

May 18, 2015

## Press release

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### **Oyu Tolgoi shareholders sign agreement to progress the development of underground mine**

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VANCOUVER, CANADA – The development of the underground mine at Oyu Tolgoi in Mongolia has taken a significant step forward today with the signing of the Oyu Tolgoi Underground Mine Development and Financing Plan (the Plan) by the Government of Mongolia, Turquoise Hill Resources and Rio Tinto. The Plan addresses the key outstanding shareholder issues and sets out an agreed basis for the funding of the project.

With a new pathway to development of the underground mine agreed, the focus now shifts to finalizing the project finance, the feasibility study and securing all necessary permits so that the underground mine development can proceed.

Prime Minister of Mongolia MP Chimediiin Saikhanbileg said “Mongolia is back to business. Oyu Tolgoi is a world-class copper-gold asset and its further development is of great economic significance for Mongolia. We have finalized a way forward with our partners which re-establishes the foundations of a new and constructive relationship based on mutual trust and our joint long-term commitment to Mongolia’s growth.

“Unlocking Oyu Tolgoi’s underground mine will have a significant impact on the Mongolian economy, which will benefit Mongolian citizens for generations to come. Our joint agreement clearly positions Mongolia as an attractive country for investment and underscores the fact that Mongolia is open for business”.

Jeff Tygesen, Turquoise Hill Resources Chief Executive Officer, said “The signing of this agreement is the culmination of extensive work by Oyu Tolgoi’s shareholders over the last year. The agreement outlines a pathway to restarting development of the underground mine, and builds on the value that has already been unlocked for Mongolia from the operation of the open-pit mine which is providing jobs and other economic contributions as well as best practices in mining standards.”

Rio Tinto Copper and Coal Chief Executive Jean-Sébastien Jacques said “Our joint announcement today reflects tremendous leadership by all parties and paves the way for work to resume on the underground development, which is expected to deliver significant value to shareholders. The resolution of the outstanding issues reinforces the principles of the Investment Agreement signed in 2009, which underpinned the \$6 billion invested in Oyu Tolgoi to date, and provides a clear and stable framework for the future.”

The construction of the first phase of the pioneering Oyu Tolgoi project – the open-pit mine – was completed on schedule in less than 24 months. The operation celebrated one million tonnes of copper concentrate shipped in March 2015, less than two years after the first production left the mine. Oyu Tolgoi has a workforce that is 95% Mongolian and Oyu Tolgoi LLC has paid \$1.3 billion in taxes, fees and other payments to date.



## About Turquoise Hill Resources

Turquoise Hill Resources (NYSE, NASDAQ & TSX: TRQ) is an international mining company whose primary operation is its 66% interest in the Oyu Tolgoi copper-gold-silver mine in southern Mongolia.

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### 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 U.S. *Private Securities Litigation Reform Act of 1995*. Forward-looking information and statements 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, statements respecting anticipated business activities; planned expenditures; corporate strategies; the Company's interactions with the Government of Mongolia; 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. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the price of copper, gold and silver, anticipated capital and operating costs, anticipated future production and cash flows, the ability to complete the disposition of certain of its non-core assets, the ability and timing to complete project financing and/or secure other financing on acceptable terms, and the status of the Company's relationship and interactions with the Government of Mongolia on the continued development of the Oyu Tolgoi mine 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, mining operational and development risks, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities or assessments by governmental authorities, currency fluctuations, the speculative nature of mineral exploration, the global economic climate, dilution, share price volatility, competition, loss of key employees, additional funding requirements, capital and operating costs for the construction and operation of the Oyu Tolgoi mine, including development of the underground mine, 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 information and statements 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 information or statements.

With respect to specific forward-looking information concerning the construction and development of the Oyu Tolgoi mine, the Company has based its assumptions and analyses on certain factors which are inherently uncertain. Uncertainties and assumptions include, among others: the timing and cost of the construction and expansion of mining and processing facilities; the impact of the delay in the funding and development of the Oyu Tolgoi underground mine; the timing to satisfy all conditions precedent to the availability of Oyu Tolgoi project financing; the approval of the underground feasibility study by

Oyu Tolgoi LLC and its shareholders; the impact of changes in, changes in interpretation to or changes in enforcement of, laws, regulations and government practices in Mongolia; the availability and cost of skilled labour and transportation; the availability and cost of appropriate smelting and refining arrangements; the obtaining of (and the terms and timing of obtaining) necessary environmental and other government approvals, consents and permits; the availability of funding on reasonable terms; the timing and availability of a long-term power source for the Oyu Tolgoi mine; delays, and the costs which would result from delays, in the development of the underground mine (which could significantly exceed the costs projected in the underground feasibility study and in the 2014 Oyu Tolgoi Technical Report); projected copper, gold and silver prices and demand; and production estimates and the anticipated yearly production of copper, gold and silver at the Oyu Tolgoi mine.

The cost, timing and complexities of mine construction and development are increased by the remote location of a property such as the Oyu Tolgoi mine. It is common in new mining operations and in the development or expansion of existing facilities to experience unexpected problems and delays during development, construction and mine start-up. Additionally, although the Oyu Tolgoi mine has achieved commercial production, there is no assurance that future development activities will result in profitable mining operations. In addition, funding and development of the underground component of the Oyu Tolgoi mine have been delayed during the period that was required to resolve outstanding matters with the Government of Mongolia. These delays can impact project economics.

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 20, 2015 in respect of the year ended December 31, 2014 (the "AIF").

Readers are further cautioned that the list of factors enumerated in the "Risk Factors" section of the AIF that may affect future results is not exhaustive. When relying on the Company's forward-looking information and statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Furthermore, the forward-looking information and statements contained herein are made as of the date hereof and the Company does not undertake any obligation to update or to revise any of the included forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking information and statements contained herein are expressly qualified by this cautionary statement.