

Annual Meeting of Shareholders
May 12, 2017

Oyu Tolgoi: Advancing Value and Creating Options



TURQUOISE HILL

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, which include, but are not limited to, statements respecting anticipated business activities, planned expenditures, 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. 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* sections of the Annual Information Form dated as of March 23, 2017 in respect to the year ended December 31, 2016.

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



Turquoise Hill's investment thesis

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- 1. Oyu Tolgoi expected to be world's third-largest copper mine**
- 2. Significant cash flow expected from underground development**
- 3. Hugo North Lift 1 financing in place¹**
- 4. Turquoise Hill should benefit from expected drop in copper supply (~2020)**
- 5. Oyu Tolgoi's resources provide long-term development optionality**

1. Financing sources includes project finance facility, supplemental debt (in progress), operating cash flow from Oyu Tolgoi and Turquoise Hill's cash; excludes power plant CAPEX.

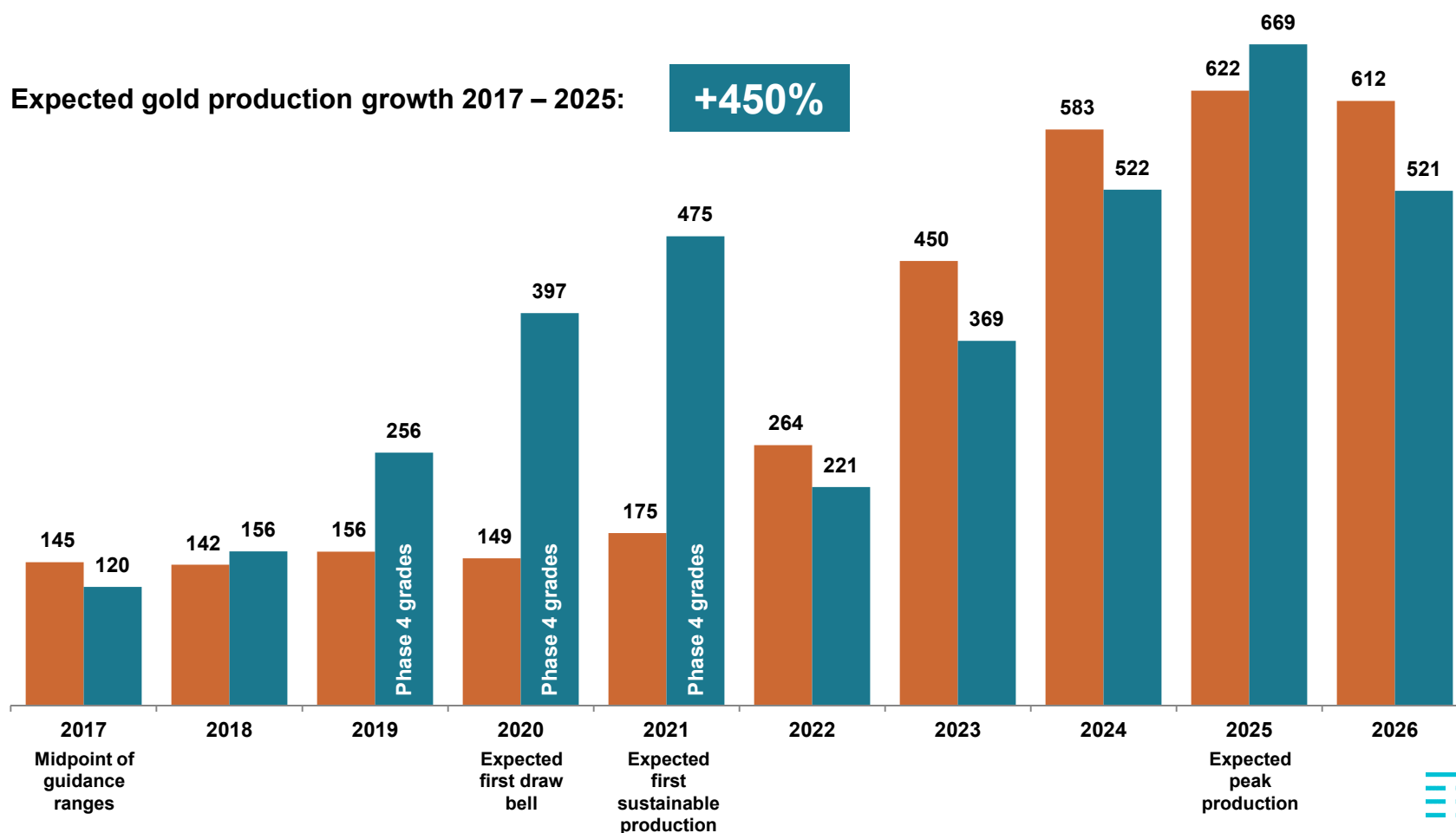


Oyu Tolgoi's expected production growth

■ Copper ('000 tonnes) ■ Gold ('000 ounces)

Expected copper production growth 2017 – 2025: **+320%**

Expected gold production growth 2017 – 2025: **+450%**



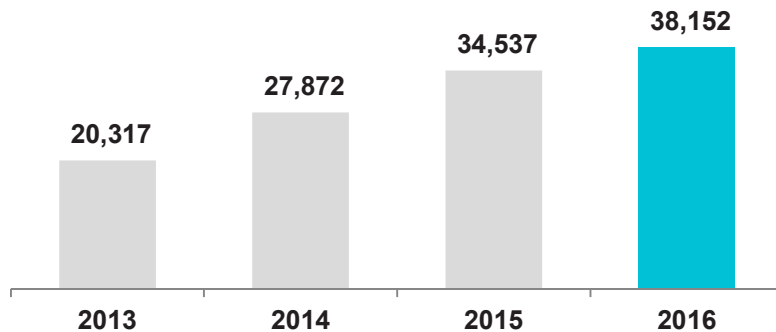
Source: 2016 Oyu Tolgoi Technical Report



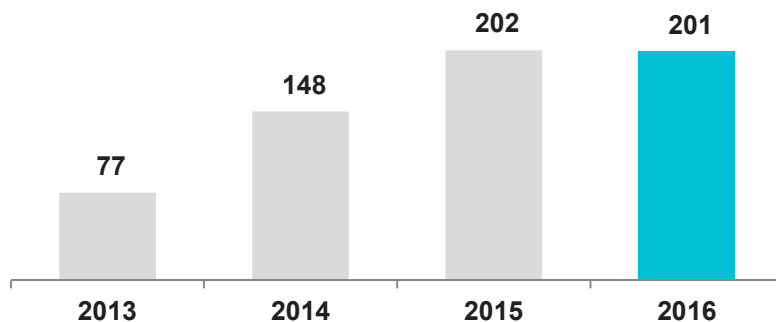
Highlights of 2016

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Concentrator throughput
(‘000 tonnes)



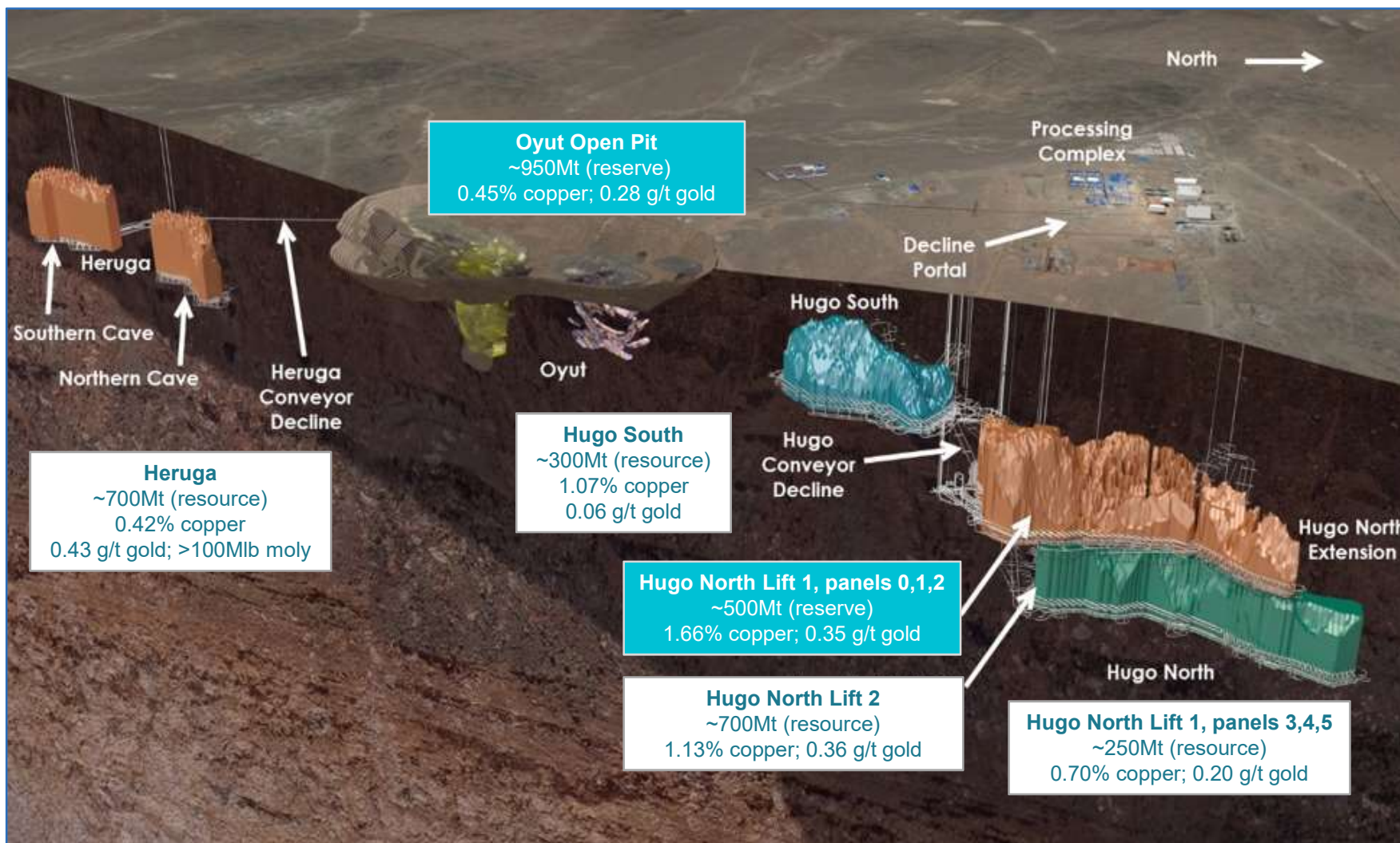
Copper in concentrates
(‘000 tonnes)



- Industry-leading AIFR of 0.22 for 2016
- Record levels for material mined and ore treated; throughput exceeded nameplate capacity for year
- Since 2013, ~90% increase in throughput
- Exceeded production guidance
- Revenue of \$1.2 billion
- Operating cash flow of ~\$400 million
- Operating cash costs declined ~20% since 2014
- Cash and cash equivalents of ~\$1.4 billion at year end
- Notice to proceed approval
- Restart of underground development
- Issued 2016 Oyu Tolgoi Technical Report



2016 Resources Case: ~3.4 billion tonnes



Underground development status

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Lateral development

1,600 eqv. metres

Completed in 2016 ahead of schedule; increased meters expected in 2017 with bigger crusher

Shaft 2

~ 85 vertical metres

Remaining until shaft completion (expected 2017); used for production and ventilation

Convey-to-Surface

Surface excavation complete

Underground decline commenced in Q1'17

Shaft 5

~ 840 vertical metres

Remaining until shaft completion (expected 2017); used for ventilation; increase in lateral development rates when complete

Data as of December 31, 2016.



Oyu Tolgoi's impact in Mongolia

Mongolian Workforce

94%

At the end of 2016, ~94% of Oyu Tolgoi's workforce was Mongolian

Taxes and Fees

\$1.6B

Between 2010 and 2016, Oyu Tolgoi paid \$1.6B in taxes, fees and other payments to the Mongolian Government

In-country Spend

\$6.1B

Between 2010 and 2016, Oyu Tolgoi has spent \$6.1B in Mongolia¹

Taxpayer Rank

#1

Oyu Tolgoi was the top corporate taxpayer in Mongolian for 2016

Community Investment

\$9.7M

Oyu Tolgoi invested \$9.7M in sustainable long-term projects in the South Gobi community in 2016

Water Recycling

86.2%

Oyu Tolgoi's water recycling rate averaged 86.2% for 2016 against a recycling target of 80%

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



Oyu Tolgoi – a long-term growth opportunity

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- **Advancing** underground development
- **Creating** long-term development options
- **Demonstrated** productivity and cost improvements
- **Best copper asset** in development today



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

