

# Extractive Sector Transparency Measures Act - Annual Report



|   |   |  |            |             |                       |           |
|---|---|--|------------|-------------|-----------------------|-----------|
| <b>Reporting Entity Name</b>                                | Turquoise Hill Resources Ltd.   |  |            |             |                       |           |
| <b>Reporting Year</b>                                       | <b>From</b>   | 1/1/2018   | <b>To:</b> | 12/31/2018  | <b>Date submitted</b> | 5/15/2019 |
| <b>Reporting Entity ESTMA Identification Number</b>         | E004020   | <input checked="" type="radio"/> Original Submission<br><input type="radio"/> Amended Report |            |             |                       |           |
| <b>Other Subsidiaries Included</b><br>(optional field)      |   |  |            |             |                       |           |
| <b>Not Consolidated</b>                                     |   |  |            |             |                       |           |
| <b>Not Substituted</b>                                      |   |  |            |             |                       |           |
| <b>Attestation by Reporting Entity</b>                      | <p><i>In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.</i></p> |  |            |             |                       |           |
| <b>Full Name of Director or Officer of Reporting Entity</b> | Luke Colton   |  |            | <b>Date</b> | 5/15/2019             |           |
| <b>Position Title</b>                                       | Chief Financial Officer   |  |            |             |                       |           |

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|---|-------------------------------|----------|------------|-------------------------------|-----|
| <b>Reporting Year</b>                               | <b>From:</b>                  | 1/1/2018 | <b>To:</b> | 12/31/2018                    |     |
| <b>Reporting Entity Name</b>                        | Turquoise Hill Resources Ltd. |          |            | <b>Currency of the Report</b> | USD |
| <b>Reporting Entity ESTMA Identification Number</b> | E004020                       |          |            |                               |     |
| <b>Subsidiary Reporting Entities (if necessary)</b> |                               |          |            |                               |     |

### Payments by Payee

| Country  | Payee Name <sup>1</sup>           | Departments, Agency, etc... within Payee that Received Payments <sup>2</sup> | Taxes     | Royalties  | Fees      | Production Entitlements | Bonuses   | Dividends | Infrastructure Improvement Payments | Total Amount paid to Payee | Notes <sup>34</sup>  |
|----------|-----------------------------------|--|-----------|------------|-----------|-------------------------|-----------|-----------|-------------------------------------|----------------------------|--|
| Mongolia | National Government of Mongolia   | Mongolian Tax Administration   |           | 65,530,000 | 220,000   |                         |           |           |                                     | 65,750,000                 |  |
| Mongolia | Ulaanbaatar City                  |  |           |            | 1,000,000 |                         |           |           |                                     | 1,000,000                  |  |
| Mongolia | Khanbogd Sum                      |  |           |            | 540,000   |                         |           |           |                                     | 540,000                    |  |
| Mongolia | Umnigobi Aimag                    |  | 6,710,000 |            | 6,170,000 |                         |           |           |                                     | 12,880,000                 |  |
| Mongolia | Gobi Oyu Development Support Fund |  |           |            |           |                         | 5,000,000 |           |                                     | 5,000,000                  | "Bonuses" include amounts paid under Oyu Tolgoi LLC's Communities Co-operation Agreement. Funding supports Oyu Tolgoi partner communities, including Umnugovi aimag and the Khangbogd, Manlai, Bayan-Ovoo and Dalanzadgad soums. |
|          |                                   |  |           |            |           |                         |           |           |                                     |                            |  |
|          |                                   |  |           |            |           |                         |           |           |                                     |                            |  |
|          |                                   |  |           |            |           |                         |           |           |                                     |                            |  |
|          |                                   |  |           |            |           |                         |           |           |                                     |                            |  |

**Additional Notes:** Taxes, royalties, fees and bonuses have been translated from Mongolian currency ("MNT") into USD by converting payments at the exchange rate existing at the time the payment was made. Effective conversion rates for the total of payments are as follows:  
Taxes: 2,488 MNT/USD; Royalties: 2,462 MNT/USD; Fees: 2,463 MNT/USD; Bonuses 2,449 MNT/USD

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|---|-------------------------------|-----------------------|-----------------------------------|
| <b>Reporting Year</b>                               | <b>From:</b> 1/1/2018         | <b>To:</b> 12/31/2018 |                                   |
| <b>Reporting Entity Name</b>                        | Turquoise Hill Resources Ltd. |                       | <b>Currency of the Report</b> USD |
| <b>Reporting Entity ESTMA Identification Number</b> | E004020                       |                       |                                   |
| <b>Subsidiary Reporting Entities (if necessary)</b> |                               |                       |                                   |

### Payments by Project

| Country  | Project Name <sup>1</sup> | Taxes     | Royalties  | Fees      | Production Entitlements | Bonuses   | Dividends | Infrastructure Improvement Payments | Total Amount paid by Project | Notes <sup>23</sup>  |
|----------|---------------------------|-----------|------------|-----------|-------------------------|-----------|-----------|-------------------------------------|------------------------------|--|
| Mongolia | Oyu Tolgoi                | 6,710,000 | 65,530,000 | 7,930,000 |                         | 5,000,000 |           |                                     | <b>85,170,000</b>            | "Bonuses" include amounts paid under Oyu Tolgoi LLC's Communities Co-operation Agreement. Funding supports Oyu Tolgoi partner communities, including Umnugovi aimag and the Khangbogd, Manlai, Bayan-Ovoo and Dalanzadgad soums. |
|          |                           |           |            |           |                         |           |           |                                     |                              |  |
|          |                           |           |            |           |                         |           |           |                                     |                              |  |
|          |                           |           |            |           |                         |           |           |                                     |                              |  |
|          |                           |           |            |           |                         |           |           |                                     |                              |  |
|          |                           |           |            |           |                         |           |           |                                     |                              |  |
|          |                           |           |            |           |                         |           |           |                                     |                              |  |
|          |                           |           |            |           |                         |           |           |                                     |                              |  |
|          |                           |           |            |           |                         |           |           |                                     |                              |  |
|          |                           |           |            |           |                         |           |           |                                     |                              |  |

|                                      |  |
|--------------------------------------|--|
| <b>Additional Notes<sup>3</sup>:</b> | Taxes, royalties, fees and bonuses have been translated from Mongolian currency ("MNT") into USD by converting payments at the exchange rate existing at the time the payment was made. Effective conversion rates for the total of payments are as follows:<br>Taxes: 2,488 MNT/USD; Royalties: 2,462 MNT/USD; Fees: 2,463 MNT/USD; Bonuses 2,449 MNT/USD |
|--------------------------------------|--|