

Oyu Tolgoi – a world-class copper and gold mine

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Forward-looking statements

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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.

All amounts are in U.S. dollars, unless otherwise stated.

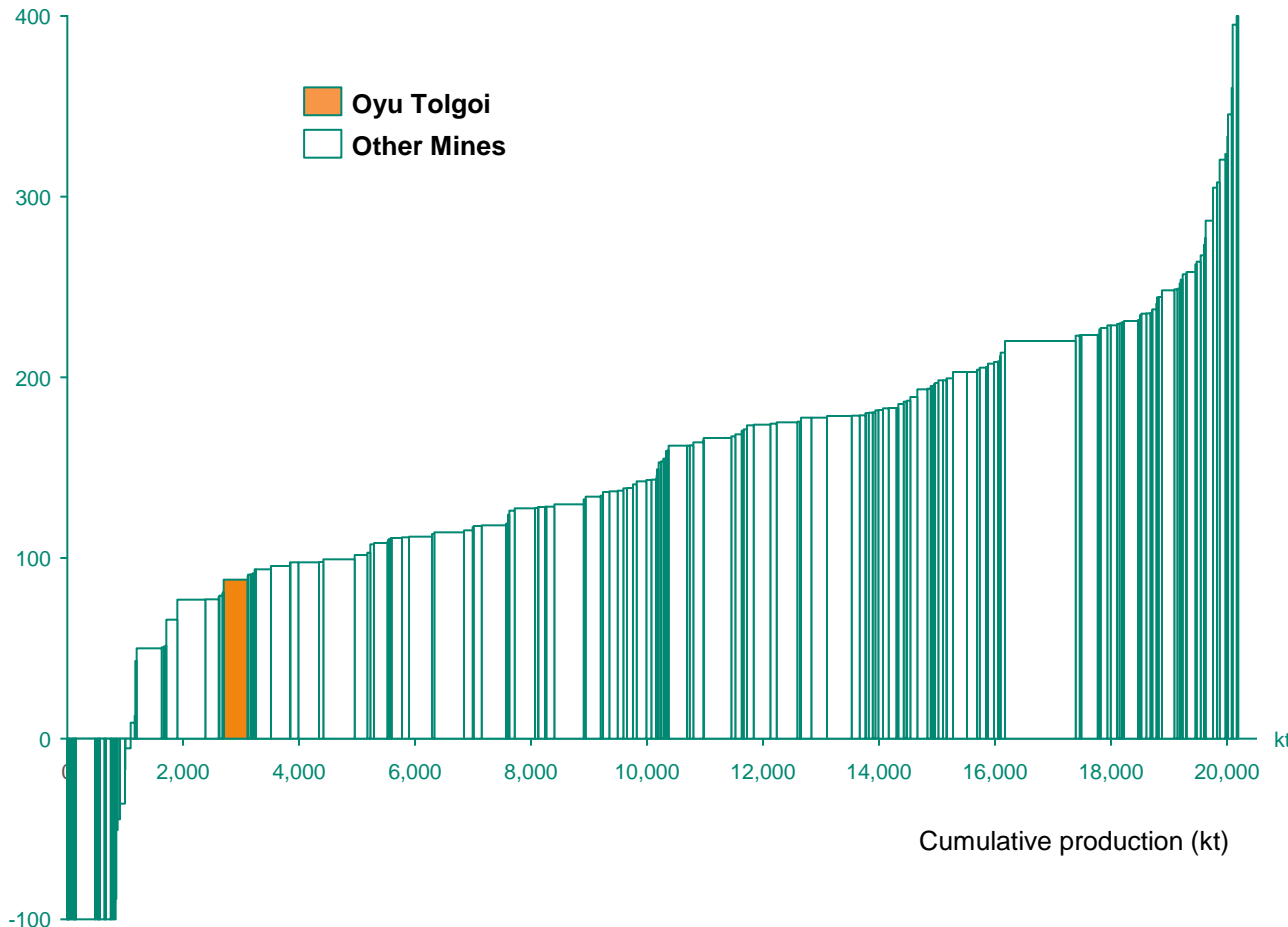
The Oyu Tolgoi mine

Strategically located approximately 80km from Chinese border



First quartile costs

Copper mine C1 cost curve in 2020 (c/lb, 2014\$)



- Oyu Tolgoi is in the first quartile of the industry cost curve
- Third largest copper mine after planned expansion¹
- Top 10 copper deposit by contained reserves and resource²
- One of the largest gold deposits globally by contained reserves and resources²

Source: Wood Mackenzie (Q3 2014 update),

Normal C1 cost, range capped at -100/lb & 400/lb

1. Wood Mackenzie, 2020 base, highly probable and probable mines only

2. Metals Economics Group and 2014 Oyu Tolgoi's Technical Report

Updates from the Gobi

Oyu Tologui - operating cash flow positive, focused on cost savings

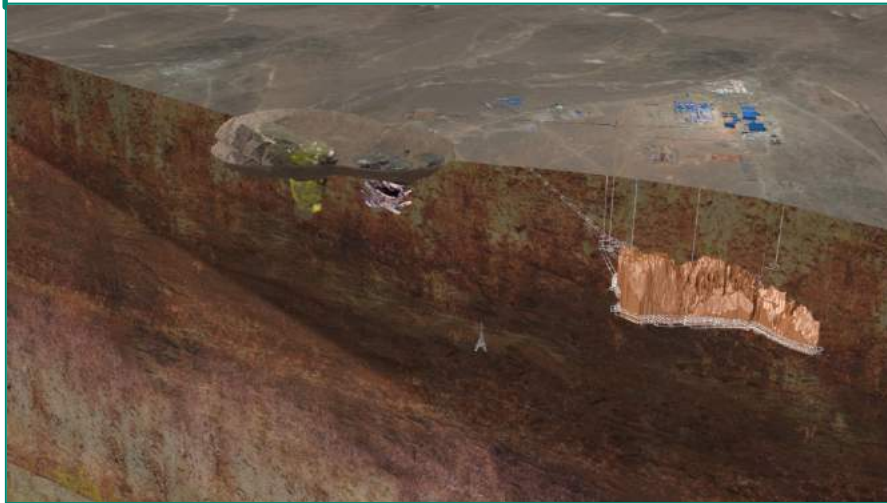
- High-grade zone of open pit was accessed in Q3'14 with consistent mining in September
- Grades improved in Q3'14 and are expected to increase in Q4'14
- Strong concentrate sales continue with sales exceeding production in Q3'14
- 2014 Guidance:
 - 550,000-600,000 oz. gold in concentrates
 - 135,000-150,000 tonnes copper in concentrates
 - \$180 million reduction in operating costs and capital expenditures
- Implementation of cost savings and productivity initiatives underway



2014 Technical Report

Reserve Case (Feasibility Study):

HNL1 & SOT Pit



LOM Case:

SOT Pit, HNL1, HNL1 ext, HNL2, HS, Heruga



**Life of Mine Case includes inferred, so not included in economic evaluation*

- Proposes the next sensible step in development, delivering significant value and initiating access to future development
- Economics only include the Reserve case production
- Large resource base provides long life and expansion optionality
- Mine and processing design considers expansion probability

Highly attractive project economics

	Units	2014 Reserve Case
Total Processed	Bt	1.5
Cu Grade	%	0.85
Au Grade	g/t	0.32
Ag Grade	g/t	1.94
Copper Recoverable	B lb	24.9
Gold Recoverable	Moz	11.9
Silver Recoverable	Moz	78.0
Life	Years	41
Expansion Capital	US\$B	4.9
NPV (8.0%) After Tax	US\$B	7.43
IRR After Tax	%	29%
Payback Period	Years	9

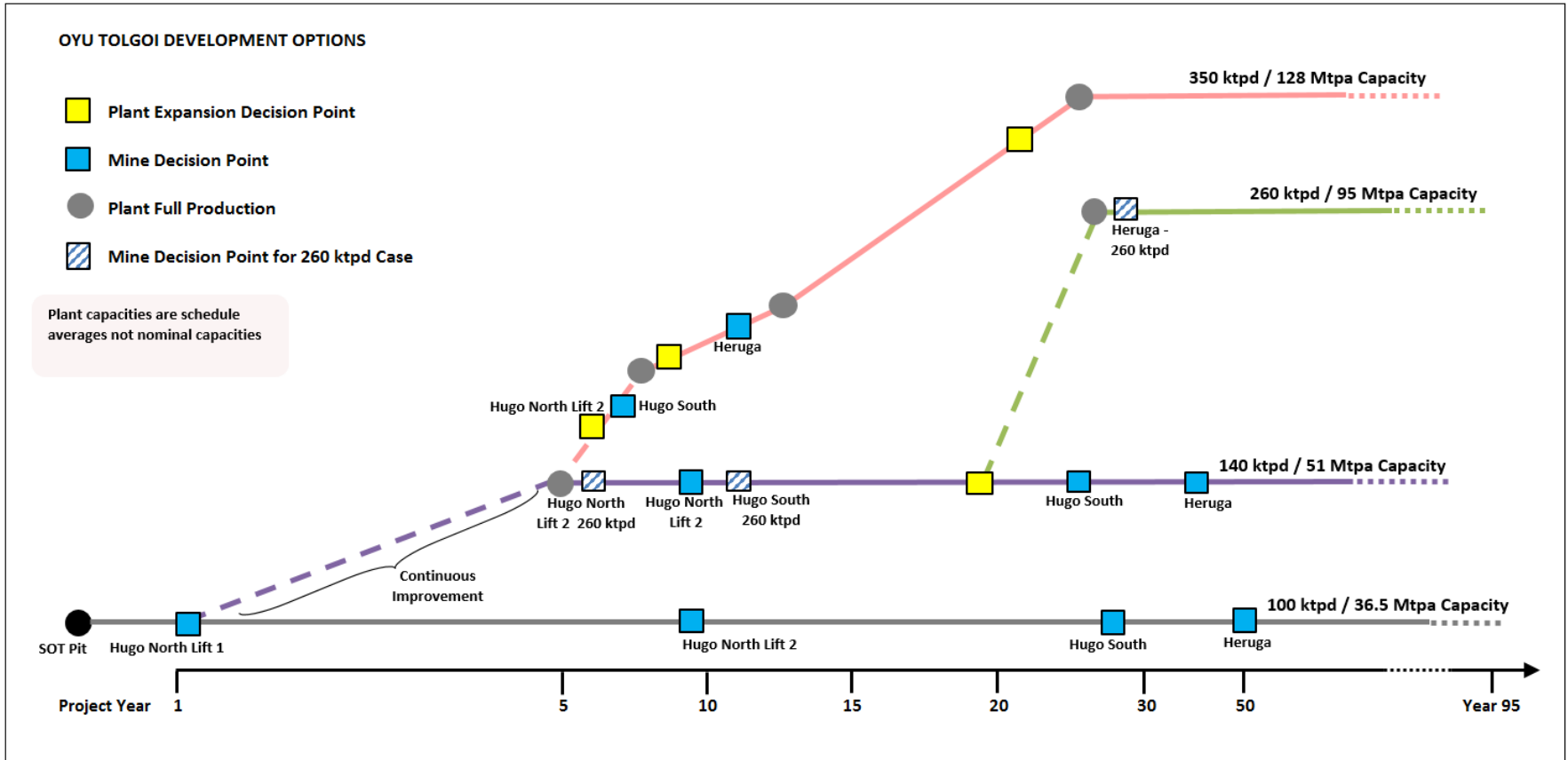
Notes:

US\$ amounts presented in real 2015 terms

(1) Expansion capital includes only direct project costs



Multiple development options



- Production creep targeted along with expansion
- Actual operating performance will inform choice of expansion path
- A decision to expand the concentrator is not be required for a couple years

Potential upside value

Market

- Copper/gold prices
- Potential outbound logistics options

Mining

- Block cave performance - reduced dilution/losses
- Schedule - faster development, faster ramp-up
- Higher productivity on footprint could translate to higher production rate

Processing

- Throughput rate
- Concentrator recoveries
- Future concentrator expansions

Future Developments

- Multiple development options: Hugo North Lift 1 panels 3/4/5, Hugo North Lift 2 and Hugo South
- LOM case runs to 2100+ with considerable optionality
- Further exploration targets

Made in Mongolia

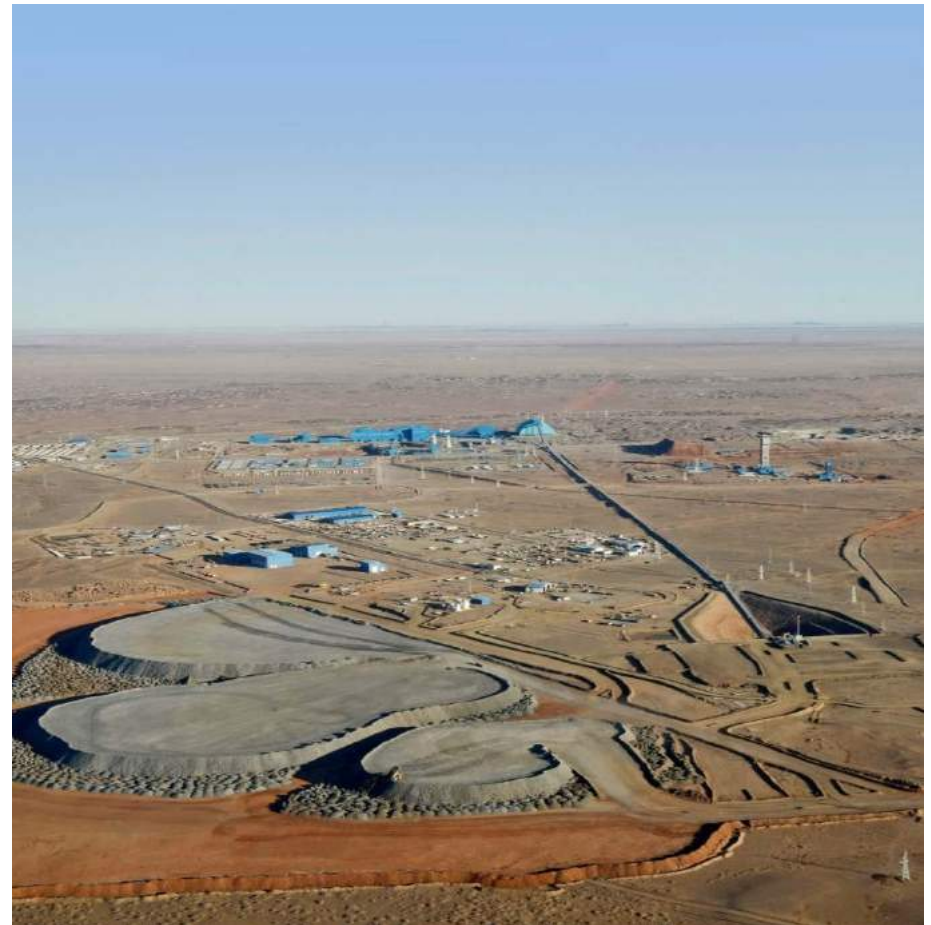
- Mongolians now occupy more than 90% of Oyu Tolgoi roles
- Over \$1 billion in taxes, pre-payments and fees paid to the Government since 2010
- Partnered with more than 1,300 local suppliers over the last two years
- \$126 million investment in education and training across Mongolia
- All Injury Frequency Rate performance good at 0.50 per 200,000 hours worked and zero fatalities (2014)
- HSE System certified to ISO 14001 and OSHAS 18001



Unlocking the next phase of development

Underground development is subject to...

1. Resolution of the remaining shareholder matters, including the tax dispute
2. Agreement of a comprehensive funding plan, including project finance
3. Approval of feasibility study by shareholders and acceptance by the Mongolian Minerals Council
4. Receipt of all necessary permits



Turquoise Hill – a long-term growth opportunity

- **Pure copper and gold exposure**
- **Positive operating cash flow** and focusing on asset optimization
- Focused on progressing development of the **high-grade underground mine**
- Significant growth, development and **expansion opportunities**
- Strategically located resources with **further prospectivity**

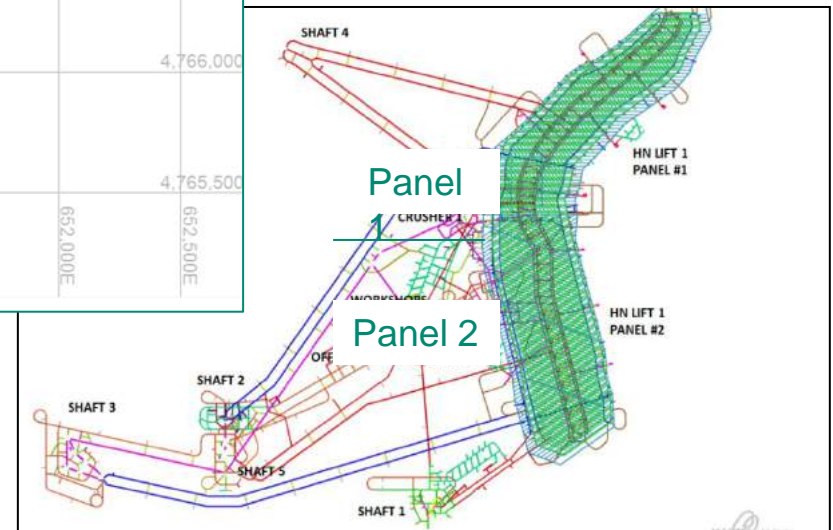
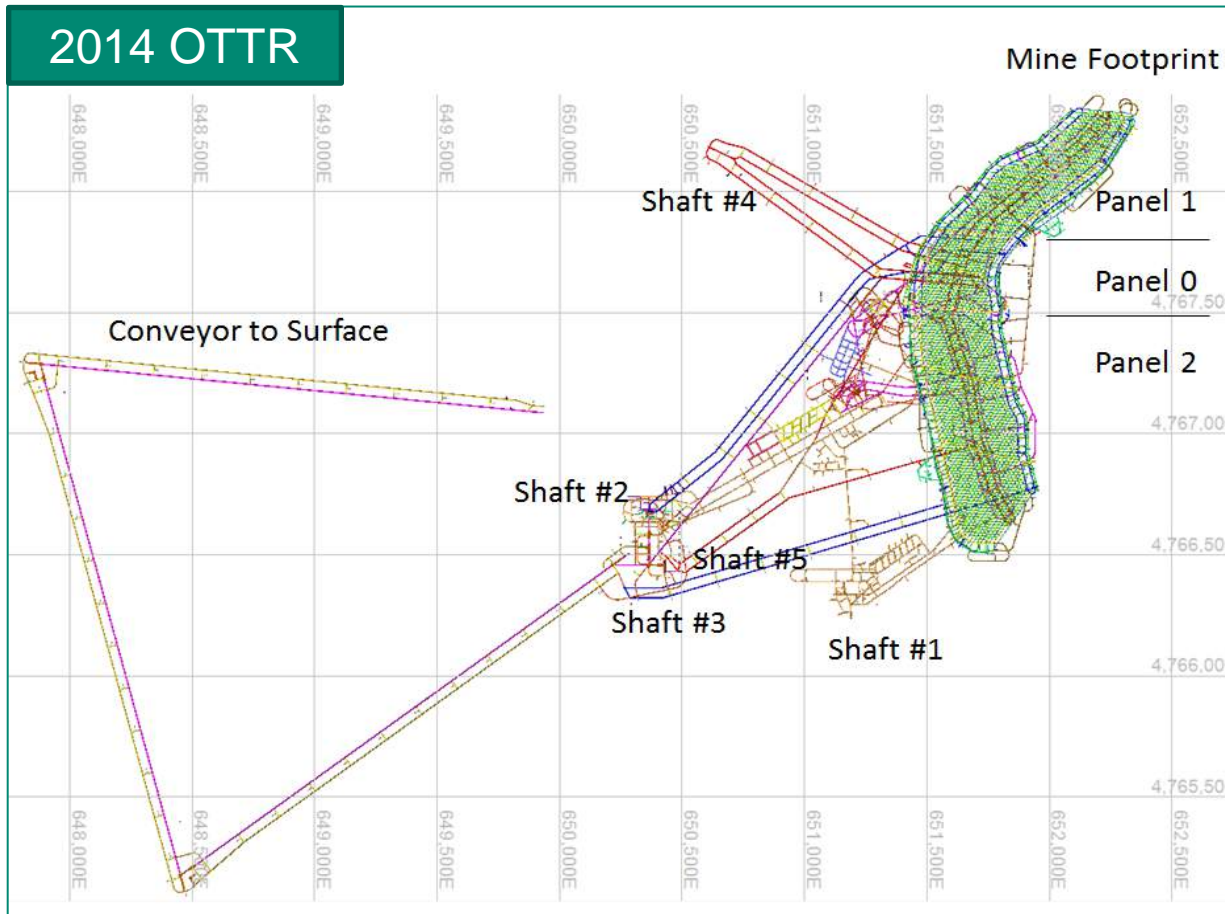
Appendix

2014 Technical Report assumption changes

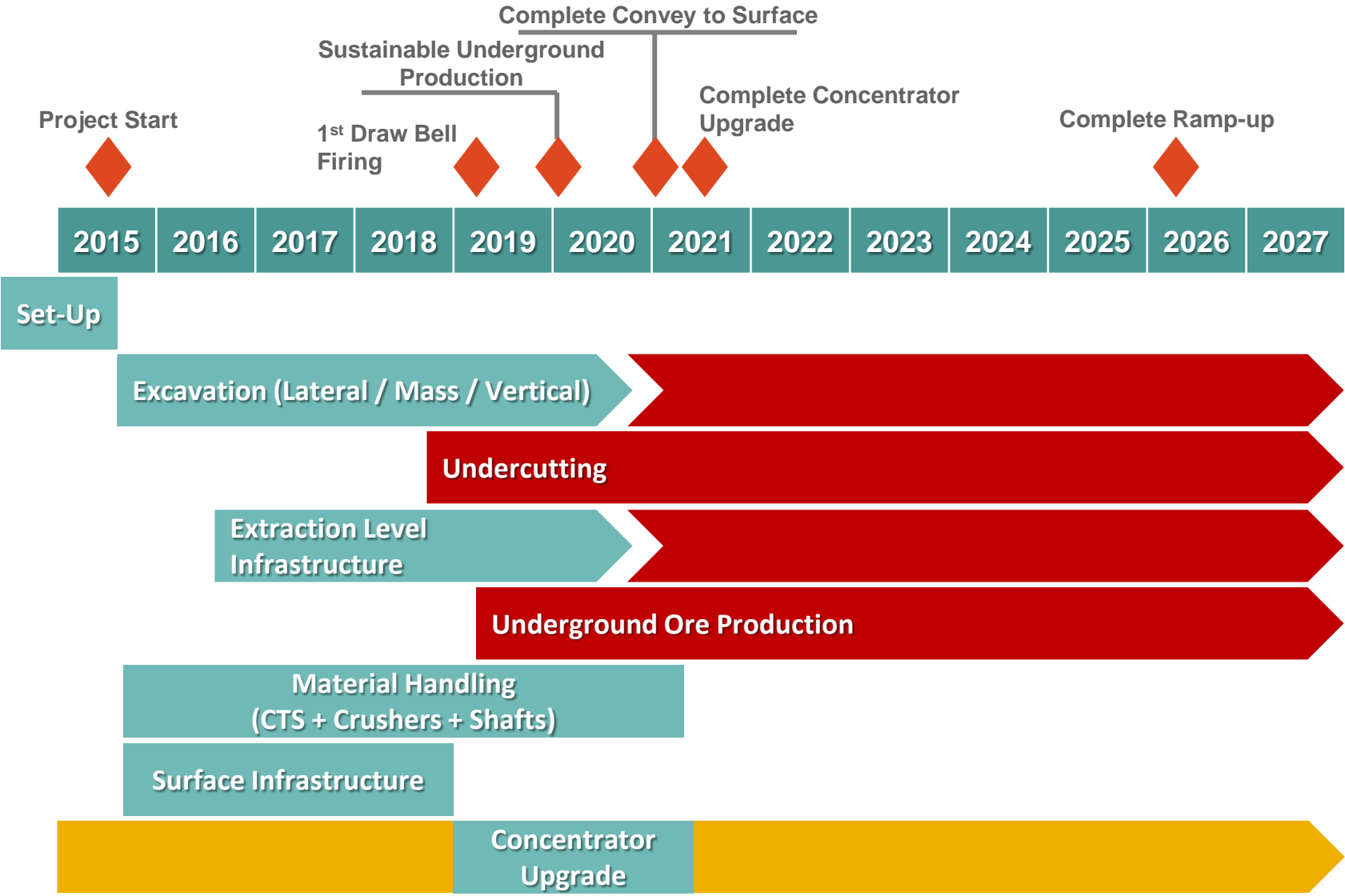
Parameter	2013 Technical Report	2014 Technical Report
Reserve (Mt)	491 @ 1.80% Cu, 0.39 g/t Au 1,048 @ 0.46% Cu, 0.31 g/t Au	499 @ 1.66% Cu, 0.35 g/t Au 1070 @ 0.45% Cu, 0.31 g/t Au
Mining losses & dilution	No draw bell losses, 500m maximum draw	Increased dilution entry with 4% mining losses, 500m limit flexed
HN/SO/(HN+SO) peak mining rates (Mt/y)	33.25 / 44.6 / 62.7 (with plant expansion 2018)	33.25 / 39.2 / 43.4 (with plant conversion 2020)
First drawbell blasted	June 2016	May 2019
1yr/2yr hoisting via	Shaft 3, Shaft 2	Convey-to-Surface, Shaft 2
Plant capacity/design criteria	<ul style="list-style-type: none"> • Volume limited to 5208 t/h 	<ul style="list-style-type: none"> • Southwest capacity validates model and volume limit (5500 t/h by tailings)
Basis of Southwest recoveries	<ul style="list-style-type: none"> • Metallurgical test work model 	<ul style="list-style-type: none"> • Operating performance validates Cu model, Au model corrected
Project readiness	<ul style="list-style-type: none"> • Phase 2 under construction • Owner's team from Phase 1 • Just-in-time engineering 	<ul style="list-style-type: none"> • Project suspended, EPCM tendered • Detailed engineering 40 % complete • Higher level of estimate

2014 OTTR vs. 2013 OTTR mine design

2014 OTTR

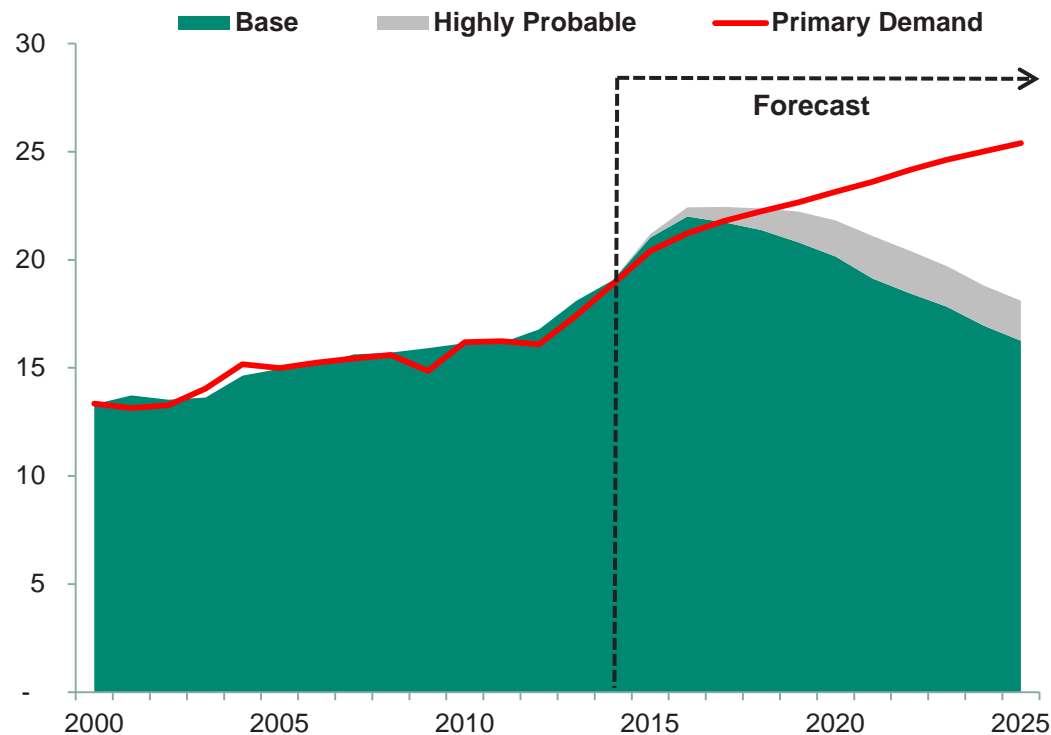


Current development schedule



Copper and gold market strength

Copper mine supply/demand outlook (Mt)



Source: Wood Mackenzie (Q3 2014 update),

- Copper market likely to see small surplus in coming years
- Ongoing attrition at existing mines driven by structural decline in grade; continued demand growth means the industry will need to deliver new capacity in the medium-term
- Market anticipates a deficit again towards the end of the decade
- China now largest buyer of gold and continues to be largest consumer of copper