

ALTERNATIVE MONTHLY REPORT

PART 4, NATIONAL INSTRUMENT 62-103 *The Early Warning System and Related Take-over Bid and Insider Reporting Issues*

RE: TURQUOISE HILL RESOURCES LTD.

Item 1 – Security and Reporting Issuer

1.1 The designation of securities to which this report relates and the name and address of the head office of the issuer of the securities:

Name: TURQUOISE HILL RESOURCES LTD. (the “**Issuer**”)
Address: Corporate Services
Suite 354
200 Granville Street
Vancouver, BC
V6C 1S4

This report relates to the shares of common shares of the Issuer (“**Common Shares**”).

1.2 The name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place:

The transactions triggering this report took place over the facilities of the Toronto Stock Exchange and the New York Stock Exchange.

Item 2 – Identity of Eligible Institutional Investor

2.1 The name and address of the eligible institutional investor:

Name: SailingStone Capital Partners LLC (“**SailingStone**”)
Address: One California Street, 30th Floor
San Francisco, California 94111

SailingStone is an investment manager as defined in National Instrument 62-103 by virtue of being (a) registered to provide investment counseling, portfolio management or similar advisory services in respect of securities under the Investment Advisers Act of 1940 of the United States of America, as amended, and (b) providing the advisory services referred to above for valuable consideration under a contractual arrangement.

2.2 The date of the transaction or other occurrence that triggered the requirement to file this report:

This filing is being made to report SailingStone’s holdings as at August 31, 2018.

2.3 The names of any joint actors in connection with the disclosure required by this report:

No other entity acts jointly or in concert with SailingStone in connection with the ownership of, or control over, the above securities.

2.4 A statement that the eligible institutional investor is eligible to file reports under Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities:

SailingStone is eligible to file reports under Part 4 of National Instrument 62-103 in respect of the above securities.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 The designation and the net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor's security holding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 of National Instrument 62-103 or the early warning requirements:

As of August 31, 2018, the number of Common Shares held by accounts over which SailingStone had investment authority (the "Accounts") had increased by 22,630,088 Common Shares from the 235,560,923 Common Shares previously reported and SailingStone's security holding percentage had increased by approximately 1.12% from the approximately 11.71% previously reported.

3.2 The designation and number or principal amount of securities and the eligible institutional investor's security holding percentage in the class of securities at the end of the month for which the report is made:

As of August 31, 2018, the Common Shares held by the Accounts was 258,191,011 Common Shares, representing a security holding percentage of approximately 12.83%, assuming approximately 2,012,314,469 total issued and outstanding Common Shares.

3.3 Whether the transaction involved a securities lending arrangement:

Not applicable.

3.4 The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3.2 over which:

(i) the eligible institutional investor, either alone or together with any joint actors, has ownership and control:

Not applicable.

(ii) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the eligible institutional investor or any joint actor:

Not applicable.

(iii) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:

SailingStone considers that it may be deemed to have control over but not ownership of the securities referred to in paragraph 3.2.

- 3.5 The material terms of any related financial instruments and its impact on the eligible institutional investor's securityholdings if the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required in this report:**

Not applicable.

- 3.6 The material terms of any arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement if the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required in this report:**

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104:

Not applicable.

- 3.7 The material terms of any agreement, arrangement or understanding if the eligible institutional investor or any of its joint actors is party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor's economic exposure to the security of the class of securities to which this report relates:**

Not applicable.

Item 4 – Purpose of the Transaction

- 4.1 The purpose of the eligible institutional investor and any joint actors in acquiring or disposing of ownership of, or control over, the securities, including any plans or future intention which the eligible institutional investor and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the issuer;**
- (b) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (c) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

- (d) a material change in the present capitalization or dividend policy of the reporting issuer;
- (e) a material change in the reporting issuer's business or corporate structure;
- (f) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;
- (g) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (h) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (i) a solicitation of proxies from security holders;
- (j) an action similar to any of those enumerated above.

SailingStone, on behalf of the Accounts, has acquired Common Shares for investment purposes and will continue to analyze its investment in the Issuer on an ongoing basis. As part of this investment analysis process, SailingStone reserves the right to engage in discussions with management of the Issuer and with third parties that may have an interest in the business affairs of the Issuer in order to monitor their investment and consider possible strategic alternatives.

Depending upon such discussions and consideration of strategic alternatives, SailingStone could support one or more of the actions described in subparagraphs (a) through (j) above. SailingStone reserves the right to formulate other purposes, plans or proposals regarding the Issuer to the extent deemed advisable by SailingStone in light of current market conditions generally and specifically as they relate to the Issuer. SailingStone further reserves the right to add to or reduce their holdings in the Issuer at any time as circumstances warrant without prior notice.

Item 5 – Agreements, Arrangements, Commitments or Understandings with Respect to Securities of the Reporting Issuer

- 5.1 The material terms of any agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to securities to which this report relates, including the transfer of the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, divisions of profits or loss, or the giving or withholding of proxies:**

Dispositional and voting authority over the above securities is held by SailingStone pursuant to various investment advisory agreements between SailingStone and the Accounts.

Item 6 – Change in Material Fact

- 6.1 Any change in a material fact set out in a previous report filed by the eligible institutional investor under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the Issuer's securities:**

Not applicable.

Item 7 – Certification

I, as the eligible institutional investor, certify that the statements made in this report are true and complete in every respect.

Dated: September 5, 2018.

SAILINGSTONE CAPITAL PARTNERS LLC

(signed) “Kathlyne Kiaie”

Kathlyne Kiaie
Chief Compliance Officer