



**A Leading Copper and Gold Producer
Developing a Tier-1 Copper Asset**

Fourth Quarter and Full Year 2019 Financial Results

March 23, 2020



TURQUOISE HILL

TSX-NYSE: TRQ

Forward-Looking Statements

Certain statements made herein, including statements relating to matters that are not historical facts and statements of the Company's beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements and information relate to future events or future performance, reflect current expectations or beliefs regarding future events and are typically identified by words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "plan", "estimate", "will", "believe" and similar expressions suggesting future outcomes or statements regarding an outlook. These 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, expected copper and gold grades, liquidity, funding requirements and planning, statements regarding timing and status of underground development, the development options under consideration for the design of Panel 0 and the related cost and schedule implications, timing and status of the Tavan Tolgoi-based power project, the expectations set out in the Tavan Tolgoi Power Plant Feasibility Study, the potential impact of COVID-19 on the Company's business, operations and financial condition, capital and operating cost estimates, timing of completion of the definitive estimate review, mill and concentrator throughput, the initiation of formal international arbitration proceedings, anticipated business activities, planned expenditures, corporate strategies, and other statements that are not historical facts.

Forward-looking statements and information are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such statements or information. There can be no assurance that such statements or information will prove to be accurate. Such statements and information are based on numerous assumptions regarding present and future business strategies, local and global economic conditions, and the environment in which the Company will operate in the future, including the price of copper, gold and silver and projected gold, copper and silver grades, anticipated capital and operating costs, anticipated future production and cash flows, the anticipated location of certain infrastructure and sequence of mining in Panel 0, the availability and timing of required governmental and other approvals for the construction of the Tavan Tolgoi Power Plant, the status of the Company's relationship and interaction with the Government of Mongolia on the continued operation and development of Oyu Tolgoi and Oyu Tolgoi LLC internal governance. Certain important factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements and information include, among others, copper, gold and silver price volatility; discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries; development plans for processing resources; the outcome of the definitive estimate review; public health crises such as COVID-19; matters relating to proposed exploration or expansion; mining operational and development risks, including geotechnical risks and ground conditions; litigation risks; regulatory restrictions (including environmental regulatory restrictions and liability); Oyu Tolgoi LLC's ability to deliver a domestic power source for the Oyu Tolgoi project within the required contractual time frame; communications with local stakeholders and community relations; activities, actions or assessments, including tax assessments, by governmental authorities; events or circumstances (including strikes, blockages or similar events outside of the Company's control) that may affect the Company's ability to deliver its products in a timely manner; currency fluctuations; the speculative nature of mineral exploration; the global economic climate; dilution; share price volatility; competition; loss of key employees; cyber security incidents; additional funding requirements, including in respect of the development or construction of a long-term domestic power supply for the Oyu Tolgoi project; capital and operating costs, including with respect to the development of additional deposits and processing facilities; and defective title to mineral claims or property. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. All such forward-looking statements and information are based on certain assumptions and analyses made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements or information.

Readers are cautioned not to place undue reliance on forward-looking information or statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are included in the "Risk Factors" section in the Company's Annual Information Form dated as of March 18, 2020 in respect of the year ended December 31, 2019 (the "AIF") as supplemented by our Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2019 ("MD&A").

Readers are further cautioned that the list of factors enumerated in the "Risk Factors" section of the AIF and in the MD&A that may affect future results is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

Disclosure of information of a scientific or technical nature in this presentation in respect of the Oyu Tolgoi mine was approved by Jo-Anne Dudley, Chief Operating Officer of Turquoise Hill. Ms. Dudley is a "qualified person" as that term is defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.



Presenters

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Ulf Quellmann

Chief Executive Officer

Luke Colton

Chief Financial Officer

Jo-Anne Dudley

Chief Operating Officer



2019 Operational Highlights

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- ✓ Copper production of 146,346 tonnes vs original guidance range of 125,000 – 155,000 tonnes
- ✓ Gold production of 241,840 ounces vs original guidance range of 180,000 – 220,000 ounces
- ✓ C1 copper cash costs and all-in sustaining costs were \$1.37 and \$2.08 per pound of copper produced respectively
- ✓ All Injury Frequency Rate of 0.16 per 200,000 hours worked
- ✓ Shaft 2 construction was completed in October 2019, and was fully commissioned in February 2020
- ✓ Strong production outlook through 2021
- ✓ As at December 31, 2019, Turquoise Hill has \$2.2 billion of available liquidity, which is sufficient to fund operations, underground and power development into Q2 2021



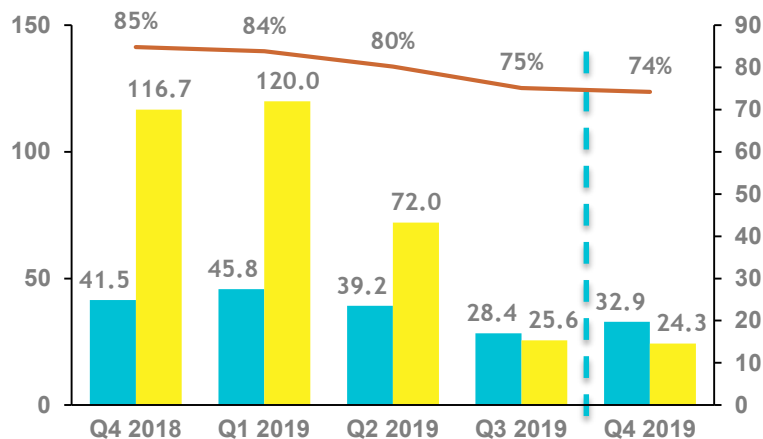
Q4'19 Production

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- Copper production was 32,906 tonnes
- Gold production was 24,344 ounces
- C1 copper cash costs were \$2.21
- Mill through put was 120.52 tonnes per day

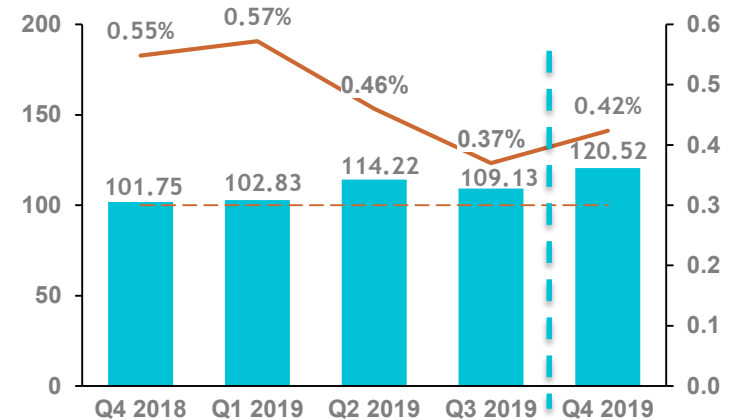
Oyu Tolgoi Metal Production

■ Copper (Kt) ■ Gold (koz) — Cu Recovery (%)



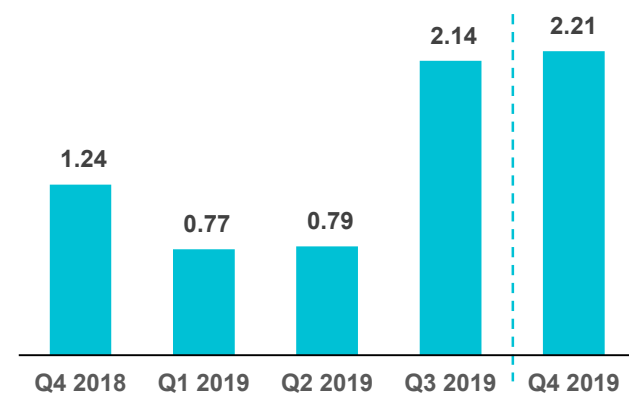
Oyu Tolgoi Cu Production and Feed Grade

■ Kt per day — Cu Grade (%) — Name plate capacity



Oyu Tolgoi C1 Cash Costs

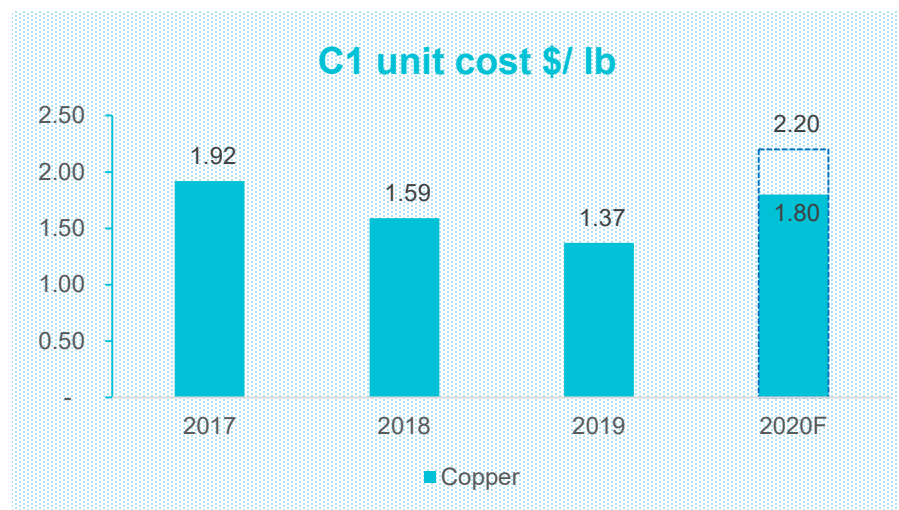
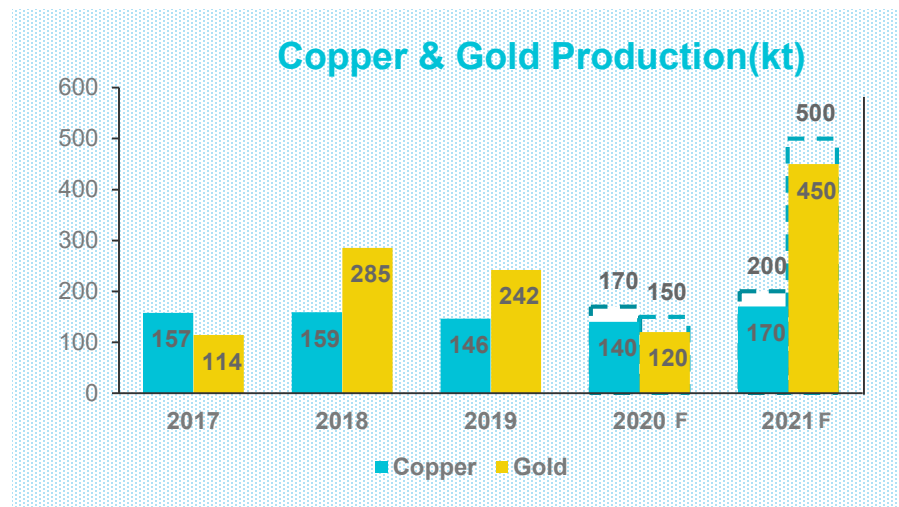
■ \$/lb



2019 full year operating performance

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- Copper production for 2019 of 146,346 tonnes was in-line with guidance of 125,000 – 155,000 tonnes, while Gold production was 241,840 ounces, beating the higher end of guidance
- C1 copper cost of \$1.37
- Strong mill throughput performance of 40.8 Mt



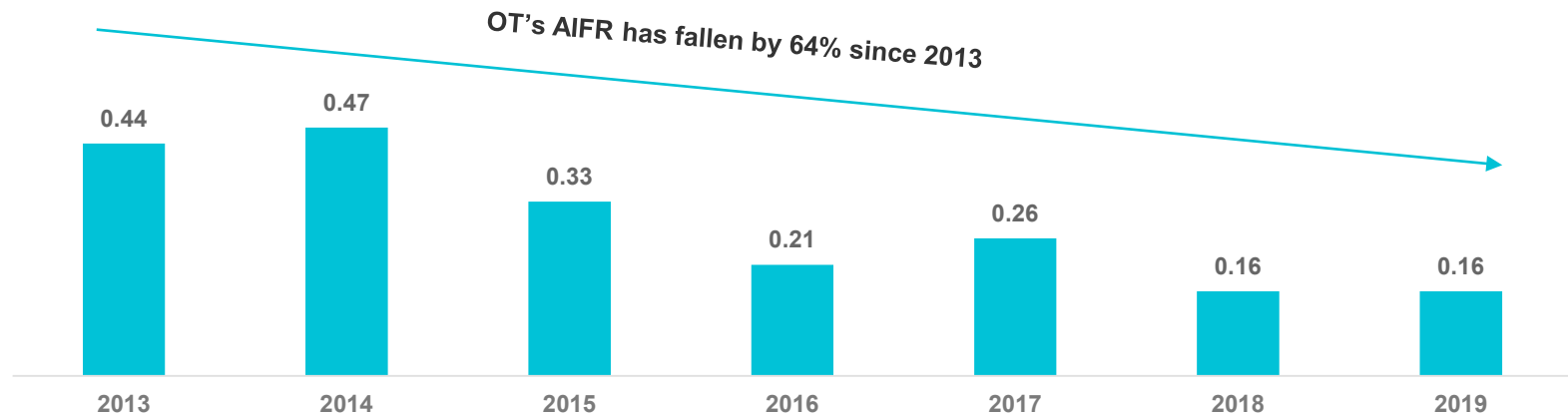
Best-in-Class Safety Performance

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- › Industry-leading safety performance
- › All Injury Frequency Rate (AIFR) of 0.16 per 200,000 hours worked
 - AIFR steadily declined since 2013, dropping 64% from 2013 through 2019
 - Safety is a top priority and is critical to our continued success

All Injury Frequency Rate

Based on 200,000 Hours of Work Exposure



*ICMM AIFR



Underground Development – Shaft 2

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- Shaft 2 construction is complete. The service hoist now allows us to transport 300 people per cycle cage vs a maximum of 60 people per cycle cage through Shaft 1
- The 10-metre diameter shaft sunk to 1.3 km below surface, is one of the largest mining shafts in the world
- Using the world's largest friction hoist, Shaft 2 can lift 60-tonne capacity skips, providing a daily maximum capacity of approximately 35,000 tonnes
- Underground Development material is currently being lifted to surface via the shaft 2 production hoist



Critical Infrastructure Progress

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Above ground infrastructure



- ✓ Mine dry and control centre
- ✓ 5,500 person camp
- ✓ Central heating plant
- ✓ Surface discharge conveyor linking Shaft 2 to existing Overland conveyor
- ✓ Shaft 5 ventilation fans
- ✓ Mine air heaters
- ✓ Batch plant 4 & quarry

Shafts & below ground hard infrastructure



- ✓ Shaft 2 construction complete
- ✓ Shaft 2 Jaw Crusher
- ✓ Shaft 5 sinking to 1.3 km
- ✓ Ore bin 11 & transfer station
- ✓ Excavation of the Primary Crusher 1 chamber complete
- ✓ Critical underground facilities

Mine development

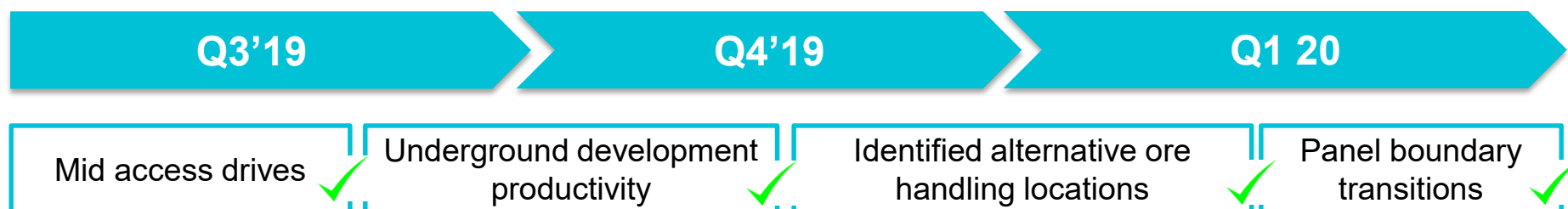


- ✓ A record of over 1800 eqm of underground development was achieved in December



Mine Design and Definitive Estimate on track

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- Mid access drive decision and Underground development productivity program improvements ready for inclusion in Panel 0 update
- Viable alternative on-footprint ore handling locations and panel boundary transitions identified
- Design and location of infrastructure such as shafts and primary crushers are unchanged from original feasibility study
- Current estimates indicate that the delay to first sustainable production remains in the 16 to 30 month range
- Panel 0 Mine Design continues to be expected in the first half of 2020
- The Definitive Estimate continues to be expected in the second half of 2020



- **Power**

Oyu Tolgoi LLC has submitted a Feasibility Study for the 300 MW Tavan Tolgoi Power Plant Project to the Government of Mongolia with a total cost estimate of up to \$924m. Renewables is an alternative that is being studied with all stakeholders to decide on which solution works best.

- **Tax Assessment**

Oyu Tolgoi LLC has proceeded with the initiation of a formal international arbitration proceeding to resolve the outstanding tax dispute between Oyu Tolgoi and the Mongolian Tax Authority. The arbitral award shall be final and binding on both parties.

- **Parliamentary Working Group**

The Parliamentary Working Group has completed its report, from which a Resolution was submitted and passed by the Parliament of Mongolia in December 2019. This Resolution directs the Government of Mongolia to improve the existing foundation agreements with Turquoise Hill and Oyu Tolgoi.



Financial Performance Overview

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Key Financial Metrics of Turquoise Hill

All values on a consolidated basis unless otherwise stated and in millions of United States dollars except where stated.

| | Fourth Quarter of 2019 | Fourth Quarter of 2018 | Change | Full Year 2019 | Full Year 2018 | Change |
|---|------------------------------|------------------------------|--------|-------------------|-------------------|--------|
| Revenue | 221.4 | 346.2 | -36.0% | 1,166.0 | 1,180.0 | -1.2% |
| Cash generated from operating activities before interest and tax | 42.4 | 146.1 | -71.0% | 341.7 | 363.0 | -5.9% |
| Basic and diluted income per share attributable to owners of Turquoise Hill (\$ per share) ¹ | 0.06 | 0.05 | - | -0.07 | 0.20 | - |
| C1 cash costs | 2.21 | 1.24 | +78.2% | 1.37 | 1.59 | -13.8% |
| All-in-sustaining unit costs | 2.97 | 2.01 | +47.8% | 2.08 | 2.20 | -5.5 |
| Capital expenditures | 318.6 | 371.8 | -14.3% | 1,308.1 | 1,304.3 | 0.3% |
| Liquidity (billions of dollars) ² | | | | 2.2 | 3.5 | |

1. Attributable to Turquoise Hill

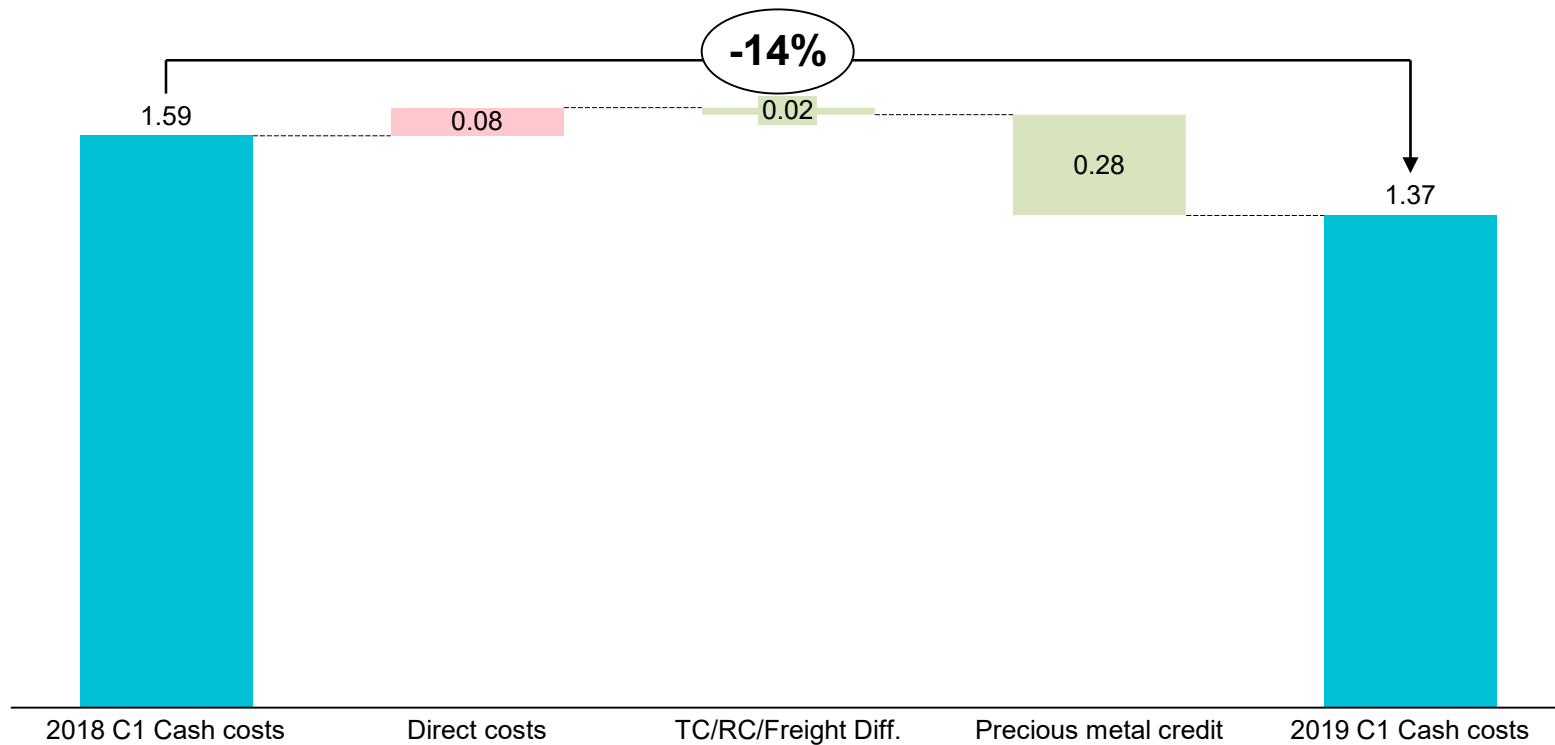
2. Cash and cash equivalents, and available and undrawn funds under the project finance facility



C1 Cash Costs over 2018

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Reconciliation of C1 Cash Costs¹



All values on a consolidated basis unless otherwise stated and in United States dollars per pound of copper produced

1. Based on the reconciliation of C1 cash costs in the MD&A



Liquidity and Funding

- Turquoise Hill has approximately \$2.2 billion liquidity available at the end of December 31, 2019 and we expect to have sufficient liquidity to fund underground development and power development into Q2 2021
- Turquoise Hill is well progressed in its discussions with Rio Tinto regarding its proposal for sourcing incremental interim funding to ensure Turquoise Hill can progress the underground development
- Current estimates indicate incremental financing requirement of at least \$4.5 billion
- Variables impacting magnitude of additional funding include mine optimization, incremental underground development and power capital needed, timing of sustainable first production, debt service costs, including principal repayments, amount of cash flow generated from operating activities net of sustainable capital requirements, and the impact of COVID-19



COVID - 19

- The Government of Mongolia was decisive and acted early with border closures and restricted travel of both people and goods
- Oyu Tolgoi LLC is working closely with the Mongolian authorities to prioritize the health and safety of all its employees and the wider community
- Freight movement and supplies to Oyu Tolgoi remain stable with current supply items in good status.
- Passenger flights in and out of Oyu Tolgoi are currently operating a normal schedule
- With a 93% Mongolian workforce, the Oyu Tolgoi open-pit operations have continued uninterrupted
- Copper convoys continue to move across the border into China
- Specialist technical services provided from Rio Tinto and our construction partners have restricted access. This will impact the progress of the underground development
- Work on the underground project continues, however the full impact of COVID – 19 is unknown at this time. The company will update the market once more information is available



Oyu Tolgoi – A True World Class Asset

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- ✓ One of the most significant tier one assets
- ✓ Q4'19 witnessed:
 - record lateral underground development
 - Full year copper production meeting guidance
 - Full year gold production exceeding guidance
 - an integral decision for the updated mine design; the partial retention of a mid-access drive
- ✓ Shaft 2 construction is complete with the service hoist now able to lift 300 workers per cage cycle and is in the final stages of commissioning
- ✓ Continue working towards the completion of the final mine design targeting the high grade Panel 0
- ✓ Oyu Tolgoi team has a proven track record of operational and a strong safety record (AIFR 0.16 in 2019) per 200 000 man hours worked





2019 Operation and Finance

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| Operation | 2019 guidance | 2019 Actual | 2018 | Change |
|---|-----------------|-------------|---------|--------|
| Mill throughput (million tonnes) | 40 | 40,8 | 38,7 | 5.3% |
| Copper production (tonnes) | 125,000-155,000 | 146,346 | 159,100 | -8.0% |
| Gold production (ounces) | Up to 240,000 | 241,840 | 285,425 | -15.2% |

| Finance | 2019 guidance | 2019 Actual | 2018 | change |
|--|---------------|-------------|--------|--------|
| Operation cash costs (\$ million) | Up to 800 | 774.5 | 817.0 | -5.2% |
| C1 cash costs (\$/lb)¹ | 1.50 -1.70 | 1.37 | 1.59 | -13.8% |
| Capital expenditure | | | | |
| Open pit (\$ million) | 140-160 | 133.2 | 90.5 | 47.2% |
| Underground (\$ million) | 1,100-1,200 | 1,174.9 | 1213.8 | -3.2% |

1. Unit cost guidance assumes the midpoint of expected 2019 copper and gold production ranges and a gold price of \$1,324 per ounce



2020 Guidance

| Operational guidance | |
|----------------------------------|-------------------|
| Mill throughput (million tonnes) | 40 |
| Copper production (tonnes) | 140,000 – 170,000 |
| Gold production (ounces) | 120,000 – 150,000 |

| Financial guidance | |
|------------------------------------|---------------|
| Operation cash costs (\$ million) | 800 – 850 |
| C1 cash costs (\$/lb) ¹ | 1.80 – 2.20 |
| Capital expenditure | |
| Open pit (\$ million) | 80 – 120 |
| Underground (\$ million) | 1,200 – 1,300 |

- Unit cost guidance assumes the midpoint of expected 2020 copper and gold production ranges and a gold price of \$1,362 per ounce

2021 Outlook

| Operational guidance | |
|----------------------------------|-------------------|
| Mill throughput (million tonnes) | |
| Copper production (tonnes) | 170,000 – 200,000 |
| Gold production (ounces) | 450,000 – 500,000 |



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TRQ: TSX & NYSE

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

