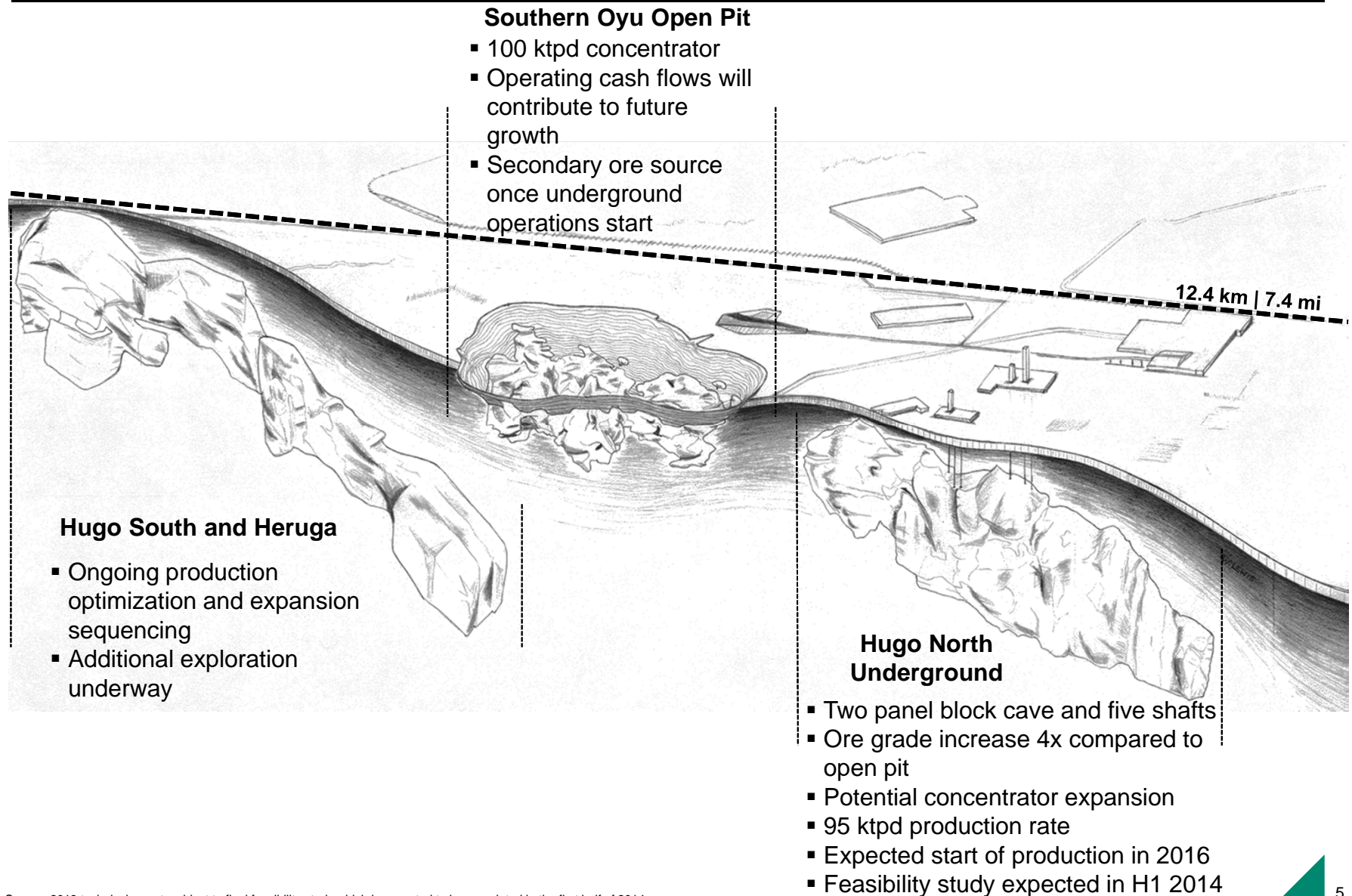
## Start-up of full-scale operations

- Open-pit mine and ore-processing complex complete and operational
- Concentrator expected to achieve daily production rates at 70% of capacity next month
- Expect first commercial shipment in June 2013
- Approximately 13.5km of lateral underground development completed
- Sinking of Shafts #2 and #5 progressing
- Constructive and productive discussions with Mongolian Government



Copper-gold concentrate packed for shipping

# Expansion options and execution flexibility



Source: 2013 technical report, subject to final feasibility study which is expected to be completed in the first half of 2014.

# Landmark project financing well advanced

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## Key highlights

- Largest ever project financing in the mining sector
- Strong project economics supported by low operating costs, significant production and attractive market fundamentals
- Debt ceiling agreed above estimated package amount of approximately \$4 billion, providing financial flexibility

## Main objectives

- Fund ongoing development of the project
- Diversify sources of project funding through involvement of International Financial Institutions, Export Credit Agencies and international commercial banks
- Repayment of Interim Funding Facility

## Current status

- Term sheet agreed
- Extensive technical, environmental, legal and financial due diligence completed
- Boards of the EBRD and the IFC approved their respective participation
- Commitment letters signed with 15 global banks



# SouthGobi Resources



- Operations at the Ovoot Tolgoi mine resumed on March 22, 2013
- Target production of 3.2 million tonnes of semi-soft coking coal for 2013
- Plans to advance the Soumber Deposit toward production by 2014



Ovoot Tolgoi coal mine

# Ivanhoe Australia

- 2013 target production: 1.4-1.6m tonnes @ 1.3-1.5% copper, 0.8-1.0 g/t gold
- Production commenced at Starra underground in March 2013, expected to reach full production Q2 2013
- A\$80 million equity raising strengthened balance sheet
- Assays pending from five high-priority targets at the Mount Elliott project



Osborne processing complex



## Oyu Tolgoi – world-class asset

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- **World-class asset**, located 80 km from the world's largest copper market
- Attractive **growth** profile with further expansion options and execution flexibility
- **Landmark project financing well advanced** to fund ongoing underground development
- **Solid track record**: first production delivered on budget and on schedule
- Expected **cash flow generation** from 2013

