

# Oyu Tolgoi – a world-class copper and gold mine

KAY PRIESTLY  
CEO



# 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 expressed or implied in such statements. Such statements and information contained herein represent the Company’s best judgment as of the date hereof based on information currently available. 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.

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

# Updates from the Gobi

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## 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:
  - 550-600koz. gold in concentrates
  - 135-150kt copper in concentrates
  - \$180 million reduction in operating costs and capital expenditures
- Received \$115 million on Mongolian Treasury Bill on October 17

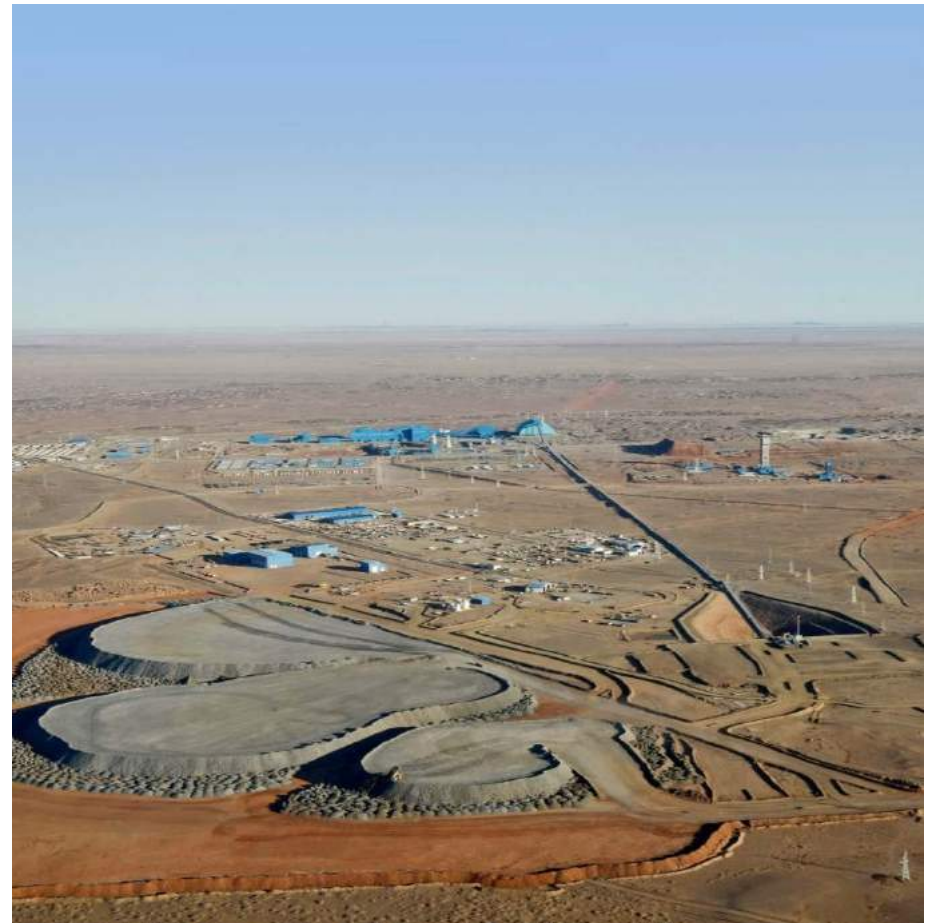


# Unlocking the next phase of development

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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



# 2014 Technical Report

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- Proposes the next sensible step in development, delivering significant value and initiating access to future development
- Mineral reserve estimates are broadly in line with 2013 Technical Report
- Expansion capital estimate of \$4.9 billion based on 100,000 tonnes per day concentrator capacity and purchased power
- Underground production remains at 95,000 tonnes per day
- Ore conveyed to surface via decline, providing production flexibility and future optionality
- Opportunities to improve the economics with plant creep, cost reductions and optimizing mine plan

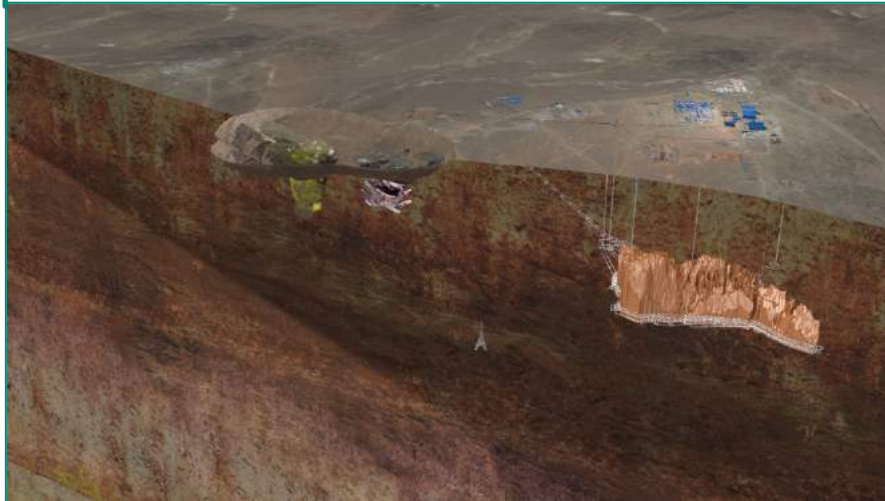
# Assumption changes

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"> <li>Volume limited to 5208 t/h</li> </ul>	<ul style="list-style-type: none"> <li>Southwest capacity validates model and volume limit (5500 t/h by tailings)</li> </ul>
Basis of Southwest recoveries	<ul style="list-style-type: none"> <li>Metallurgical test work model</li> </ul>	<ul style="list-style-type: none"> <li>Operating performance validates Cu model, Au model corrected</li> </ul>
Project readiness	<ul style="list-style-type: none"> <li>Phase 2 under construction</li> <li>Owner's team from Phase 1</li> <li>Just-in-time engineering</li> </ul>	<ul style="list-style-type: none"> <li>Project suspended, EPCM tendered</li> <li>Detailed engineering 40 % complete</li> <li>Higher level of estimate</li> </ul>

# Reserve vs. LOM Case

## Reserve Case: Feasibility study

HNL1 & SOT Pit



## LOM Case:

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

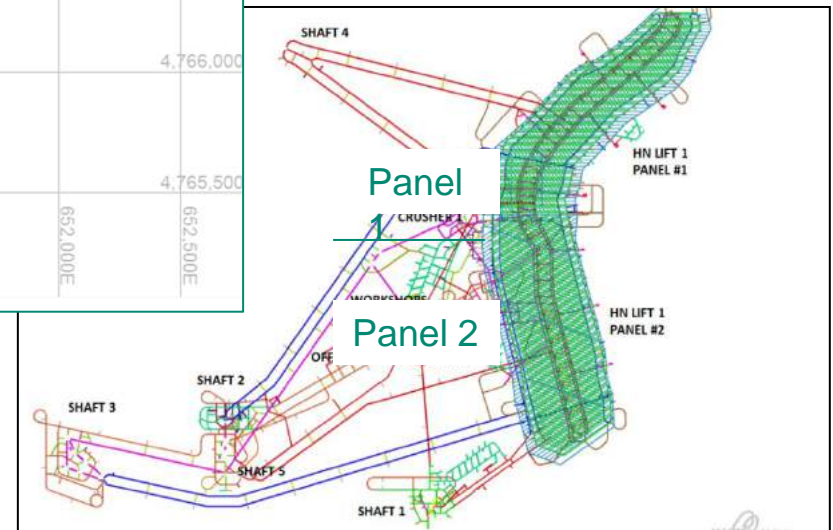
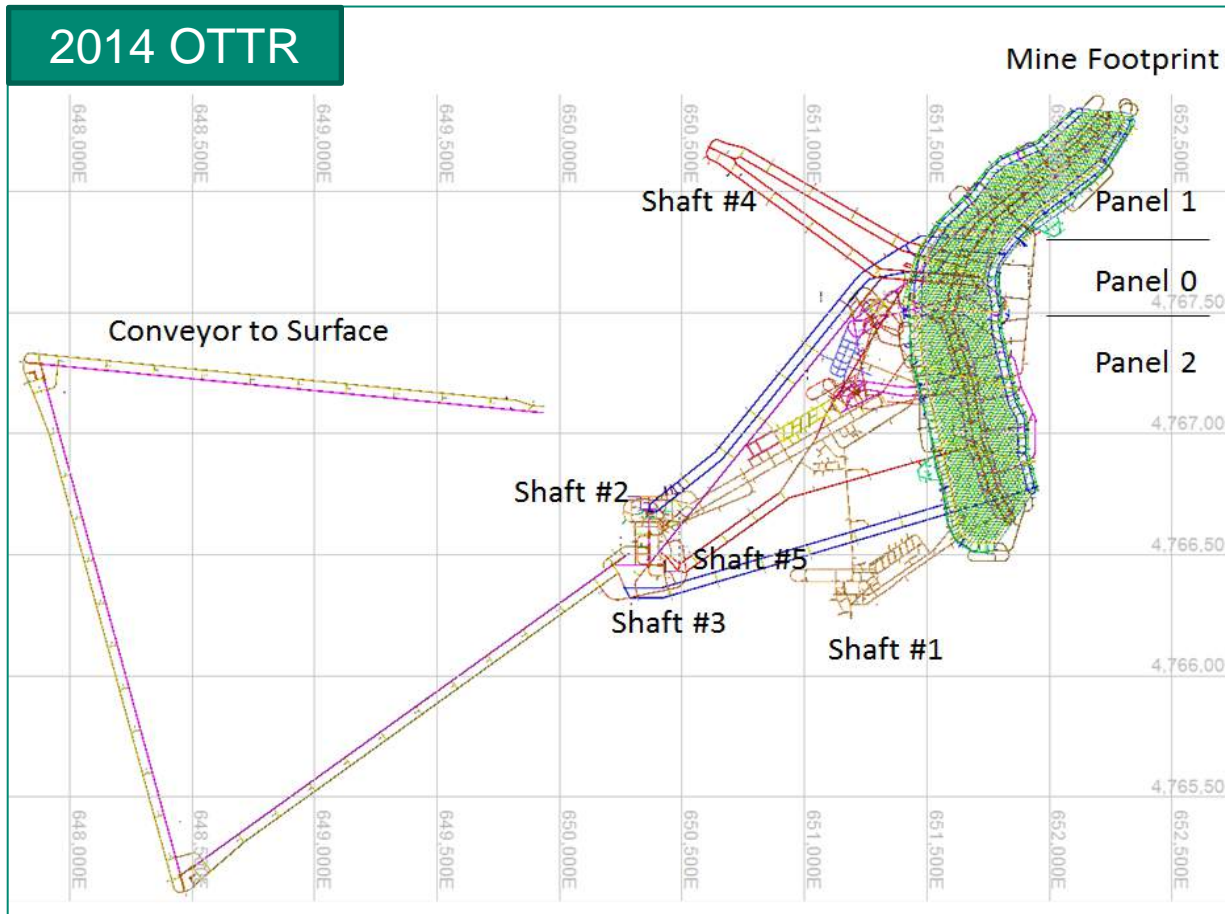


\*Life of Mine Case, includes Inferred so not included in economic evaluation

- Economics only include Reserve case production
- Large resource base provides long life and expansion optionality
- Mine and processing design considers expansion probability

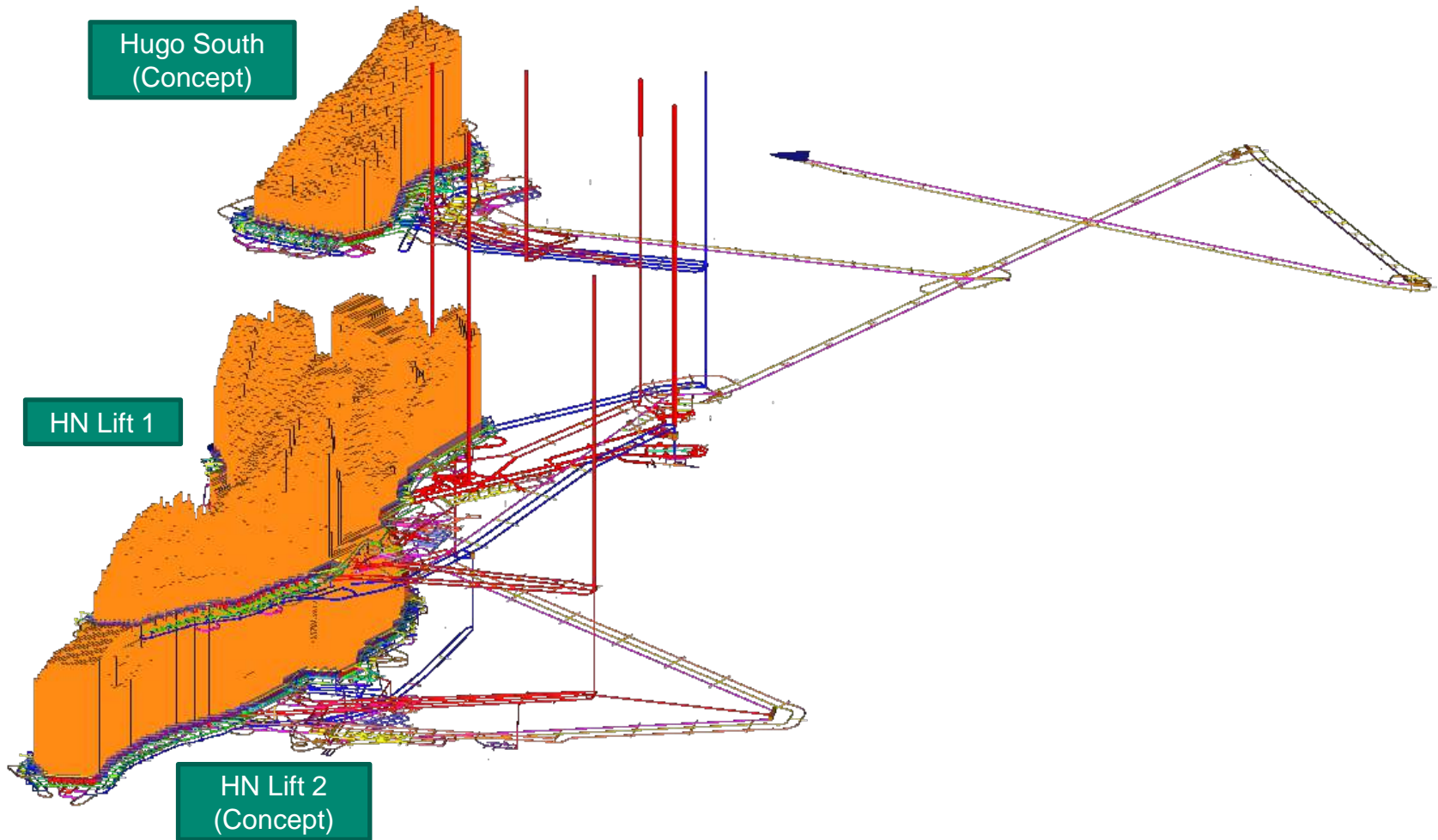
# 2014 OTTR vs. 2013 OTTR mine design

2014 OTTR



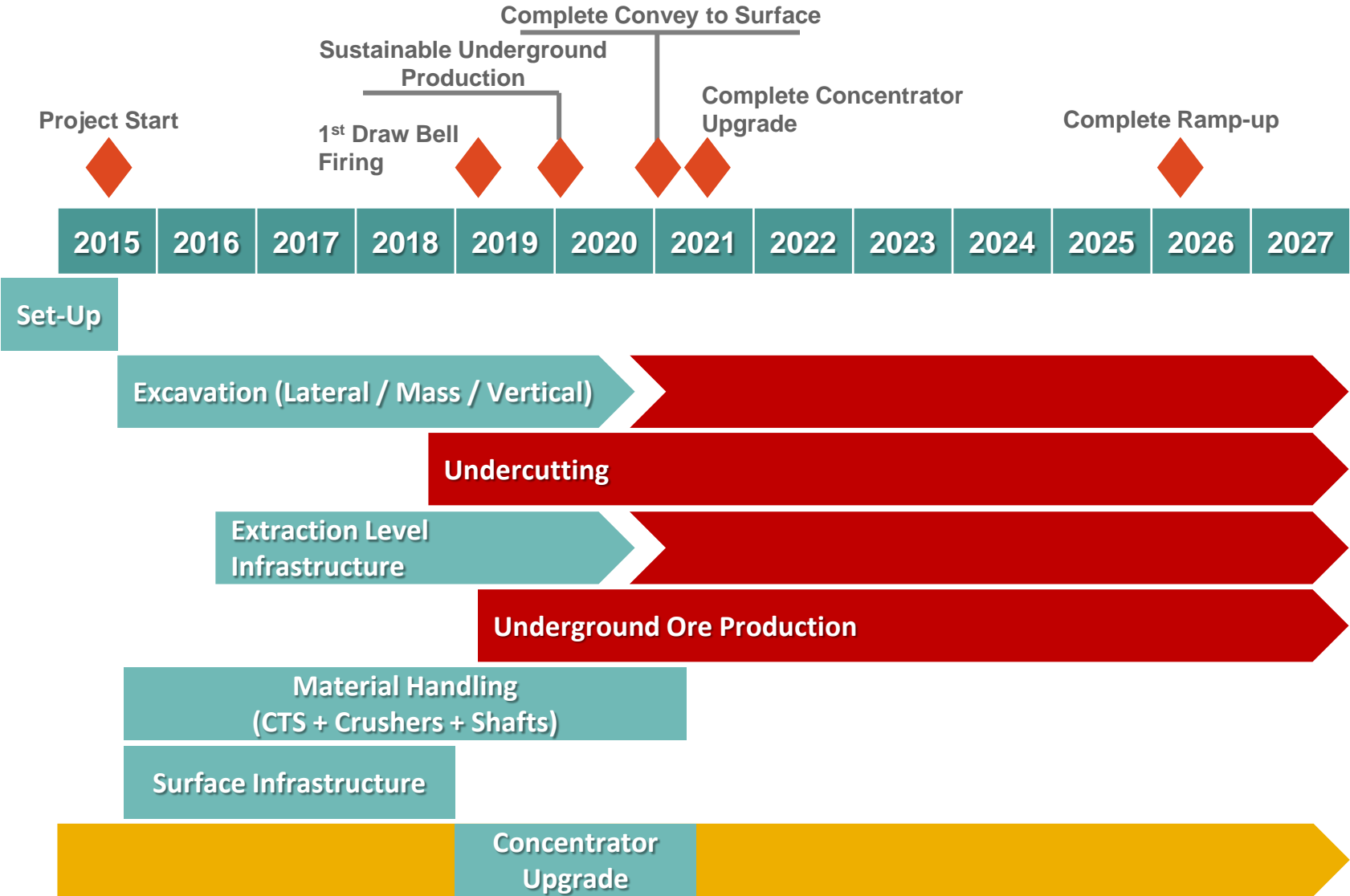


# Alternative production cases schematic



- Decline provides opportunity to access conceptual Hugo South mine

# Current development schedule



# Project economics highly attractive

	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

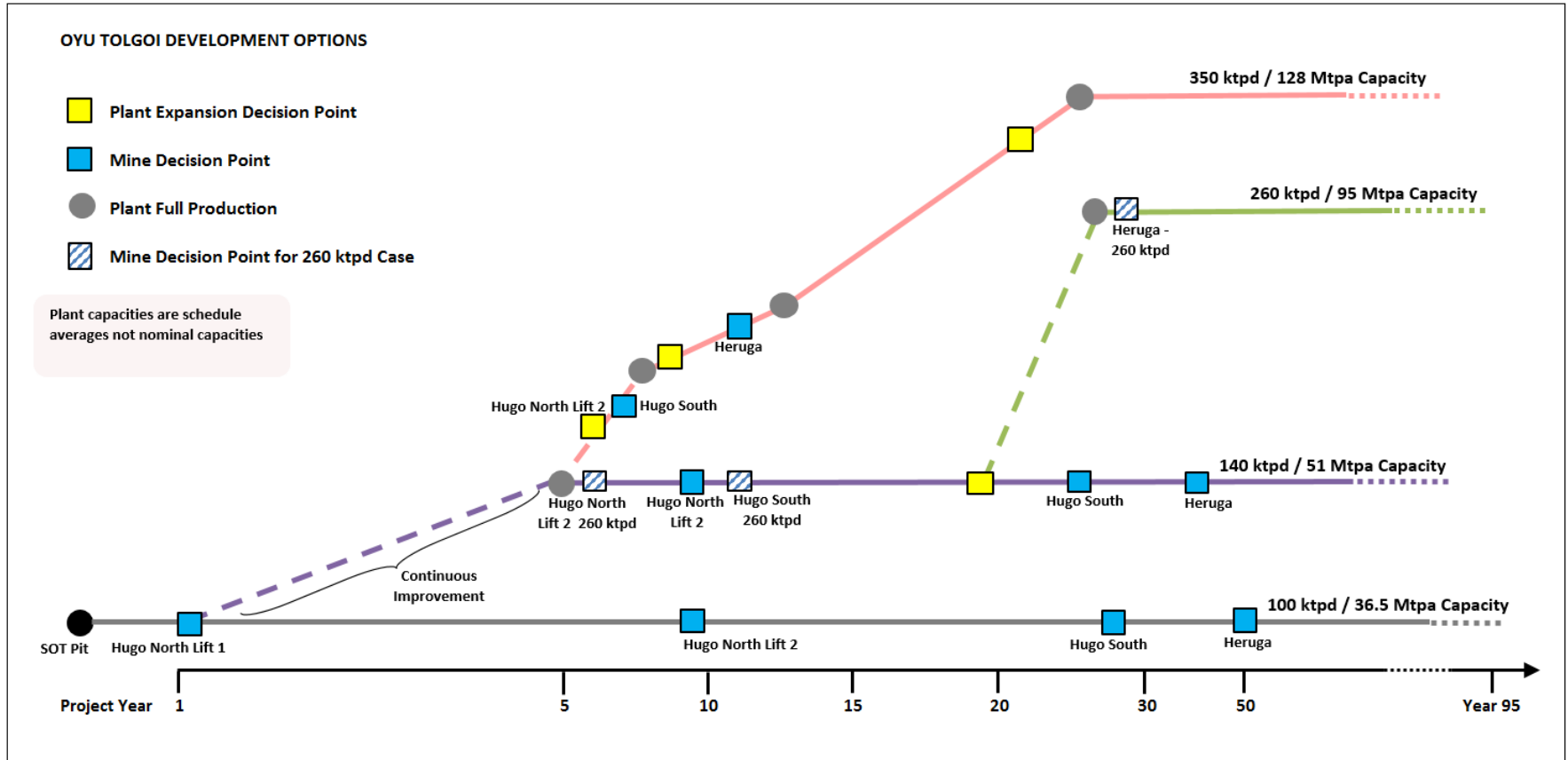
Notes:

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

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## 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

# Turquoise Hill – a long-term growth opportunity

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- **Pure copper and gold exposure**
- **Positive operating cash flow generation** began in **March 2014**
- Focused on progressing development of the **high-grade underground mine**
- Significant growth, development and **expansion opportunities**
- Strategically located resources with **further prospectivity**