A YEAR AND A DAY
The success of each year at Oyu Tolgoi depends on the accomplishments of each individual, operating day. Every employee, every action contributed to making 2014 an impressive first full year of production at Oyu Tolgoi, despite some challenges.

Oyu Tolgoi’s ultimate success, though, is not measured just by production figures. Every day we strive to work safely and the mine’s management is committed to reducing risk and injury. In 2014, Oyu Tolgoi was injury-free for 334 days of the year.

Mongolians make up approximately 94% of Oyu Tolgoi’s workforce and they are proud to be part of one of the country’s most-watched companies. Education and training are major focus areas at Oyu Tolgoi, helping create a national workforce that is skilled to global standards.

Oyu Tolgoi’s strong sales in 2014 generated net revenues of more than $1.6 billion. Marketing and logistics improvements throughout the year led to concentrate inventories being drawn down to normal levels by the end of 2014.

Yearly progress at Oyu Tolgoi depends on a strong, safe workforce and the roles they fulfil to make each day a success. The following pages look at a typical day at the mine, where a number of employees highlight each stage of the production process.
01 Employees working for lunch at the mess hall. Some also eat at their work stations around the site.

02 Oyu Tolgoi has one of the largest employee recreation facilities in Mongolia.

03 Early morning at Oyu Tolgoi's employee camp.

04 Mongolian winter footwear.

05 Employees at lunch in the mess hall.

06 Family pictures in a workspace at the site administration office.

07 Part of the employee camp facilities, a blend of Mongolian and permanent structures.

08 Employees in the weight-lifting area of the recreation facility.
Oyu Tolgoi’s long-term success depends on having the right people in the right roles at the right time. In order to achieve that, Oyu Tolgoi is committed to providing opportunities for learning and development and encouraging professional growth with the intent of building a strong Mongolian workforce.

At the end of 2014, 94% of Oyu Tolgoi’s employees were Mongolian, surpassing the Investment Agreement requirement of 90%. More than 20% of the Mongolian workforce is from the South Gobi region.

To build a talent pipeline, Oyu Tolgoi is working to improve trades and technical programs to meet international standards. In 2014, Oyu Tolgoi expanded its trades and apprentice program, which is supported by a dedicated Trades Training Centre at the mine. During the year, Oyu Tolgoi transferred four additional technical and vocational education training centres and polytechnic facilities to the Mongolian Government, in-line with commitments made to support the national education system.

The Oyu Tolgoi scholarship program also supports the mine’s talent pipeline. One part of the program supports study at Mongolian universities and the second part supports study at international universities. As of the end of 2014, the program had fulfilled 85% of its Investment Agreement commitments over five years.

"ONE CENT MAKES A DOLLAR; ONE DROP CAN MAKE A SEA.' I KNOW MY DAILY WORK, NO MATTER HOW SMALL, DOES CONTRIBUTE TO THE PROSPERITY OF MY COUNTRY.”

G. Zolchimseg
Superintendent, Site and South Gobi Communications
Throughout the day trucks will have transported over 30 thousand tons of raw ore to the crusher which is then sent to the processing facility to be processed into concentrate.
It is a great honour to be writing to the Turquoise Hill shareholders for the first time following my appointment as Chair on January 1, 2015. I have been a director since 2012 and am looking forward to my transition to Chair and continuing to work with the Board on behalf of all stakeholders.

As we have looked to deliver the value of the world class deposit at Oyu Tolgoi, we have been focused on reaching agreement with the Government of Mongolia on the company’s long term investment and funding strategy, investing in our people, contributing to the economic prosperity and betterment of communities where we operate and reducing our asset base to focus primarily on Oyu Tolgoi. Throughout 2014, discussions with the Government of Mongolia continued in order to resolve outstanding matters on our investment strategy and to finalize project financing, the cornerstone of our funding strategy, investing in our people, contributing to the economic prosperity and betterment of communities where we operate and reducing our asset base to focus primarily on Oyu Tolgoi. Throughout 2014, discussions with the Government of Mongolia continued in order to resolve outstanding matters on our investment strategy and to finalize project financing, the cornerstone of our funding strategy, which is expected to be provided by international finance institutions and a strategy, which is expected to be provided by international finance institutions and a consortium of commercial banks. Although completion wasn’t reached on negotiations with the Government of Mongolia by year end, during 2014 Turquoise Hill and Rio Tinto made an offer, which we believe is beneficial to all stakeholders, to finalize shareholder matters. In addition, we continue to invest in Mongolia through our contributions to communities, training initiatives, exceeding our targets for employment of Mongolians, procurement and tax payments.

During 2014 and early 2015, we have continued our divestment program for other Turquoise Hill assets allowing the company to focus primarily on Oyu Tolgoi. In particular, we announced two transactions to sell our stake in SouthGobi. Following the closing of both transactions, Turquoise Hill will no longer hold shares in SouthGobi, significantly advancing the board’s divestment strategy. Despite a challenging global economic environment, particularly in commodities markets, Turquoise Hill through Oyu Tolgoi delivered strong sales and operating cash flows during 2014 that allowed Oyu Tolgoi to repay $477 million of debt to Turquoise Hill during the fourth quarter. The strong operating cash flow combined with the repayment resulted in Turquoise Hill ending the year with significant cash on hand.

The Board has also been focused on developing succession plans for each executive role of the company. Every year, we consider the strength of the succession plan for all executive roles and evaluate potential candidates for each position. In December 2014, Jeff Tygesen succeeded Kay Priestly as CEO. Kay successfully led Turquoise Hill during a critical period in the company’s history while Oyu Tolgoi became fully operational and we want to sincerely thank Kay for her contributions to the company.

The Board is confident that under Jeff’s leadership Turquoise Hill will be prepared for the next phase of the company’s growth and development. Jeff is a mining engineer who spent more than 30 years with Rio Tinto in operational roles across multiple product groups as well as technology and innovation and strategic planning. His experience will be invaluable with operations at Oyu Tolgoi and development of the underground as well as providing leadership on our values of accountability, respect, teamwork and integrity.

The Turquoise Hill board is also committed to maintaining and building on strong corporate governance standards and we have taken several important steps in this area. In early 2015, the board adopted a diversity policy that outlines Turquoise Hill’s approach to achieving and maintaining diversity (including gender diversity) for both board and executive positions. In an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills and experiences is critical to the company’s long-term success. The Board’s commitment to diversity is exemplified by the fact that two of the company’s seven directors (28%) are women.

At the 2015 AGM, we are asking shareholders to vote on the adoption of an advisory (non-binding) ‘say on pay’ resolution and have committed to enhancing our disclosure on areas including executive compensation, our clawback policy and director education.

During 2014, in addition to transition at the executive level, there were several changes at the Board. We said farewell to Chair, Dr. David Kingner, and directors Virginia Flood, Isabelle Hudon, Warren Goodman and
Throughout the day trucks will have transported over 30 thousand tons of raw ore to the crusher which is then sent to the processing facility to be processed into concentrate.

Charles Lenegan. Each of these individuals made valuable contributions to Turquoise Hill and I want to thank them for their service on the Board. We also welcomed new directors Dr. Jim Gill and Dr. Craig Stegman. Jim joins with more than 40 years of international mining experience and Craig has 30 years of extensive experience with Rio Tinto in the development and operations of underground copper mines.

I want to specifically acknowledge the significant contribution of Dr. David Klingner and to take this opportunity to extend my heartfelt gratitude to him for his leadership. During his time as Chair, David led the restructuring of the Turquoise Hill board, in accordance with the 2012 Memorandum of Agreement with Rio Tinto, and the execution of a long-term funding strategy that included two major rights offerings. The two offerings ultimately resulted in the company’s strong balance sheet position today as we look toward Oyu Tolgoi’s next phase of development.

Following the transitions during 2014, I believe Turquoise Hill and Oyu Tolgoi are prepared to maximize the value of our world-class asset moving forward. This year will be focused on enhancing productivity from Oyu Tolgoi’s open pit, preparing for the mine’s underground development where 80% of the value resides, as well as navigating the challenging economic climate. I remain confident that we will be able to resolve the outstanding matters with the Government of Mongolia and move forward with further development, which will be beneficial to all stakeholders for decades to come.

During 2015, the Board will also continue to focus on Turquoise Hill’s long-term funding strategy for the development of Oyu Tolgoi’s underground mine as well as finalizing the divestment of SouthGobi.

I would like to take this opportunity to thank our shareholders for their ongoing support and for the shared belief that the value of Oyu Tolgoi, our company’s primary asset, will be realized soon.

Jill Gardner
March 24, 2015
Throughout the day trucks will have transported over 30 thousand tons or raw ore to the crusher which then is sent to the processing facility to be processed into concentrate.

It is an honour to have the opportunity to lead Turquoise Hill as Oyu Tolgoi concluded its first full year of production. While I am new to my role, I am very familiar with Turquoise Hill and Oyu Tolgoi. I have been a Turquoise Hill director since August 2012 and through my previous position I began working with Oyu Tolgoi in 2010. Throughout this time, I have always been impressed with this world-class asset.

I want to take a moment to express my gratitude to Kay Priestly for her many contributions during her time as CEO and leading the company during a critical period in its history. Under her leadership, Turquoise Hill emerged debt free after a successful rights offering that closed in January 2014, significantly reduced corporate costs due to streamlined corporate functions and divested non-core assets. Also during Kay’s tenure Oyu Tolgoi became fully operational.

Safety is one of the most critical parts of Oyu Tolgoi’s operations. We want the mine’s workforce to return from work safely each and every day. Oyu Tolgoi achieved a good safety performance for 2014 and they are committed to further improvement and safety awareness.

Oyu Tolgoi’s first full year of production was impressive despite a few operational interruptions. The 2014 performance numbers alone demonstrate the mine’s significant accomplishments and the team’s resolve:

- Sales of more than 730,000 tonnes of concentrate generating net revenues of approximately $1.6 billion; and
- More than 560,000 tonnes of concentrate produced from almost 28 million tonnes of processed ore.

As world-class mines, like Oyu Tolgoi, are in their early stages of full operations, interruptions do occur as teams move along the learning curve. Oyu Tolgoi’s concentrator performance improved during 2014 but was impacted by thicker rake failures in the first and third quarters and a fire in one of the ball mill cyclone packs late in the fourth quarter. A key point to mention is how eager Oyu Tolgoi’s operating team is to learn and their goal of continuous improvement.

In 2014, Oyu Tolgoi was responsive to making adjustments to the mine plan to reach the open pit high-grade zone in the last quarter of the year. Despite a few early operational challenges, I was pleased that Oyu Tolgoi produced 148,400 tonnes of copper and 589,000 ounces of gold in concentrates for 2014, which was in-line with our guidance.

Oyu Tolgoi’s concentrate sales began late in 2013 and slowly ramped up during the first quarter of 2014. Strong sales for the remainder of the year combined with marketing and logistics improvements throughout 2014, led to concentrate inventories being drawn down to normal levels by year end.

Oyu Tolgoi is a significant part of the Mongolian economy and since major construction began in 2010, the mine has been named a top-five taxpayer each year by the Mongolian Tax Authority. In 2014, Oyu Tolgoi paid almost $250 million in taxes, fees and other payments, which includes royalties on concentrate sales of approximately $90 million.

Sourcing power for Oyu Tolgoi from within Mongolia has always been contemplated as part of the operation’s long-term plan. In August 2014, Oyu Tolgoi signed a cooperation agreement with the Government of Mongolia to assess a Tavan Tolgoi-based independent power producer. The agreement is an important opportunity for Oyu Tolgoi to work with the government toward developing sustainable solutions to secure a long-term, economic power supply from Mongolia.

Throughout 2014, engagement with the Mongolian Government continued to resolve outstanding matters and finalize project financing in order to restart development of the underground mine. Turquoise Hill and Rio Tinto made an offer to the Government of Mongolia during the year to finalize matters, which we believe is beneficial to all stakeholders. We remain committed to further advancing the development of Oyu Tolgoi for the benefit of all stakeholders.

Despite some operational interruptions during the year, Oyu Tolgoi continued to improve through 2014 and ultimately achieved impressive results. We look forward to building on the operation’s 2014 achievements and in 2015 continually improving on performance.

Jeff Tygesen
March 24, 2015
Throughout the day, trucks will have transported over 30 thousand tons of raw ore to the crusher, which is then sent to the processing facility to be processed into concentrate.
01. Employees not residents of the South Gobi fly 550 kilometres to site on Mongolian aircraft.
02. Inside the arrivals hall at the Khanbumbat airport that services Oyu Tolgoi.
03. A nighttime view of the coarse-ore storage shed and the concentrator complex. Operations at site are active 24 hours a day.
04. Safety training keeps employees aware and actively thinking about the safety of themselves and their colleagues.
05. Open pit operators arriving at a pre-shift safety and work briefing.
06. Tethers and a diagram about working at heights.
07. An employee in a safety training lesson.
08. Mongolian and international doctors staff the clinic at site, which includes a number of key medical devices, such as x-ray and ultrasound machines.
09. Employees receiving a training lesson about working at heights.
10. The safety and wellbeing of all those working at site is considered before any work is done.
SAFETY

04

“SAFETY AT OYU TOLGOI ISN’T LIMITED TO OUR SITE. WE WANT TO BRING OUR STANDARDS INTO DAILY MONGOLIAN LIFE; IT’S LIFE SAFETY.”

U. Enkhbulgan
Trainer, Site & Safety Induction

Safety is of the utmost importance at Oyu Tolgoi. Each shift begins with a safety briefing and a review of the day’s plan. Nothing is more important than the workforce going home safe every day. The goal is zero harm.

Safety also isn’t something that only applies to work. It is important for Oyu Tolgoi’s workforce to incorporate high safety standards in their personal lives as well.

For 2014, Oyu Tolgoi achieved a good safety performance with no fatalities and an All Injury Frequency Rate of 0.47 per 200,000 hours worked. Oyu Tolgoi was injury free for 334 days of the year.

While the mine’s safety performance for 2014 was good, Oyu Tolgoi’s management is committed to reducing injury and continues to engage with the workforce to improve the understanding of risks and controls. During the year, Oyu Tolgoi increased hazard control and education programs, and also launched the Critical Risk Management initiative. Both aim to manage and assess the most serious risks to personal safety.
An operator’s hardhat displays certain sticker badges related to how long they have been working at this.

Employees at the pre-shift briefing.

Some operators have come to Oyu Tolgoi from other Mongolian mining operations.

Pre-shift safety checks of the haul trucks that work in the open pit occur before every shift.

A pre-shift meeting for the open pit drivers, drillers and miners covers the daily plan and any specific safety issues related to the day’s tasks.

Trucks lined up and ready for the daytime shift.

Reviewing the day’s drilling, blasting and mining plan.

Oyu Tolgoi employees a number of female heavy-equipment operators.
Concentrate starts its journey as giant excavators and shovels dig the ore from the Southern Oyu open-pit mine. During 2014, Oyu Tolgoi mined almost 77 million tonnes of material from the open pit.

Oyu Tolgoi began implementing a number of cost reduction and productivity initiatives in 2014 designed to generate increased cash flow and improve financial performance. Several of the programs focused on open-pit operations. This included haul truck tray extensions to increase truck payloads and the hiring of permanent part-time employees to operate mining equipment during the meal breaks of full-time employees. These initiatives already are beginning to deliver improvements in productivity and efficiency.

The open pit operates with 28 Komatsu haul trucks that when fully loaded weigh more than 500,000 kilograms. There are two Komatsu loaders in the open pit that are considered to be some of the biggest in the world. Four Pit Viper drills are used for drilling and blasting in the open pit. On average, blasting occurs two to three times a week. In 2014, 17,000 tonnes of explosives were used for blasting.

At its lowest point, the open-pit mine will be deep enough to stack the Great Pyramid of Giza on top of itself four times.
Areas with heightened work-safety issues often have additional security to limit vehicle and employee access to further create a safe work environment.

A 330-tonne-capacity truck in the open pit.

Only work-specific vehicles are allowed in the open pit area.

Drilling, mining and haulage: the foundations of open-pit mining.

One of two rope shovels in the open pit. The bucket has a 61m³ capacity.

Open-pit copper-gold ore en route to the crusher.
The Southern Oyu open pit mine at Oyu Tolgoi.
01 A haul truck prepares to dump open-pit ore into the crusher.

02 Conveyor belts stretch out from the crusher to the coarse-ore storage building at the concentrator complex.

03 Inside the crusher control room as a haul truck delivers ore.

04 Tools to measure the size of crushed ore.

05 Up to 100,000 tonnes of ore is processed by the crusher daily.

06 Crushed ore in transit to the concentrator complex.
01  A haul truck prepares to dump open-pit ore into the crusher.
02  Conveyor belts stretch out from the crusher to the coarse-ore storage building at the concentrator complex.
03  Inside the crusher control room as a haul truck delivers ore.
04  Tools to measure the size of crushed ore.
05  Up to 100,000 tonnes of ore is processed by the crusher daily.
06  Crushed ore in transit to the concentrator complex.

**CRUSHER**

**06**

“I HAVE BEEN PROVIDING MAINTENANCE WORK IN THE CONCENTRATOR SINCE I JOINED IN 2012. WE DO REGULAR MAINTENANCE CHECKUPS TO ENSURE ALL EQUIPMENT IS SAFELY FUNCTIONING WELL.”

B. Erdenebat
Welder, Concentrator Maintenance

Komatsu trucks with 330-tonne capacity – the biggest ever used in Mongolia – transport ore from the open pit to the primary crusher where it is reduced into volleyball-sized pieces of rock. An overland conveyor carries the crushed ore approximately three kilometres to the concentrator.

In 2014, more than 27 million tonnes of crushed ore was treated by the concentrator.

The overland conveyor is the same length as the Golden Gate Bridge.

The Oyu Tolgoi maintenance team, which includes more than 300 employees, services all moving equipment at the mine. To change one haul truck tire, it requires three tire fitters working approximately three hours. Each tire weighs five tonnes and has an average life of 15 years or 100,000 working hours (depending on haulage conditions).
A portion of the concentrator complex, showing the coarse-ore storage shed (right), pebble crusher and conveyors leading to the concentrator building.
01 Processing of the ore is overseen from a central control room inside the concentrator.

02 The Oyu Tolgoi concentrator is the largest of its kind in Mongolia. For many employees, this is their first advanced minerals processing job.

03 One of two 38-foot diameter SAG grinding mills.

04 Maintenance being performed on one of the SAG grinding mills.

05 Employees in front of one of four ball grinding mills.

06 Repairs, maintenance and looking for operational efficiencies are key to keeping the concentrator performing well.
Oyu Tolgoi’s concentrator is the largest industrial plant ever built in Mongolia. In 2014, the concentrator produced 563,600 tonnes of copper-gold concentrate in its first full year of operations.

The concentrator incorporates grinding, flotation and thickening.

Water is added to the ore as it passes through a series of mills. Semi-autonomous grinding mills crush the ore further by dropping heavy metal weights on it. Next, ball mills grind the remaining pieces of rock into a fine powder.

Chemicals are then added to the liquefied ore, which help the minerals stick to air bubbles. Four large cylindrical machines use a chemical method to increase concentrate from 15% copper to at least 25%. The minerals float to the top and the material is collected.

The concentrate is thickened and any remaining water is removed through a pressurized filter to be recycled. The concentrate is now a dry powder containing 25% to 30% copper, with smaller amounts of gold and silver.

In 2014, the concentrate produced by Oyu Tolgoi contained 148,400 tonnes of copper and 589,000 ounces of gold.

“IN OUR TEAM, WE HAVE EMPLOYEES WHO GRADUATED FROM TECHNICAL AND VOCATIONAL EDUCATION TRAINING SCHOOLS IN ERDENET, DARKHAN AND DORNOD. MANY JOINED OYU TOLGOI IN 2012 AROUND THE TIME OF FIRST PRODUCTION. WE ARE BASICALLY ONE OF THE FIRST TEAMS TO JOIN THE CONCENTRATOR. I AM PROUD TO BE A PART OF WHAT WE DO FOR MONGOLIA’S DEVELOPMENT AND PROSPERITY.”

T. Ganzorig
Team Leader, Concentrator
01. The concentrator's control room.
02. Ore passes through one of the concentrator's cyclone packs before going through flotation.
03. Flotation tanks in the concentrator complex separate metals from rock.
04. Flotation tanks.
05. Employees reviewing a checklist of daily work in the concentrator.
06. Currently, the concentrator can process 100,000 tonnes of ore per day.
Air-injected water helps metals stick to bubbles and rise to the top, producing a higher-grade concentrate that is thickened and dried before being shipped.
Inside the concentrate bagging plant.

Every 1.8-tonne bag of concentrate is stamped ‘Product of Mongolia’.

The concentrate produced by Oyu Tolgoi is about 30% copper, with smaller amounts of gold and silver.

Each truck carries 18 bags of concentrate down to a bonded warehouse before being exported.

An employee showing some of the necessary equipment for working in a dynamic workplace.

A product of Mongolian land and people.
“PERSONALLY, WORKING AT OYU TOLGOI IS ABOUT GAINING EXPERIENCE FROM A WORLD-CLASS MINE.”

R. Gansalikh
Superintendent, Bagging Operations

Finished concentrate moves to the bagging plant where it is placed in 1.8 tonne bags and loaded onto trucks bound to Oyu Tolgoi’s bonded warehouse at the Mongolia-China border. Each bag is proudly stamped Made in Mongolia.

One truck holds 18 bags totaling more than 30 tonnes of concentrate. The trucks travel 120 kilometers to reach the border warehouse.

In February 2015, Oyu Tolgoi shipped its one millionth tonne of concentrate.

Currently all of Oyu Tolgoi’s concentrate is sold into China but developing infrastructure should create options for potential market diversification. During 2014, Oyu Tolgoi completed trial shipments through Russia to Japan and to China on rail. These alternative routes could provide logistical flexibility to reduce costs and develop geographically-diverse sales.
Trucks of concentrate loaded and ready for transport.
A truck driver waits patiently as his cargo is inspected by Oyu Tolgoi security.

Drivers signing out and exiting the mine site en route to the bonded warehouse near the Mongolia-China border.

Currently, all of Oyu Tolgoi’s concentrate is shipped by truck and sold to smelters located in China.

The Oyu Tolgoi-constructed paved road from site to the border is approximately 105 kilometres.

Environmental and community studies helped define the best transportation corridor to the Mongolia-China border.

Up to 50 trucks will leave the compound per day carrying cargo.
During 2014, logistics and marketing played an important role in Oyu Tolgoi’s operations. Net revenues in 2014 of approximately $1.6 billion on 733,700 tonnes of concentrate resulted in sales exceeding annual production. Following an inventory build-up in 2013, robust sales combined with logistics and marketing improvements throughout 2014 led to concentrate inventories being drawn down to normal levels by year end.

Contracts have been signed for 100% of Oyu Tolgoi’s expected 2015 concentrate production.

Logistics suppliers are part of Oyu Tolgoi’s broader procurement program, which continues to support and develop a national, quality-assured supply chain. More than 60% (784 businesses) of Oyu Tolgoi’s suppliers are Mongolian companies accounting for more than $300 million in total 2014 procurement spending. Oyu Tolgoi’s domestic suppliers provide additional positive impacts to the Mongolian economy.

Since 2010, Oyu Tolgoi has spent approximately $4.6 billion in Mongolia, including more than $1.0 billion in taxes, fees, royalties and other payments to local, provincial and national-level governments. Oyu Tolgoi has been named a top-five taxpayer each year since 2010 by the Mongolian Tax Authority.

"THE MAIN ROLE OF OUR OUTBOUND LOGISTICS IS TO SAFELY DELIVER THE CONCENTRATE TO OUR CUSTOMERS. WE UPHOLD BEST-PRACTICE STANDARDS WHICH FURTHER PROMOTE THE IMPROVEMENT OF THE MONGOLIAN LOGISTICS SECTOR.”

L. Bertsetseg
Senior Administrator, Administration and Shipping

01 A truck driver waits patiently as his cargo is inspected by Oyu Tolgoi security.
02 Drivers signing out and exiting the mine site en route to the bonded warehouse near the Mongolia-China border.
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05 Environmental and community studies helped define the best transportation corridor to the Mongolia-China border.
06 Up to 50 trucks will leave the compound per day carrying cargo.
The last truck in a convoy carrying concentrate south to Dera, the world's largest copper consumer.
01 Khanbogd is the nearest community to Oyu Tolgoi, approximately 45 kilometres to the northeast of the mine.
02 The community is a mix of buildings and traditional Mongolian gers.
03 Oyu Tolgoi values its place in the community and contributes to infrastructure, education, health and youth programs in the South Gobi.
04 Oyu Tolgoi assisted in paving a number of local roads in 2014.

COMMUNITY & ENVIRONMENT
Khanbogd is the nearest community to Oyu Tolgoi, approximately 45 kilometres to the northeast of the mine. The community is a mix of buildings and traditional Mongolian gers. Oyu Tolgoi values its place in the community and contributes to infrastructure, education, health and youth programs in the South Gobi.

Oyu Tolgoi assisted in paving a number of local roads in 2014. Traditional yurt family dwelling in Khanbogd. Immense sky over Khanbogd. Khanbogd village life.

During 2014, Oyu Tolgoi made significant progress in strengthening relationships with local communities providing support on a number of projects.

Progress was made during the year with Oyu Tolgoi’s Well Restoration and Participatory Monitoring Program, which restored 20 additional herder wells and work continued on establishing a formal long-term Cooperation Agreement between the mine and authorities in the South Gobi region.

Oyu Tolgoi is committed to operating in a sustainable and responsible manner while upholding the highest environmental standards, including air, water, land and biodiversity. The mine continues to work with local communities and other stakeholders to minimize and mitigate the effects of Oyu Tolgoi’s operations on the environment.

During 2014, Oyu Tolgoi used an average of 0.48 cubic metres of water per tonne of ore processed, which is significantly better than the global average of 1.2 cubic metres per tonne for comparable operations, and surpassed the mine’s target for water use and efficiency. For the year, Oyu Tolgoi was able to recycle approximately 85% of the water used in operations.

Oyu Tolgoi was awarded the Best Responsible Mine for 2014 by the Mongolian Mining Journal at its fifth annual awards ceremony. The award recognized Oyu Tolgoi for transitioning from construction to full-capacity operations in a responsible way by placing safety above all else, maximizing long-term benefits for all stakeholders and protecting the environment.

"SMOOTH MINE OPERATIONS INCLUDE ENGAGING VARIOUS LOCAL STAKEHOLDERS TO BUILD AND MAINTAIN ENDURING RELATIONSHIPS WITH OUR COMMUNITIES."

S. Myagmarjav
Superintendent, Regional Participation