

TD Securities Mining Conference
January 16-17, 2019

A Leading Copper and Gold Producer, Developing the Next Tier-1 Copper Asset



TURQUOISE HILL

Presenter:
Ulf Quellmann
Chief Executive Officer

Forward-Looking Statements

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 expressed or implied in such statements. Such statements and information contained herein, which include, but are not limited to, information regarding the timing and amount of production and potential production delays, statements in respect of the impacts of any delays on the Company’s cash flows, liquidity, funding requirements and planning, statements regarding timing and status of underground development, capital and operating cost estimates, corporate strategies and other statements that are not historical facts, represent the Company’s best judgment as of the date hereof based on information currently available to the Company, including information received from Rio Tinto that is in the process of being independently reviewed by the Company and its Qualified Person. The Company does not assume any obligation to update any forward-looking statements or information or to conform these forward-looking statements or information to actual results, except as required by law.

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 dated as of March 14, 2018 in respect of the year ended December 31, 2017 as supplemented by our Management’s Discussion and Analysis of Financial Condition and Results of Operations for the nine months ended September 30, 2018.

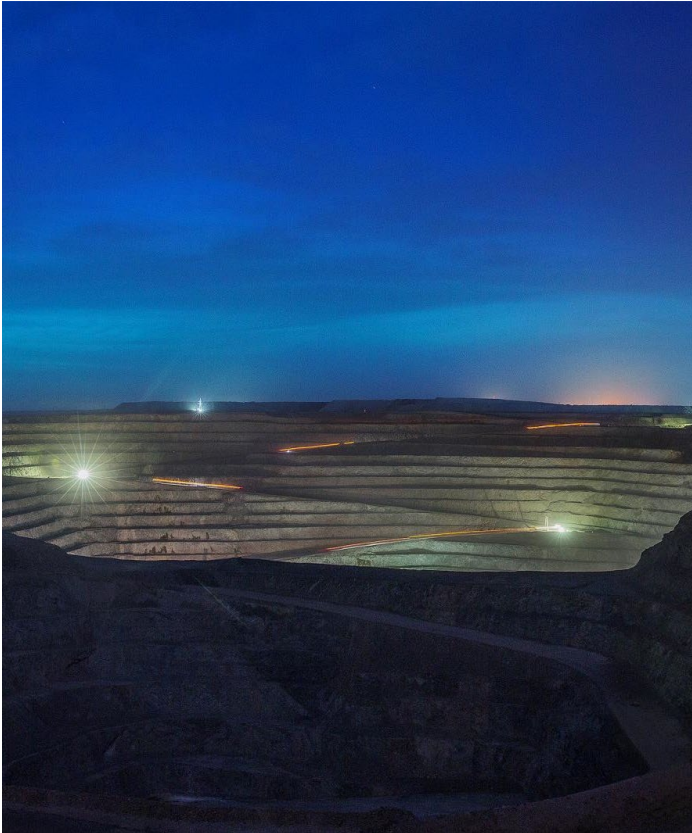
All amounts are in U.S. dollars, unless otherwise stated.

Disclosure of information scientific or technical nature in this presentation in respect of the Oyu Tolgoi mine was approved by Bernard Peters, Technical Director – Mining, OreWin Pty Ltd., B. Eng. (Mining), FAusIMM (201743) based on information currently available. Bernard Peters is a “qualified person” as that term is defined in NI 43-101. The information received from Rio Tinto is in the process of being independently reviewed. The reader is referred to the 2016 Oyu Tolgoi Technical Report. Ranking analysis is based on Wood Mackenzie data.



Developing a Next-Generation, Tier-1 Copper Mine to Sustain Production for up to 100 Years¹

3



- ✓ Large, high-grade copper and gold deposit supporting a multi-decade life of mine
- ✓ Well invested, established open pit mine generating strong cash flow
- ✓ Proven track record of operational performance
- ✓ Unique transformation into a tier-1 copper and gold operation well advanced
- ✓ Strong management team and deeply-experienced operator
- ✓ Key risks well understood and managed
- ✓ Future near-mine exploration upside
- ✓ Well positioned to benefit from positive copper outlook

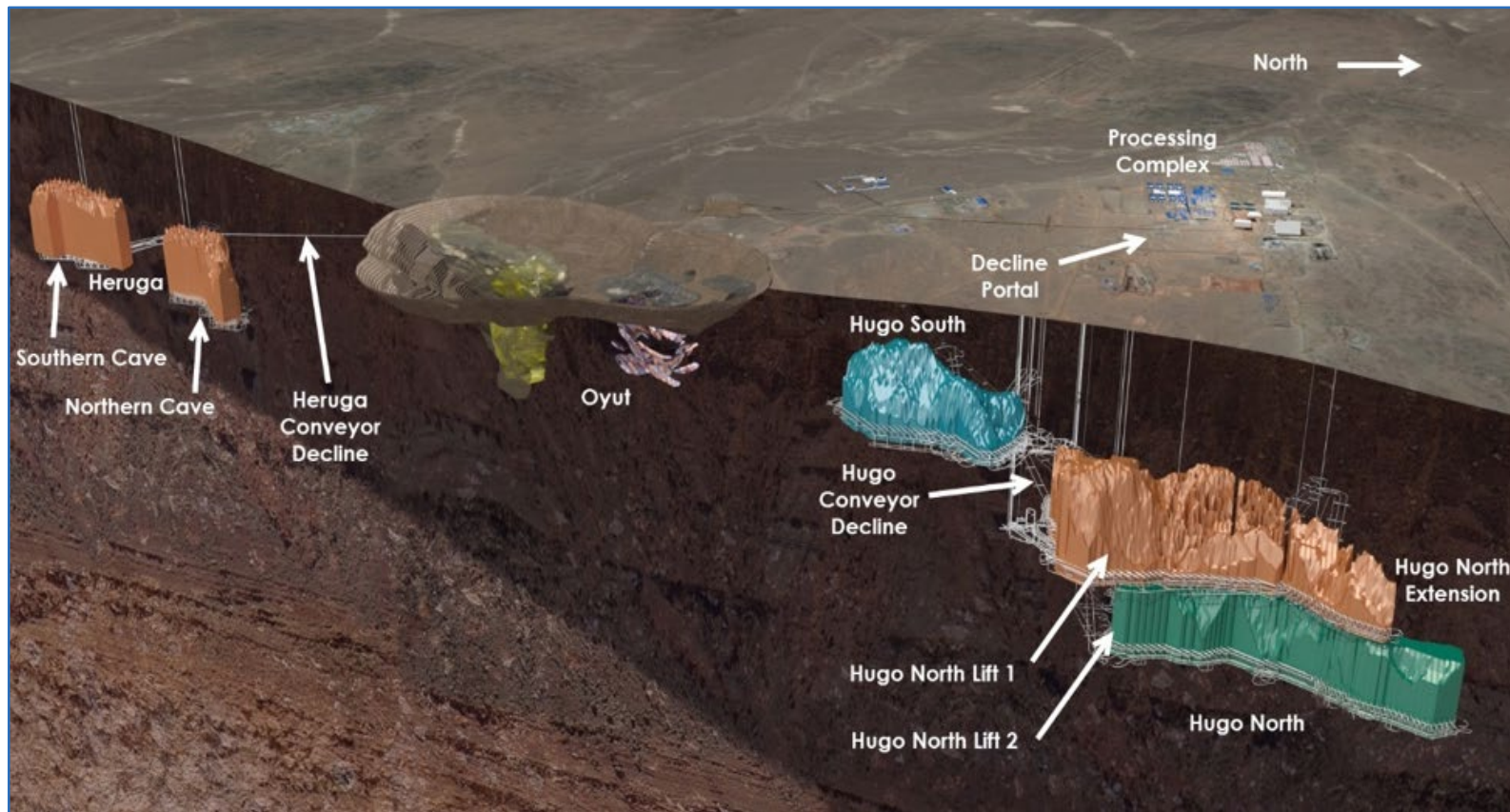
1. The potential to operate for approximately 100 years is based on a preliminary economic assessment (2016 Resources Case) that is preliminary in nature, and that includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the 2016 Resources Case will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. For more information about the 2016 Resources Case, readers are referred to the 2016 Oyu Tolgoi Technical Report



Oyu Tolgoi: One Open Pit Mine, One Underground Mine, and Three Underground Deposits

4

Oyu Tolgoi is a true world-class copper and gold deposit



Total Recoverable Proven and Probable Reserves^{1,2:}

Proven: 3,266 Mlb Cu, 2,775 Moz Au

Probable: 20,771 Mlb Cu, 7,820 Moz Au

Total Measured and Indicated Contained Resources^{2,3:}

Measured: 11,098 Mlb Cu Eq.

Indicated: 44,486 Mlb Cu Eq.

Total Inferred Resources^{2,3:} 67,821 Mlb Cu Eq.

Source: 2016 OTTR

1. Included in reserves: Oyut, Hugo North Lift 1. Not included in reserves: Hugo North Lift 2, Hugo South, Heruga. Proven reserves grades of 0.54% Cu and 0.35 g/t Au. Probable reserves of 0.97% Cu and 0.29 g/t Au
2. Total reserves and resources from 2016 OTTR; total resources inclusive of reserves. Cu Eq. calculated at US\$ 3.01/lb copper, US\$ 1,250/oz gold, US\$ 20.37/oz silver, and US\$ 11.90/lb molybdenum
3. Measured resource grades of 0.81% Cu, 0.38 g/t Au, 1.97 g/t Ag, 48.7 ppm Mo; Indicated resource grades of 1.00% Cu, 0.32 g/t Au, 2.34 g/t Ag, 43.6 ppm Mo; Inferred resource grades of 0.56% Cu, 0.27 g/t Au, 1.64 g/t Ag, 75.1 ppm Mo



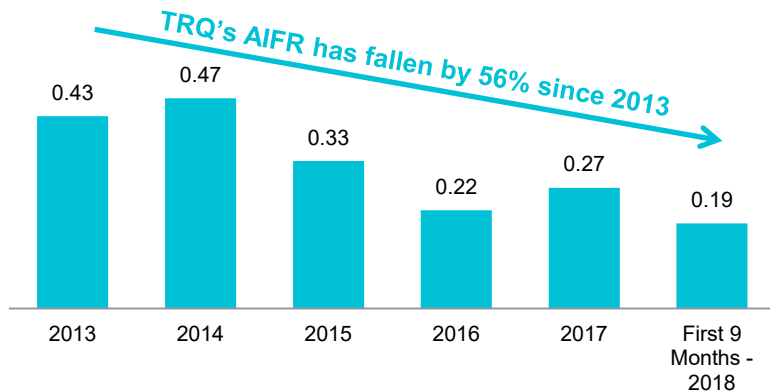
Safety and Operating Excellence is a Top Priority for Oyu Tolgoi and Turquoise Hill

5

OT has consistently met production guidance while improving safety and expanding underground

All Injury Frequency Rate

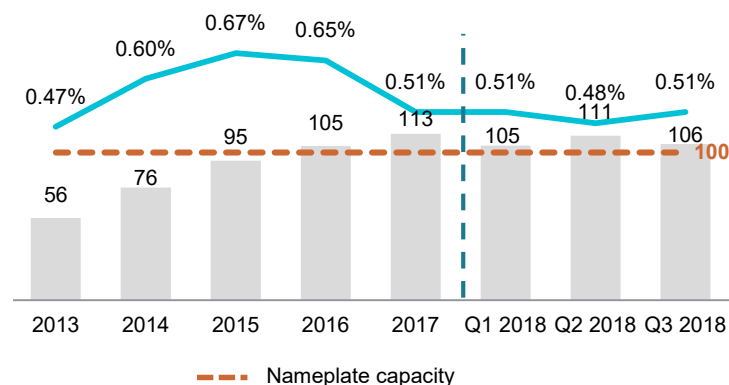
Based on 200,000 Hours of Work Exposure



Oyu Tolgoi Ore Processing Rate and Grade

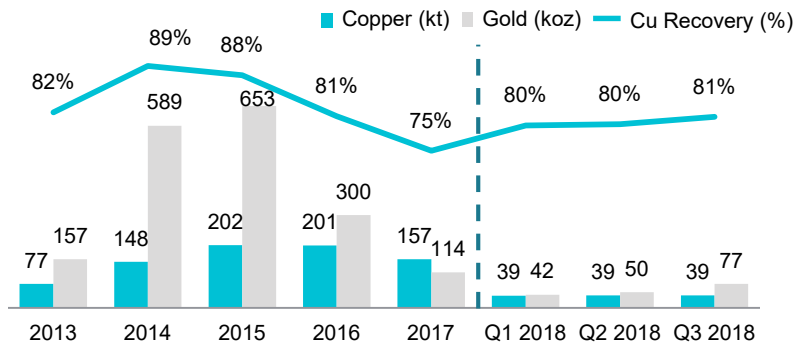
ktpd

Cu Grade (%)



Oyu Tolgoi Production

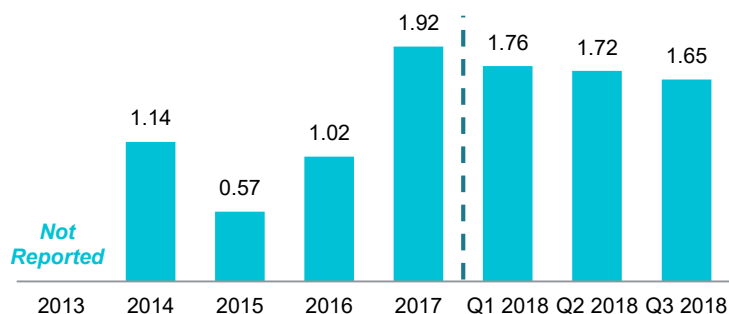
100% Basis



Cu Guidance Met?	✓	✓	✓	✓	✓
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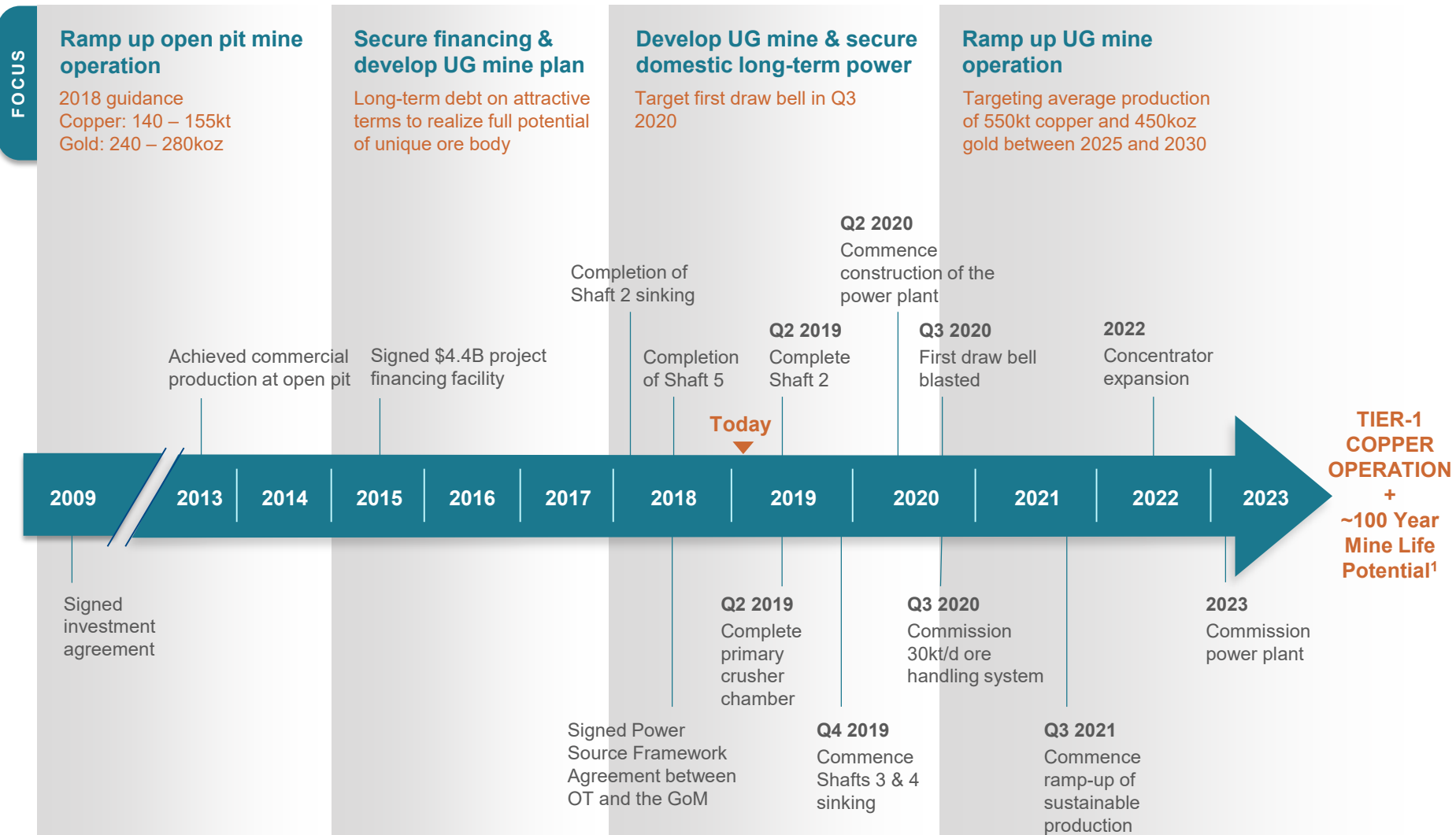
Oyu Tolgoi C1 Cash Costs

\$ / lb



Significant Underground Progress with First Sustainable Production Expected in 2021

6



1. The potential to operate for approximately 100 years is based on a preliminary economic assessment (2016 Resources Case) that is preliminary in nature, and that includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the 2016 Resources Case will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. For more information about the 2016 Resources Case, readers are referred to the 2016 Oyu Tolgoi Technical Report

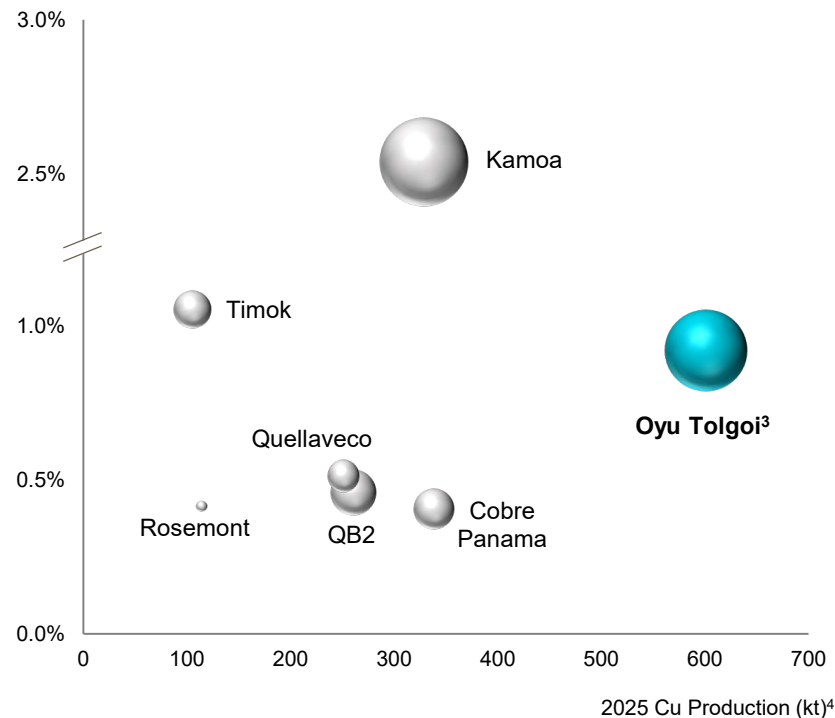


Oyu Tolgoi Underground: Attractive Fundamentals Relative to Other Copper Projects

7

Unique Ore Body Size and Grade...

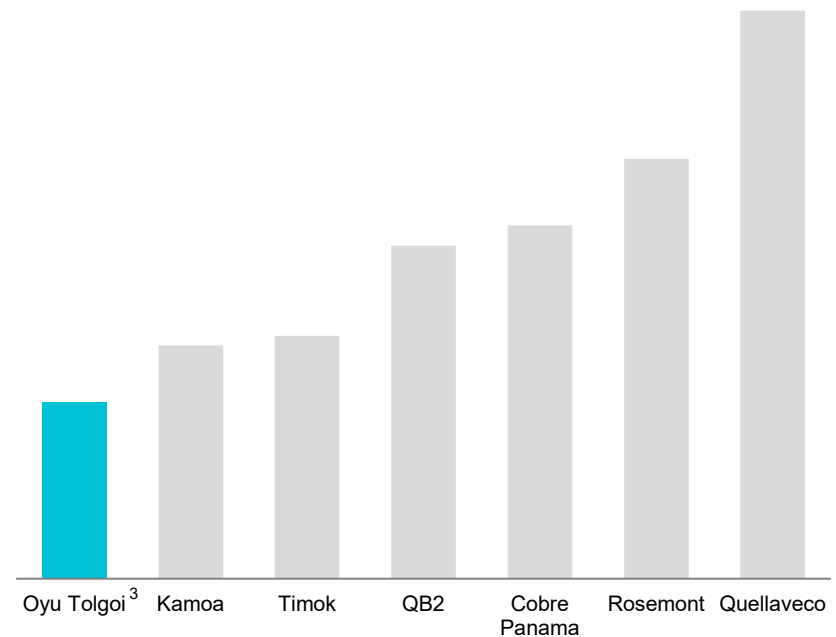
Cu Eq. Grade (%)¹



Sphere Size Proportional to Total Contained Cu Eq. Resources

...Resulting In Low Capital Intensity²

LOM Capital Intensity (\$ 000 / tpa Cu Eq.)



Source: S&P Market Intelligence, Wood Mackenzie

1. Cu Eq. calculations supplied by S&P Market Intelligence and do not factor in recoveries; Oyu Tolgoi Cu Eq. grade of 0.92% as supplied by S&P Market Intelligence

2. Capital intensity defined as development CAPEX / LOM average production

3. Oyu Tolgoi production based on average copper and gold production from 2025 to 2030. Total production estimates are based on a preliminary economic assessment (2016 Resources Case) that is preliminary in nature and include inferred mineral resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. For more information on the 2016 Resources Case, readers are referred to the 2016 Oyu Tolgoi Technical Report

4. Based on payable metal



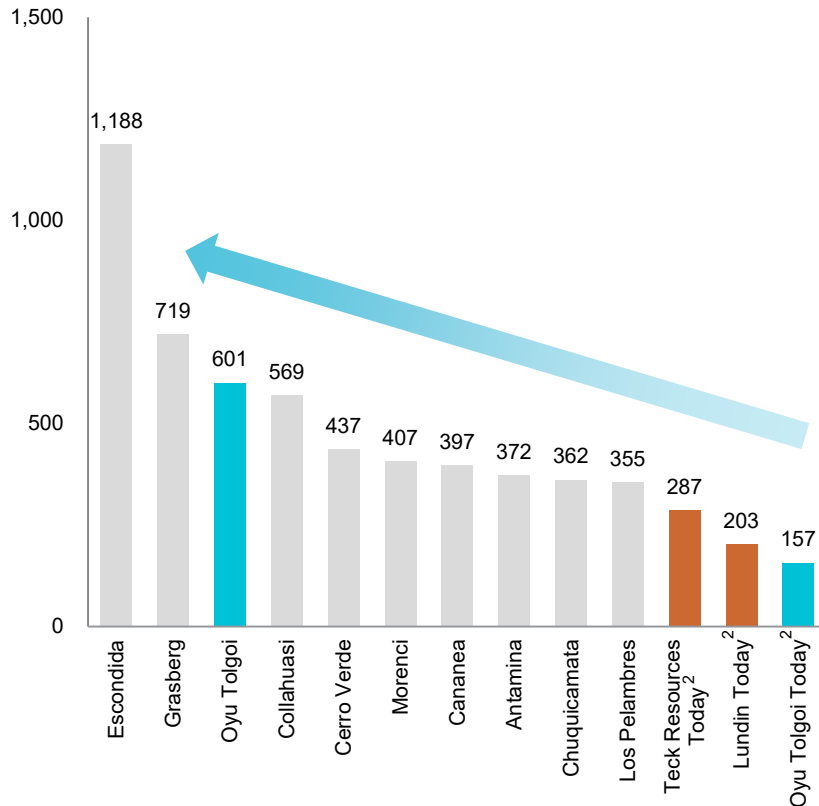
Oyu Tolgoi is Forecast to be the World's Third-Largest Copper Mine by 2025

8

First-decile cash costs expected when fully ramped up¹

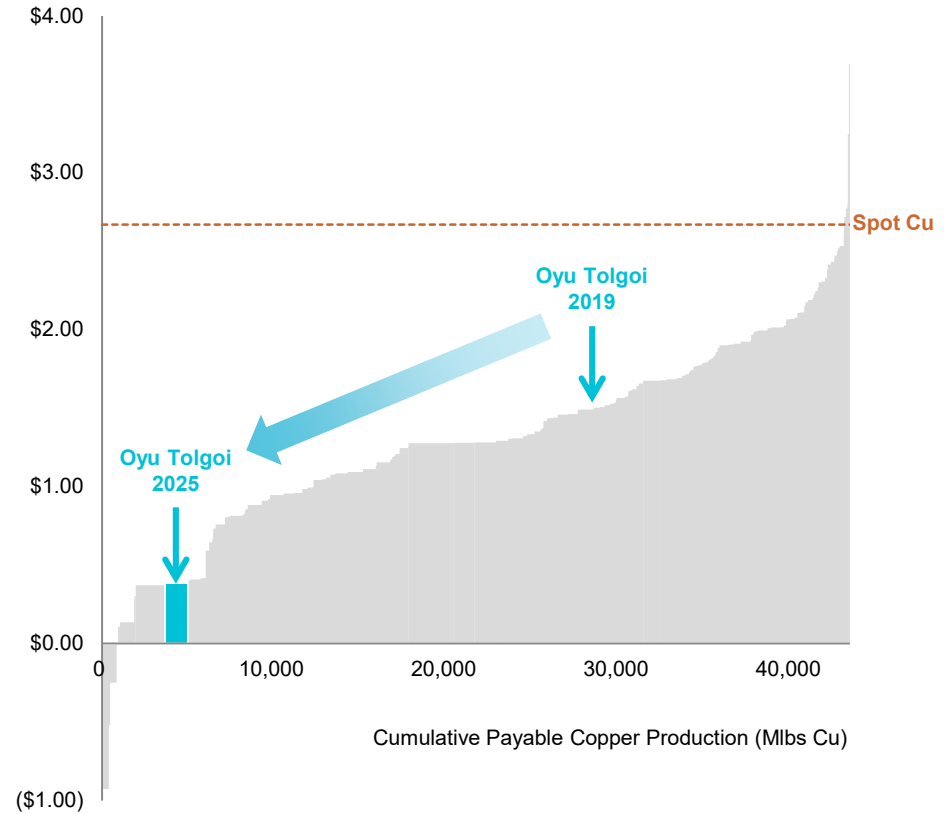
Top 10 Copper Producing Mines in 2025

Paid Metal (kt Cu)



2025 Cash Cost by Mine

C1 Cash Cost (\$ / lb) (Composite)



Source: Wood Mackenzie, Capital IQ

1. First decile cash costs based on mid-point of Oyu Tolgoi production using 2025 Wood Mackenzie C1 composite cost curve
2. 2017 copper produced as reported by the Company, prior to payabilities



Shaft 5 Construction Complete

9



Shaft 2 Sinking Complete

10



Completion of 15.7 Eq. km of Lateral Development¹

11



1. As of Q3 2018





Significant Advancement of Shafts 3 and 4 Earthworks



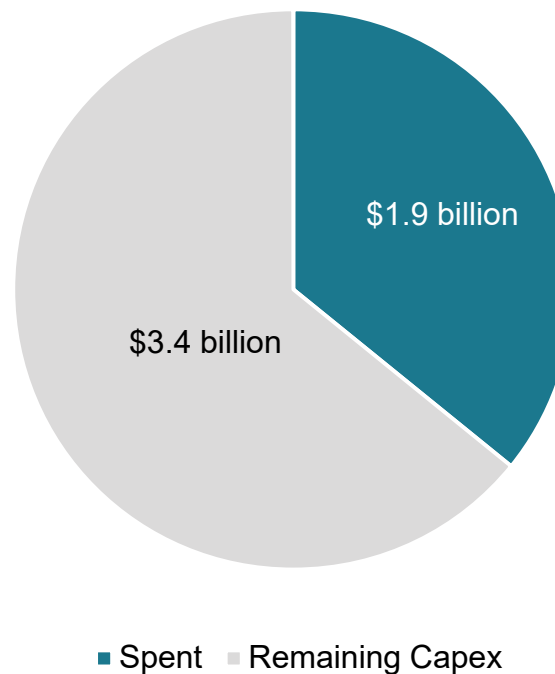
OT has a robust financing plan in place

Financing Sources

- \$1.5 billion of cash and cash equivalents as at September 30, 2018
- \$4.4 billion project finance facility with attractive terms
 - \$2.3 billion remains undrawn¹
 - Long-term debt profile
 - No principal repayment until late 2020
- Potential for additional \$1.6 billion of supplemental debt
- Cash flow from existing operations

Underground Expenditure

Oyu Tolgoi Underground Expansion
Capex²: \$5.3 billion



1. As of September 30, 2018
2. Excludes power station



Oyu Tolgoi Contributes Materially to Expanding the Mongolian Economy

14

>17,000

Oyu Tolgoi's workforce¹
at the end of Q3'18.
92% Mongolian

~\$2.1B

Taxes² and royalties paid
to the Mongolian Government
between 2010 – Q3'18

~\$8.3B

Spent in Mongolia³
between 2010 – Q3'18

#2

Corporate taxpayer
in Mongolia for 2017

>\$2.6B

Spent on Mongolian
procurement between
2010 – Q3'18

>\$30M

Invested in sustainable
long-term projects in the South
Gobi community between
2014 – Q3'18

1. Includes contractors
2. Includes VAT
3. In-country spend includes salaries, payments to Mongolian suppliers, taxes, and other payments to the Government of Mongolia



Turquoise Hill is Well Positioned to Address Key Challenges

15

Risks	Mitigating Factors
Financing & CAPEX Budget	<ul style="list-style-type: none">▪ \$4.4B in project financing from 20 global financial institutions and export banks▪ \$1.9B spent and \$1.2B committed on UG development▪ UG development project budget unchanged
Development Schedule	<ul style="list-style-type: none">▪ Operating partner with extensive block caving experience▪ First UG sustainable production target: Q3 2021
Domestic Power Solution	<ul style="list-style-type: none">▪ Power Source Framework Agreement signed▪ Comprehensive feasibility studies advancing
Fiscal Regime / Government Relations	<ul style="list-style-type: none">▪ Peaceful democracy▪ Almost daily engagement with Government of Mongolia▪ Stable open-pit production since 2013; UG construction resumed in 2016▪ Government of Mongolia is a major shareholder in Oyu Tolgoi
Path to Market	<ul style="list-style-type: none">▪ Oyu Tolgoi has exported significant volumes since start up<ul style="list-style-type: none">- Cumulatively, nearly 850kt of copper in concentrate sold▪ Oyu Tolgoi's concentrates known and accepted by smelters
Local Stakeholder Concerns	<ul style="list-style-type: none">▪ Excellent relationships with nearby communities▪ Strong local workforce: 19% from South Gobi region

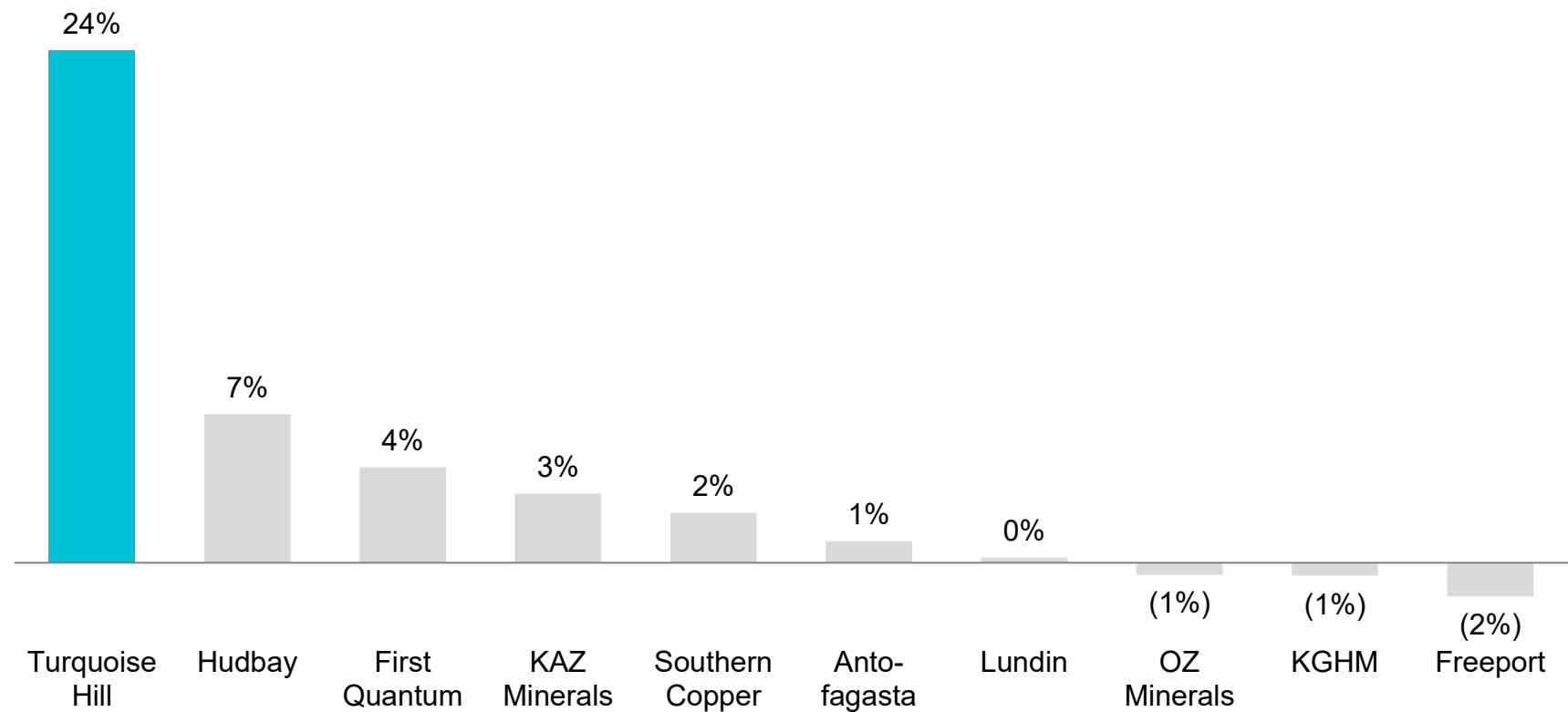


Turquoise Hill Offers Superior Growth Compared to Peer Copper Companies

16

2018 – 2025 Copper Production Growth¹

CAGR (%)



Source: Wood Mackenzie

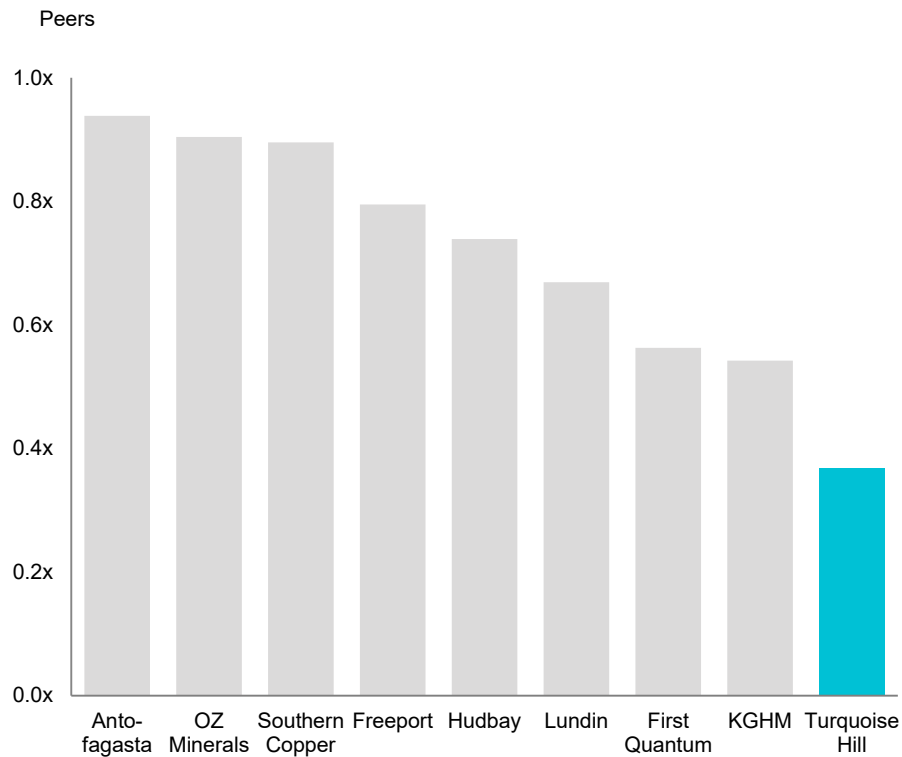
1. Based on payable, attributable copper production



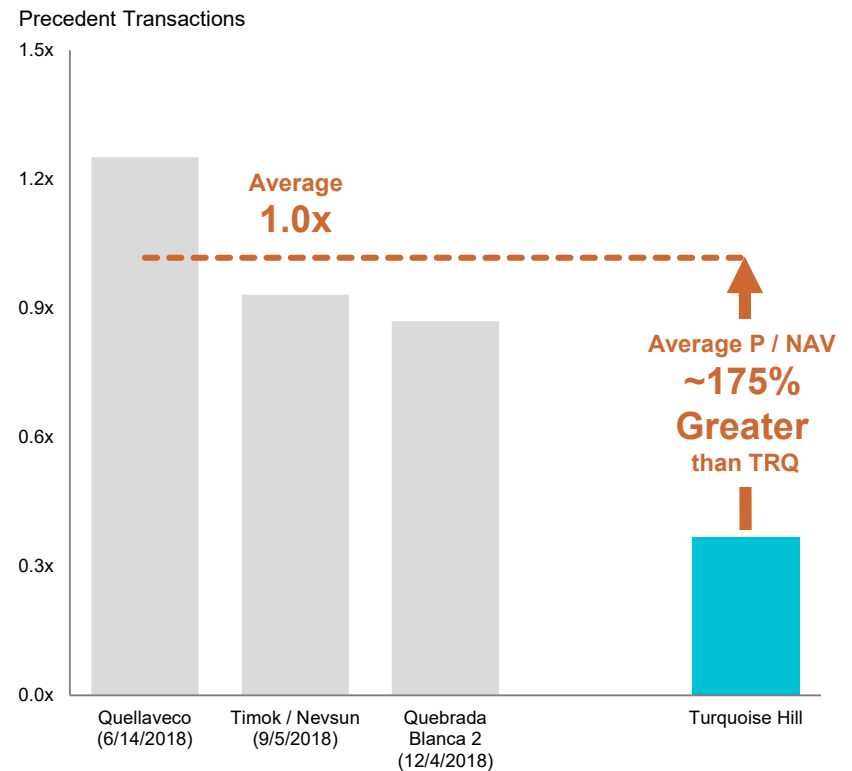
Turquoise Hill Share Price Deeply Discounted Relative to Copper Peers and Recent Transactions

17

Share Price / NAV per Share



Price / NAV Multiples for Recent Transactions Involving Greenfield Copper Development Projects¹



Source: Capital IQ, Broker Research

1. Based on broker research disclosure at time of transaction announcement



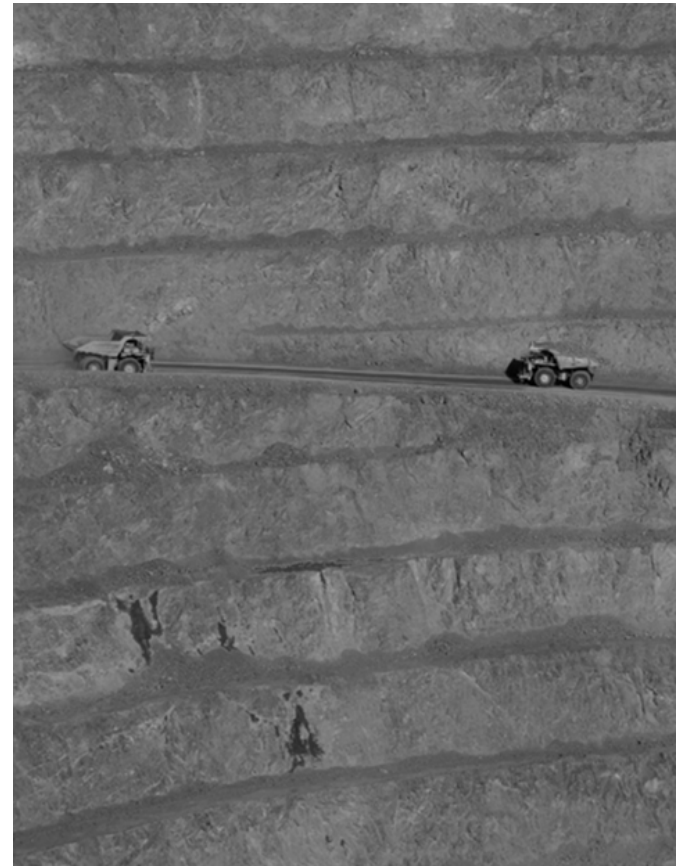
Turquoise Hill: A Leading Copper and Gold Producer

Developing the Next Tier-1 Copper Asset

18

Summary of key investment highlights

- ✓ Large, high-grade copper and gold deposit supporting a multi-decade mine plan
- ✓ Well invested, established open pit mine generating strong cash flow
- ✓ Proven track record of operational performance
- ✓ Unique transformation into a tier-1 copper and gold operation well advanced
- ✓ Strong management team and deeply-experienced operator
- ✓ Key risks well understood and managed
- ✓ Future near-mine exploration upside
- ✓ Well positioned to benefit from positive copper outlook



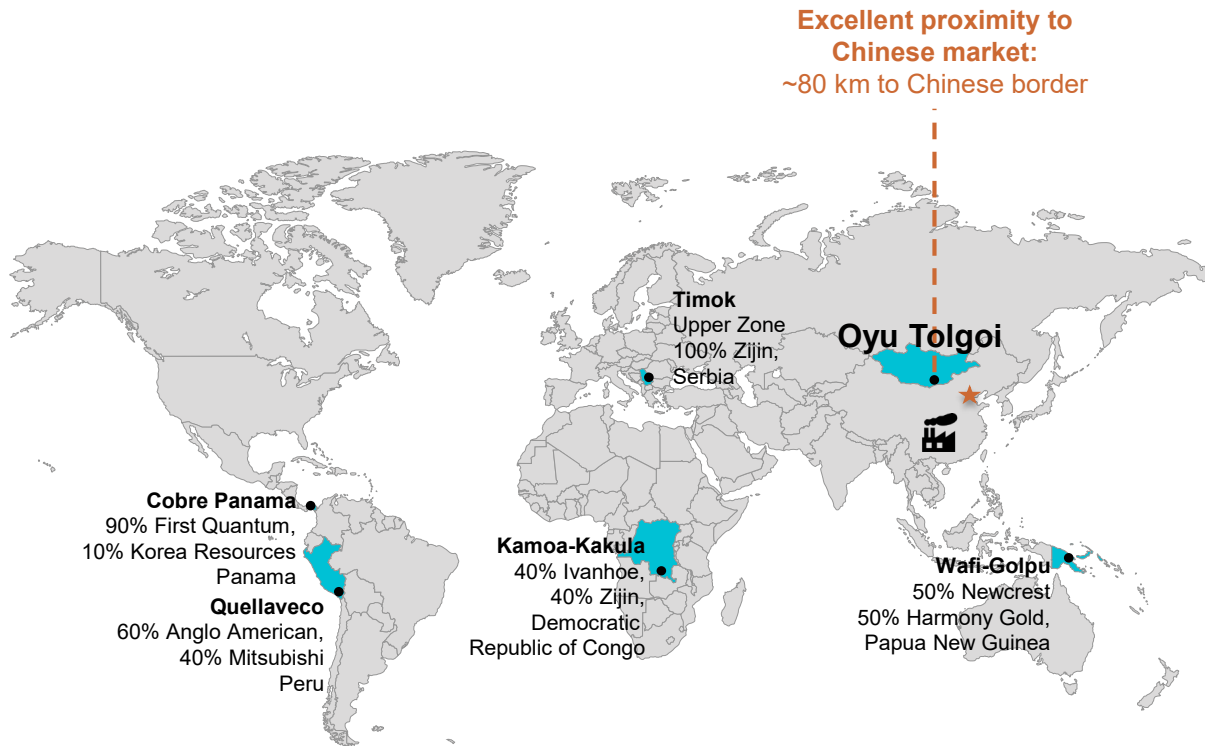
Appendix



Top Tier Copper Assets Are Increasingly Located Outside of the OECD

20

As assets in traditional mining countries become depleted, new regions are being developed



Mongolia Highlights

- ✓ Democratically-elected government
 - Nearly three decades of free elections
- ✓ Low crime rate
- ✓ GDP has grown at 10%+ p.a. for the last decade while foreign direct investment grew at almost 15% p.a.¹
- ✓ Abundant natural resource wealth
- ✓ Developed technical and vocational training centres

Source: World Bank, United Nations Development Program

1. Compound annual growth rate from 2007 – 2017, based on the World Bank GDP data (current US\$)

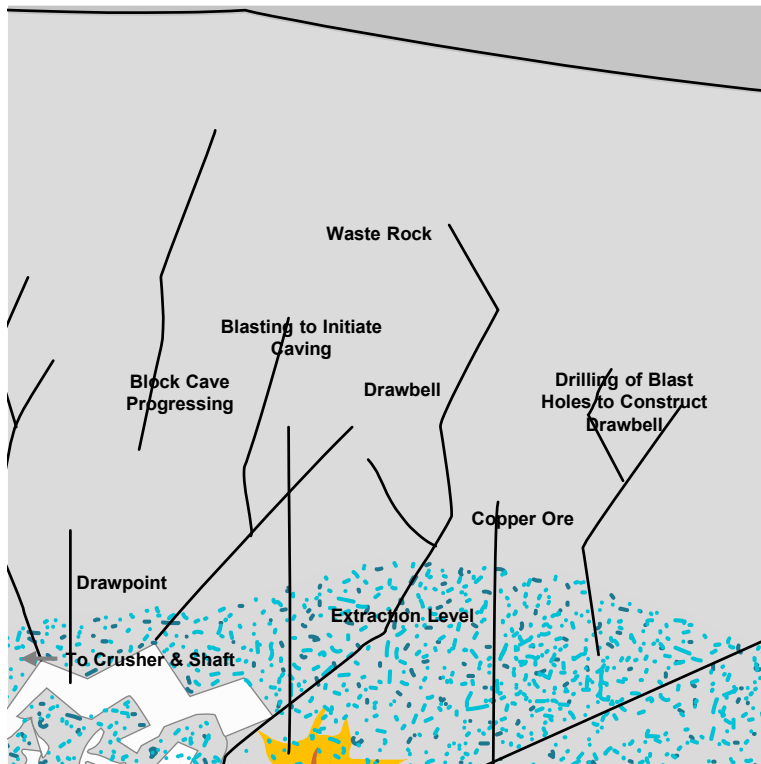


Block Caving Provides Significant Operational Benefits to Oyu Tolgoi

21

Once underground development is complete, block caving will lead to high production rates and low cash costs

Overview of Block Caving



Benefits of Block Caving

- ✓ Able to mine significant volumes relative to other underground production methods
- ✓ Low operating costs
- ✓ Amenable to automation
- ✓ Proven mining method used or planned to be used at world-class deposits (**Grasberg**, Cadia, Chuquicamata, **Northparkes**, El Teniente, **Palabora**, **Argyle**, Timok Lower Zone)

** Bolded mines indicate block caving mines that Rio Tinto was previously involved with*

Partnering with Rio Tinto provides technical expertise in block cave mining



Copper is Becoming Increasingly Important to 21st Century Infrastructure

22

Key Themes

Electric Vehicle Revolution

Growth in Renewable Power

Continued Urbanization & Electrification

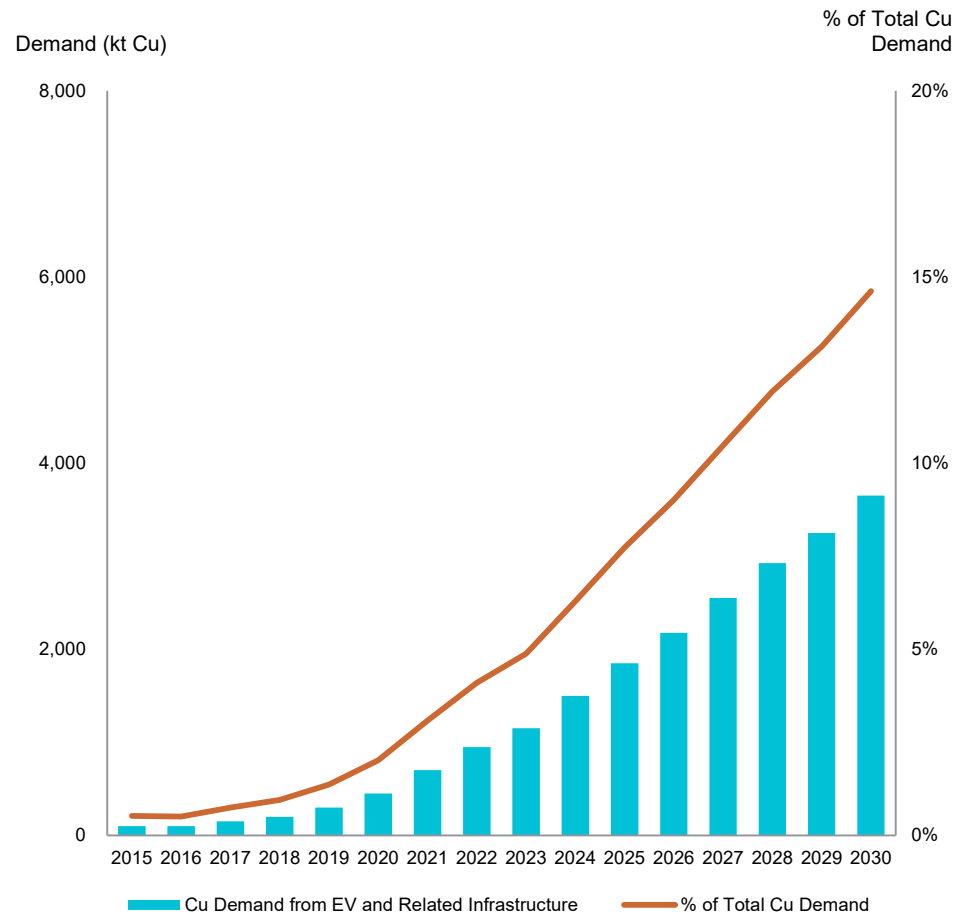
Declining Grades

Deeper Mines

Higher Costs

Supply will be Channeled to Meet Demand

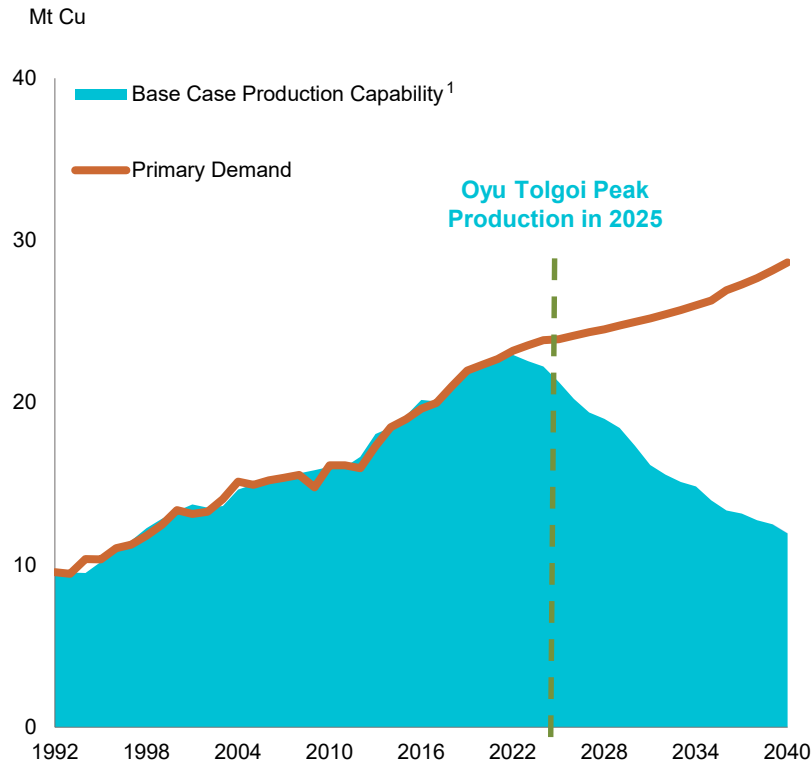
Copper Demand from EVs and EV-Related Infrastructure Expected to Grow Meaningfully Over Next Decade



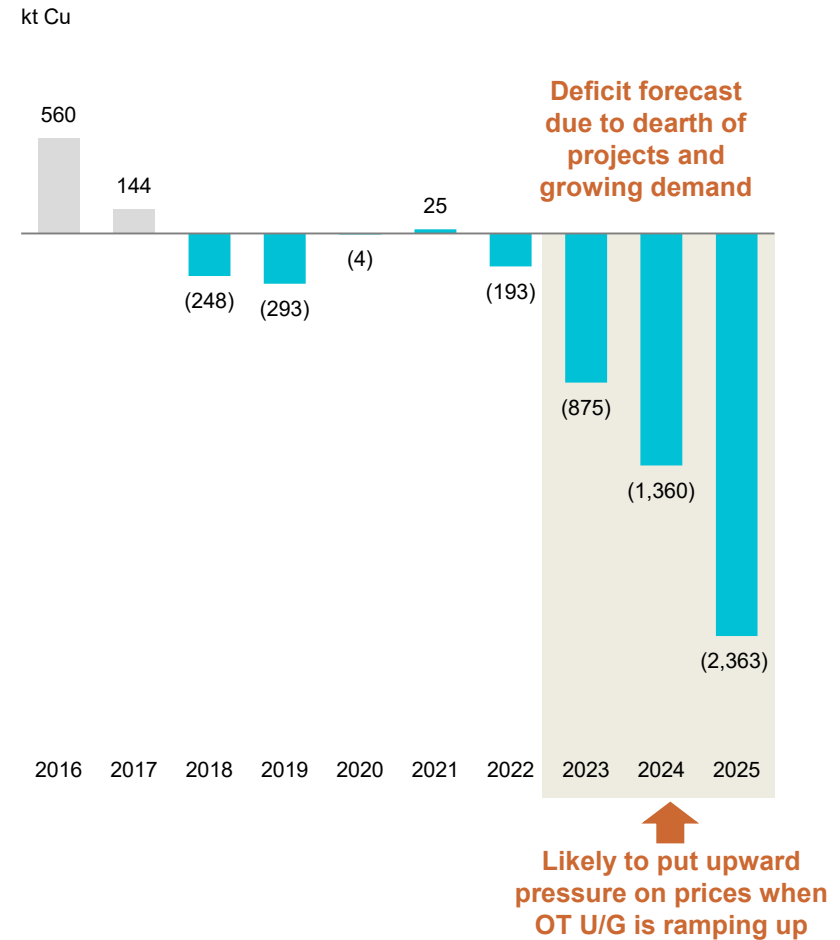
Oyu Tolgoi is Well Positioned to Benefit from Forecast Supply Deficit

23

Long-Term Copper Supply and Demand



Supply / Demand Surplus (Deficit)



Source: Wood Mackenzie

1. Production capability as defined by Wood Mackenzie includes base case mine reserves, probable brownfield contributions, and Wood Mackenzie estimated mine life extension



Turquoise Hill's Management Team: Proven Operator and Developer of World-Class Mines

24



Ulf Quellmann
Chief Executive Officer

Appointed as CEO effective August 1, 2018, Mr. Quellmann has more than 20 years of experience in corporate finance, strategy, treasury and investor relations at General Motors, Alcan and Rio Tinto



Luke Colton
Chief Financial Officer

Appointed CFO on October 9, 2017. Mr. Colton has 15 years of mining experience and had been with Rio Tinto since 2004 before joining Turquoise Hill, working in various business units including minerals, iron ore and energy. Mr. Colton was also a Senior Accountant at E&Y.



Brendan Lane
VP, Operations and Development

Appointed VP of Operations and Development in February 2016, Mr. Lane has more than 25 years of mining industry experience. From 2013-2016, Mr. Lane served as finance director at Rio Tinto Copper where he provided strategic guidance to operational management teams with joint venture partners BHP and Freeport.



Dustin S. Isaacs
VP, General Counsel & Corp. Secretary

Appointed General Counsel and Corporate Secretary in the beginning of 2013. Mr. Isaacs has more than 15 years of legal, governance and transactional experience. He was previously in private legal practice for almost 10 years at a top-tier Canadian law firm.

Deep Management Experience

- ✓ Has developed major projects on time and on budget
- ✓ Successfully operated world-class copper mines
- ✓ Experienced at building positive stakeholder relations in numerous countries
- ✓ Proven ability to ramp-up block caving operations

Partnership with Rio Tinto

- ✓ Global leader in mine operations across diverse group of commodities
- ✓ Strong balance sheet; providing financial guarantee supporting Oyu Tolgoi project financing
- ✓ Continuously developing world-class mining assets
- ✓ Track record in block caving in current and previously owned assets
 - Argyle, Northparkes and Palabora
- ✓ Committed to world-class HSEC standards and ESG practices



turquoisehill.com

Turquoise Hill Resources Ltd.
Suite 354 - 200 Granville Street
Vancouver, BC, Canada V6C 1S4

TRQ: TSX, NYSE & NASDAQ

Turquoise Hill is an international mining company focused on the operation and development of the Oyu Tolgoi copper-gold mine in southern Mongolia.

