

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

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# 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.

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

# Updates from the Gobi

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March 2014 was Oyu Tolgoi's first operating cash flow positive month

- Project finance bank commitment extension letters requested
- Continued strong safety performance
- 94% of 2014 expected production already under contract
- Concentrate sales continue to accelerate
- New rail shipping route option tested



# The Oyu Tolgoi mine

Strategically located ~80km from Chinese border





# Concentrate sales progressing well



Oyu Tolgoi's copper concentrate is loaded into bags, each weighing about two tonnes.

# Production: 2013 vs. 2014

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## 2013 Production

- 76,700 tonnes of copper in concentrates
- 157,000 ounces of gold in concentrates
- 26,400 tonnes of concentrate sold

## 2014 Guidance

- 135,000 to 160,000 tonnes of copper in concentrates (**Q1: 25.3k tonnes**)
- 600,000 to 700,000 ounces of gold in concentrates (**Q1: 66k ounces**)
- Focused on operational efficiencies



# A 40-plus year asset

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## Near-term and large scale

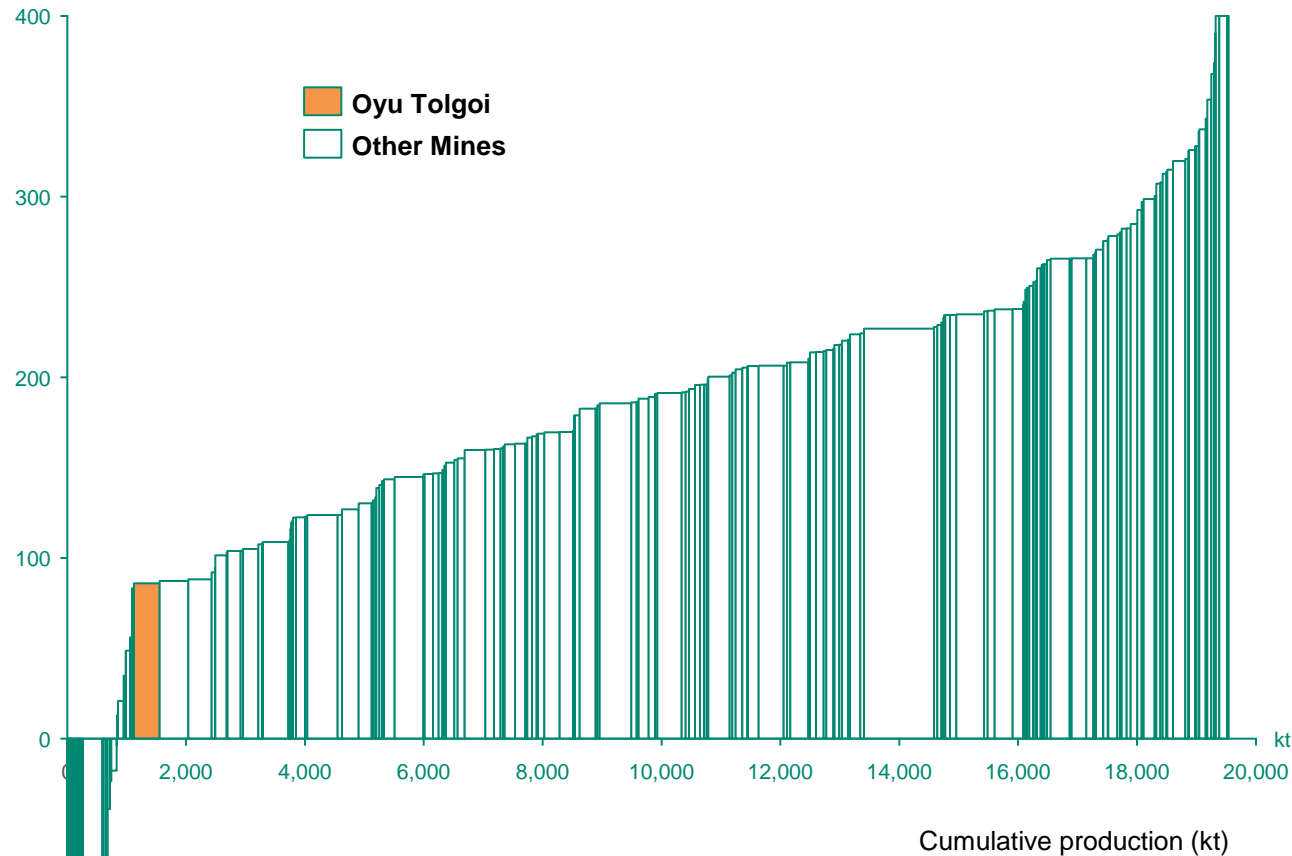
- **Long-life mine**
- 2.2bt measured & indicated and 4.4bt inferred resource
- 1.5bt mineral reserve, 26.5Blb. of copper and 12.9Moz. of gold
- 10 year averages of:
  - 332,000t of copper in concentrate
  - 495,000oz. of gold
  - 2.3Moz. of silver

Source: 2013 Oyu Tolgoi technical report. The mineral reserves reported above are not additive to the mineral resources.



# First quartile costs

Copper mine cost curve in 2020 (c/lb, 2013\$)



- Oyu Tolgoi is in the first quartile of the industry cost curve
- Third largest copper mine after planned expansion<sup>1</sup>
- Top 10 copper deposit by contained reserves and resource<sup>2</sup>
- One of the largest gold deposits globally by contained reserves and resources<sup>2</sup>

Source: Wood Mackenzie (Q1 2014 update),

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

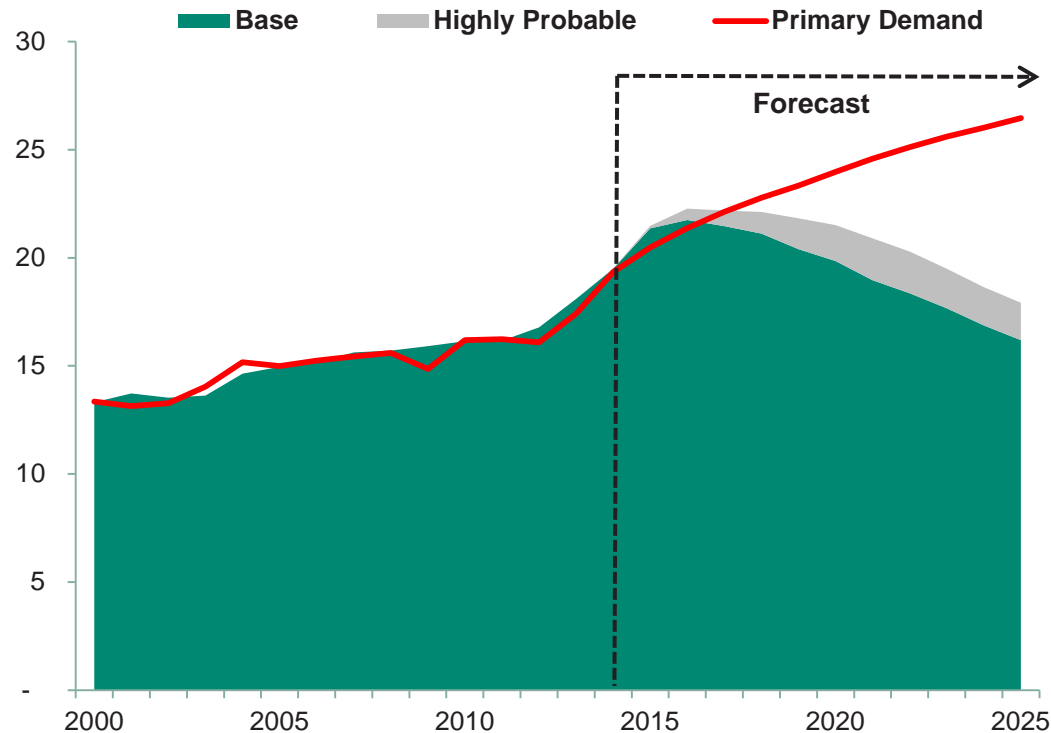
1. Wood Mackenzie, 2020 base, highly probable and probable mines only

2. Metals Economics Group and 2013 Oyu Tolgoi's Technical Report



# Copper and gold market strength

## Copper mine supply/demand outlook (Mt)



Source: Wood Mackenzie (Q1 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

# 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 0.34 per 200,000 hours worked and zero fatalities (2014)
- HSE System certified to ISO 14001 and OSHAS 18001



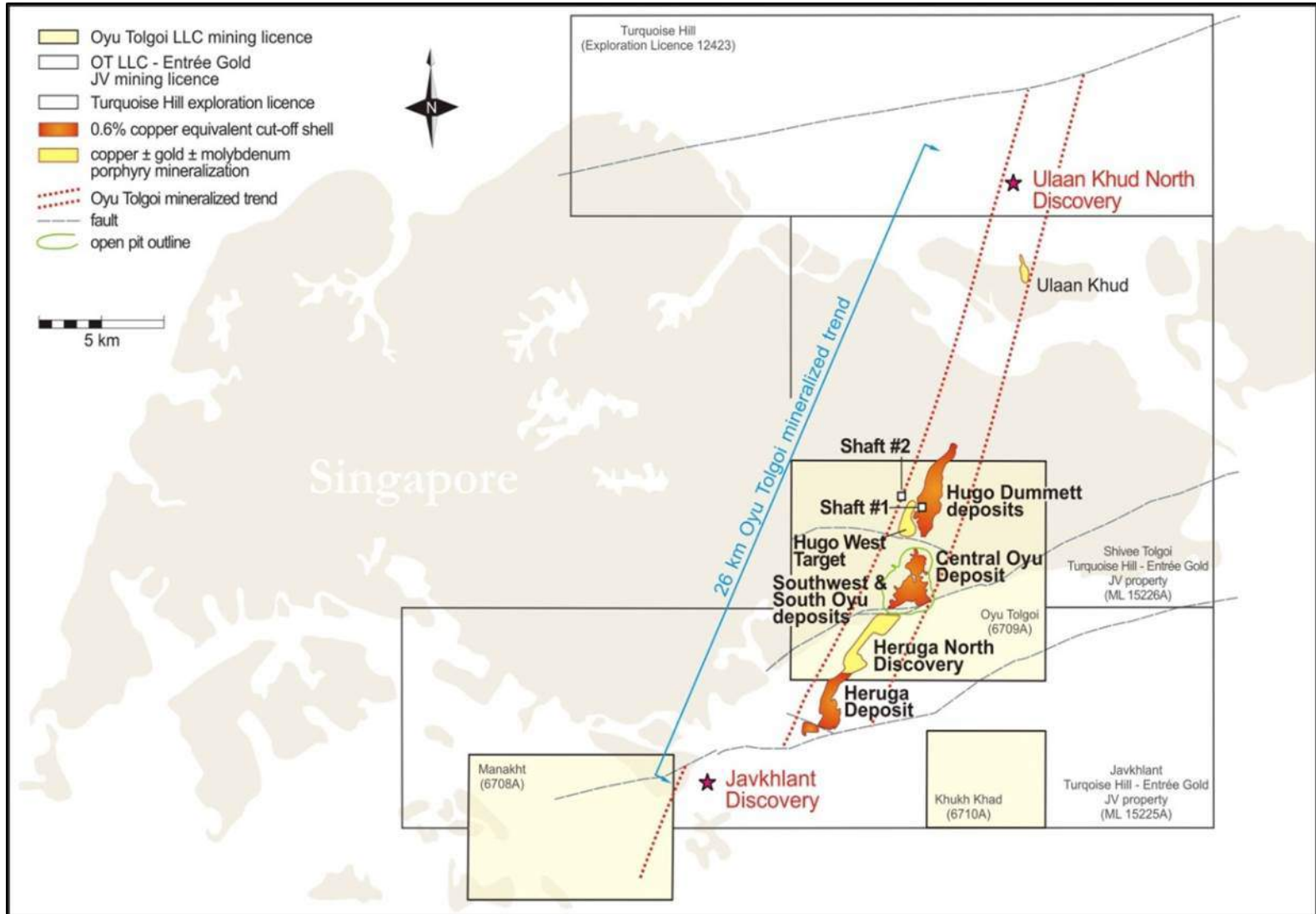
# Multiple development options



- All options being evaluated to ensure optimum development pathway
- Actual operating performance will inform choice of expansion path
- A decision to expand the concentrator is not be required for a couple years



# Proven mineralized trend of ~26km





# 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**
- Progressing project financing for funding of **high-grade underground development**
- Significant growth, development and **expansion opportunities**
- Strategically located resources with **further prospectivity**