

Annual Meeting of Shareholders
May 8, 2018

**Oyu Tolgoi:
world-class asset,
development optionality,
significant cash flow potential**



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 14, 2018 in respect to the year ended December 31, 2017.

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



Oyu Tolgoi: world-class asset and operations

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Open-pit operations

- Industry-leading safety performance
- Record-setting material mined and throughput in 2017
- Cash flow generation despite challenging mine plan
- Reduction in operating costs

Underground development

- World-class asset with long-term development optionality
- Significant free cash flow generation expected from underground
- Expected benefit from lower copper supply (~2020) and ongoing demand growth

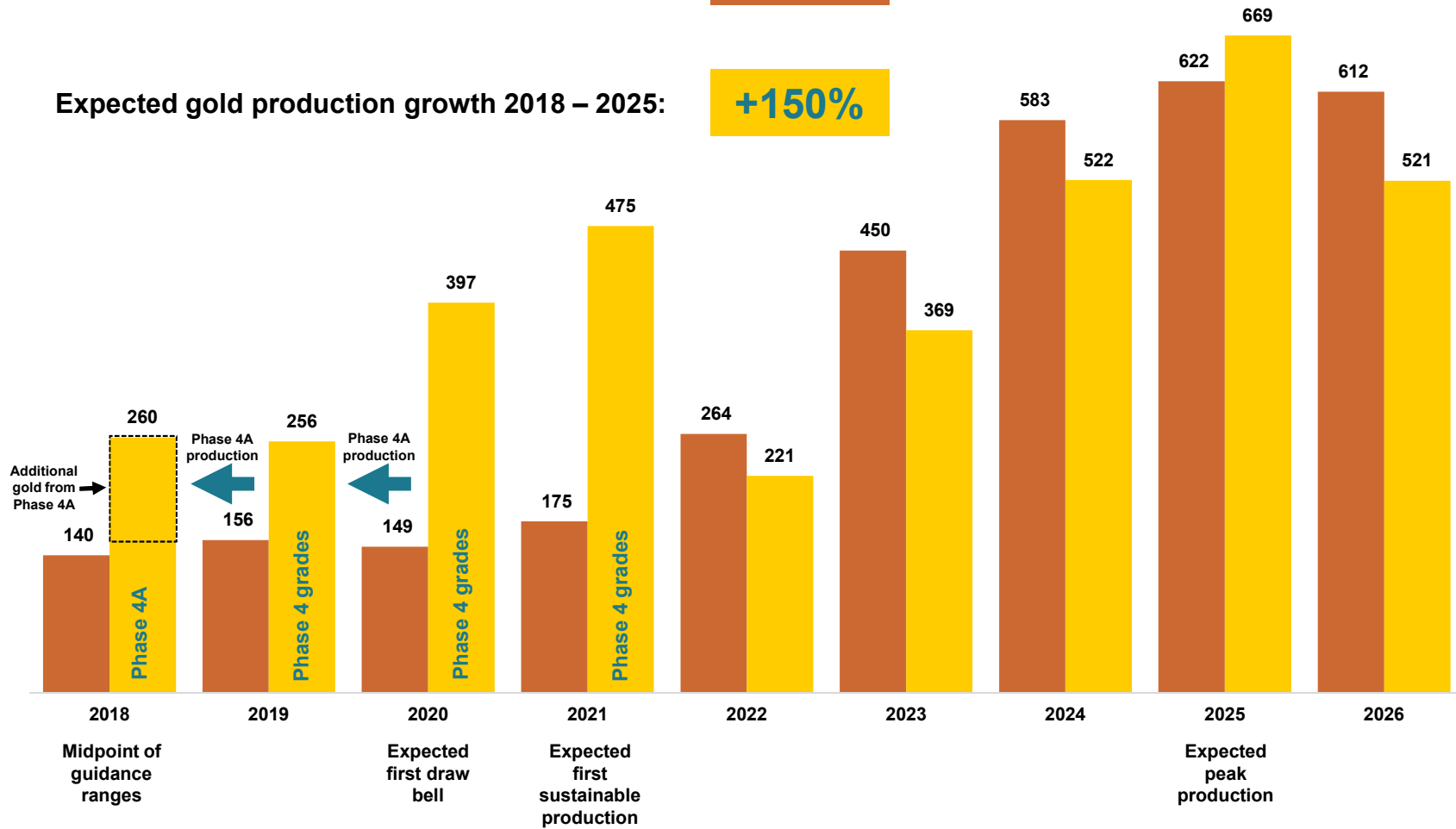


Robust long-term production profile

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

Expected copper production growth 2018 – 2025: **+340%**

Expected gold production growth 2018 – 2025: **+150%**

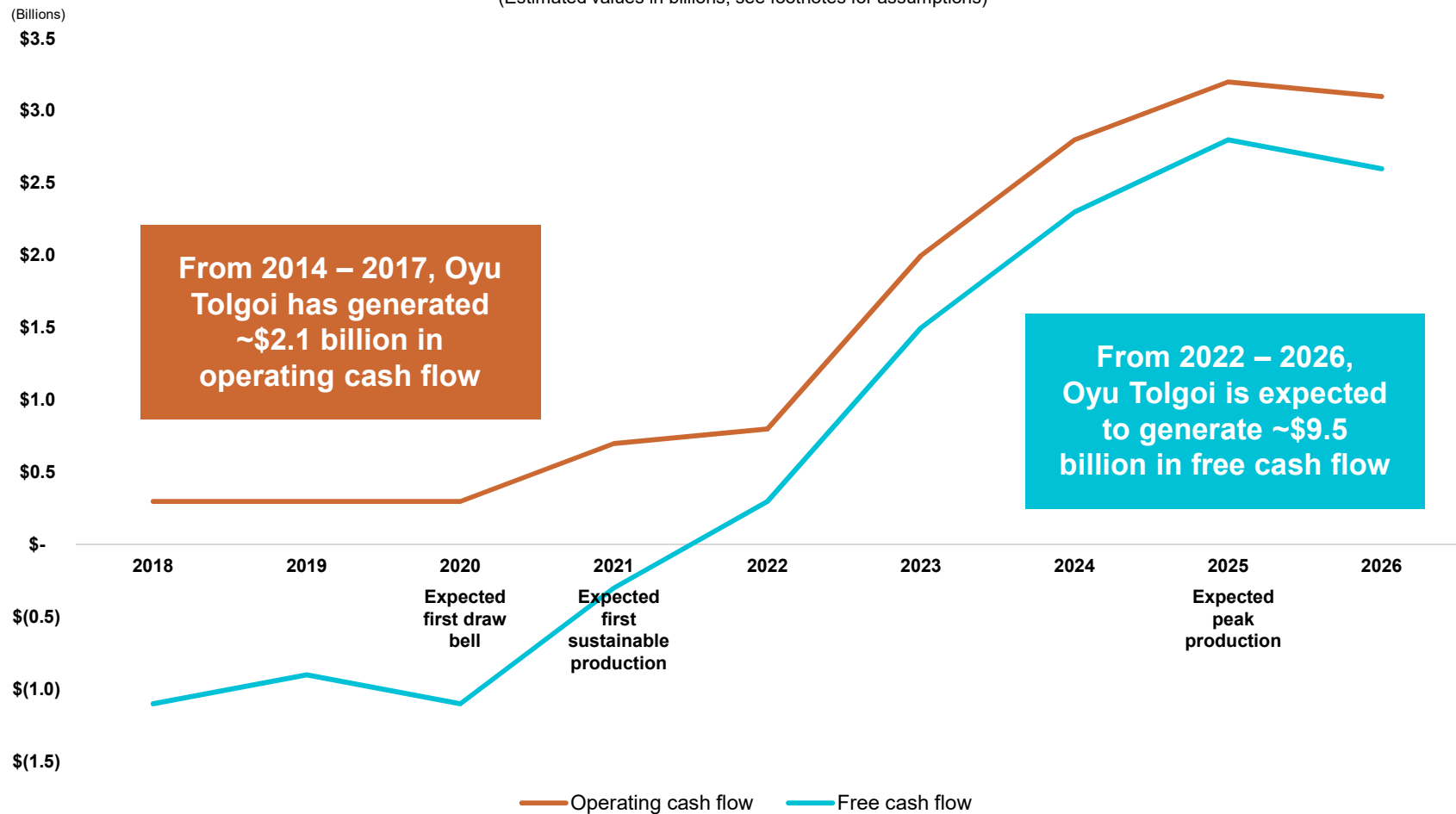


Source: 2016 Oyu Tolgoi Technical Report



Significant cash flow expected

Indicative Oyu Tolgoi Cash Flow
\$3.00/lb. Copper and \$1,300/oz. Gold
 (Estimated values in billions; see footnotes for assumptions)



Source: 2016 Oyu Tolgoi Technical Report.

Free cash flow = operating cash flow – CAPEX; does not include financing costs or power plant CAPEX.

Assumes \$3.00/lb. copper and \$1,300/oz. gold beginning in 2018 and represents Oyu Tolgoi-level cash flow.

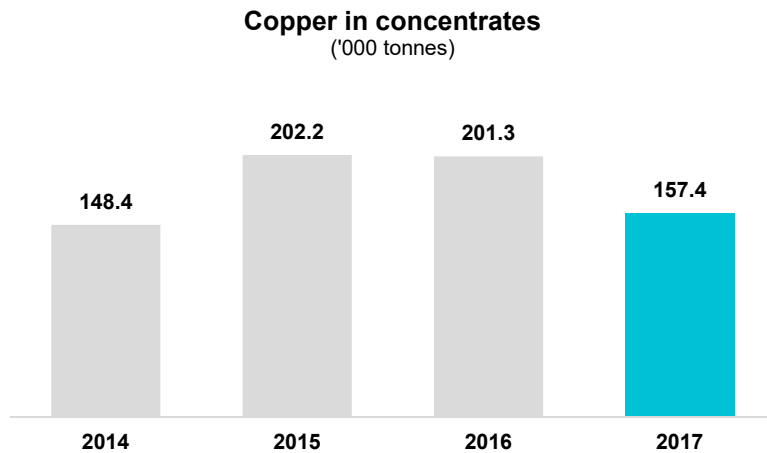
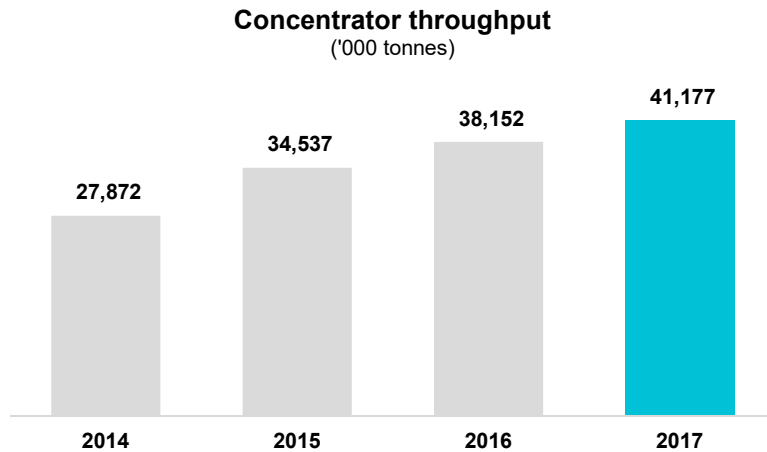
Production in 2018 assumes additional 100,000 ounces of gold from 2016 technical report projection and 50,000 less ounces from 2019 and 2020 technical report projections.

Operating cash flow for 2018 – 2020 incorporates operational improvements/cost savings implemented after publication of the 2016 technical report cash flow model (Table 22.11).



Operational highlights for 2017

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- Strong safety performance
- Record-high material mined and throughput
- Two consecutive years of throughput exceeding nameplate capacity
- Revenue of ~\$940 million
- Operating cash flow of ~\$325 million
- Operating cash costs decreased ~26% since 2014
- Solid balance sheet



Underground development progress

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Lateral development

- 7.7 equivalent kilometres completed (January 2016 – end Q4'17)
- Newly installed 3,500 tonne per day crusher consistently operating above nameplate capacity
- Expect ~10.0 kilometres of lateral development in 2018

Shaft 2 (Production and ventilation)

- Shaft sinking complete in January 2018
- Shaft fit-out expected throughout 2018

Shaft 5 (Ventilation)

- Shaft sinking complete in March 2018; fan installation expected to be complete in early Q2'18
- Increase in lateral development expected when completed

Convey-to-Surface

- Surface excavation complete
- Underground decline commenced in Q1'17



Bottom of Shaft 5



Jaw crusher – Bin 11



Helping expand the Mongolian economy

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Mongolian Workforce

>13,000

At the end of 2017, the Oyu Tolgoi's workforce was 13,000+ strong and 94% Mongolian

Taxes and Fees

~\$1.8B

2010 – 2017, Oyu Tolgoi had paid ~ \$1.8 billion in taxes and royalties to the Mongolian Government

In-country Spend

~\$7.2B

Between 2010 and 2017, Oyu Tolgoi has spent nearly \$7.2 billion in Mongolia¹

Taxpayer Rank

#1

Oyu Tolgoi was the top corporate taxpayer in Mongolian for 2015 and 2016

National Procurement

>\$2.2B

2010 – 2017, Oyu Tolgoi has spent more than \$2.2 billion on Mongolian procurement

Community Investment

\$25.8M

2014 – 2017, Oyu Tolgoi has invested \$25.8 million in sustainable long-term projects in the South Gobi community

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



Committed to sustainability

- Strong safety performance
- Significant water conservation results – regularly exceed recycling target
- Robust biodiversity program
- Comprehensive climate change strategy
- Landmark Cooperation Agreement in 2015 with local communities
- Environmental and social impact assessments beginning in 2012



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



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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.

