

MONYWA FACT FILE – 2011

In February 2007, an independent, third-party trust acquired Ivanhoe Mines' (now Turquoise Hill Resources) former 50% interest in the Myanmar Ivanhoe Copper Company Ltd., which owned and operated the Monywa Copper Project. The change of ownership ended Ivanhoe Mines' business involvement in Myanmar.

This file contains background information on Ivanhoe Mines' role in the Monywa Copper Project between 1996 and 2007.

LINK: <http://www.turquoisehill.com/s/monywatrust.asp>

Introduction

May 2006: Statement by R. Edward Flood, Deputy Chairman, Ivanhoe Mines

Democracy, rights and values: an Ivanhoe Mines view

The Monywa Copper Project is living up to its original ambition to be a world-class mine. But it is the tremendously positive contribution that this very successful project is making to the lives of residents of the vicinity around the mine, in north-central Myanmar, which often gets overlooked.

We are proud of our involvement in the Monywa Project. We think Monywa is a model resource development project. Every day, it demonstrates that our enterprise and our commitments to international charters and standards do indeed help to deliver economic and social benefits to many thousands of people in significant communities of interest.

Ivanhoe's business principles are clear and unequivocal. Our Statement of Values and Responsibilities says, in part, that ultimately we will be judged more by our actions, and by the consequences of those actions, than we will by our words. While Ivanhoe is not motivated by political considerations and we do not assume the advocacy postures of non-governmental organizations, we have publicly expressed our unqualified support for democratic reforms in Myanmar.

We are proud of the economic contributions that our investments have helped to produce and we are proud of the community support initiatives that all of our international ventures have initiated and sustained. The outstanding performance of the MICCL Monywa Copper Project in the areas of employee safety, health and environmental management is verified every year by independent, international authorities.

Ivanhoe is leading by example, within its sphere of influence and competence.

Jobs, investment, democracy and individual rights — including the right to work — can go hand in hand to give people the opportunities and the means to pursue their ambitions with dignity in a secure and healthy environment, and Ivanhoe will continue to contribute in a meaningful, responsible and appropriate manner.

(LINK – Statement of Values and Responsibilities:
www.turquoisehill.com/i/pdf/Values&Citizenship.pdf)

[October 3, 2007: Statement by the Ivanhoe Mines Board of Directors](#)

Directors of Ivanhoe Mines deplore acts of violence against peaceful demonstrators in Myanmar

VANCOUVER, CANADA – On behalf of the management and employees of Ivanhoe Mines Ltd., we wish to place our voices on the record in registering deep concern about recent developments in Myanmar.

Together with people around the world, we have seen news reports containing graphic images of suppressive violence being used to disperse and intimidate peaceful protesters advocating democratic change in Myanmar.

We share the revulsion of right-thinking people everywhere against unwarranted assaults on Buddhist monks and civilians. History has shown us again and again that clubs and guns cannot permanently subjugate broadly-based popular support for fundamental freedoms that now are taken for granted by much of the watching world.

We take pride in expressing our admiration for the spirit of democratic principles exemplified by the courageous monks and their remarkable parades for change that evidently encouraged their followers. We deplore the fact that so many years of discussions within Myanmar about constitutional change now appear to be jeopardized by the reactions of the state that threaten to set back, rather than advance, human rights and democratic ideals.

In 2002 and 2003, the Board of Directors of Ivanhoe Mines publicly declared its support for a democracy-building process in Myanmar that would establish and protect rights for all of the people of Myanmar. We also supported the work of United Nations representatives in endeavouring to lend leadership and support to the process of democracy building in Myanmar. Ivanhoe Mines' support remains unchanged.

Although Ivanhoe Mines disposed of all of its business interests in Myanmar by transferring their ownership to an independent, third-party Trust seven months ago, pending their sale, company directors and employees are honoured to have worked with many dedicated, hard-working men and women involved in successfully operating the Monywa Copper Project to international standards for health, safety and environmental management. Ivanhoe Mines kept its economic and social commitments to them and their communities and we continue to respect their values and aspirations for their families and nation.

([LINK: www.ivanhoemines.com/s/News_Releases.asp?ReportID=375589](http://www.ivanhoemines.com/s/News_Releases.asp?ReportID=375589))

The Monywa Copper Project

Beginnings and agreements: the facts

1992-1996: Building the Foundation for a Joint Venture

- Ivanhoe Mines began working in Myanmar, through a subsidiary company, in 1992 — five years before limited economic sanctions were imposed by the government of Canada against the government of Myanmar.

- ❑ In 1992, an Ivanhoe subsidiary company, Ivanhoe Myanmar Holdings, Ltd., began negotiations with Mining Enterprise No. 1, owned by the Myanmar government, for a joint venture to develop a heap-leach solvent extraction-electrowinning processing facility to recover copper from the Monywa deposits.
- ❑ The first formal affirmation of Ivanhoe's interest in the Monywa copper deposit was an agreement in March, 1994, in which Ivanhoe committed to study the feasibility of recovering copper, using the heap-leach solvent extraction-electrowinning (SX-EW) process, at four deposits: Sabetaung, Sabetaung South, Kyisintaung and Letpadaung, near the city of Monywa, in central Myanmar. The 1994 Feasibility Study Agreement, which required the completion of a feasibility study on the Phase 1 S&K Mine in March, 1996, also established the terms for a future joint venture between Ivanhoe and Mining Enterprise No. 1.
- ❑ In 1994, copper already was being produced in the traditional form of concentrates at an existing mine and concentrator-smelter at Sabetaung. This production activity was entirely unrelated to Ivanhoe. The earlier mine was operated by Myanmar's state-owned Mining Enterprise No. 1, in a joint venture with Yugoslavia's state-owned RTB Bor Copper Institute, between 1985 and 1997. However, production did not meet expectations due to a shortage of foreign exchange and complex metallurgy of the Sabetaung ore, which is better suited to a leaching process used by the MICCL-Ivanhoe venture than the earlier flotation-concentration process introduced under the RTB Bor development plan.
- ❑ In 1995, Ivanhoe, as part of its agreement with Mining Enterprise No. 1, initiated the operation of a pilot plant at Monywa that confirmed the effectiveness of the SX-EW process for recovering copper from Monywa ores. The heap-leach, SX-EW process is a modern, proven, efficient and widely used method of very high-quality copper production, with fewer environmental impacts than are experienced in the production of traditional copper concentrates through the use of a
- ❑ concentrator-based flotation process — and sometimes a smelter to upgrade the quality of the copper concentrate. Approximately 30% of the world's total copper production now comes from mines using the SX-EW process. Principal advantages of the SX-EW process are its ability to produce the highest quality copper with low capital and operating costs.
- ❑ Before committing to substantial investments in Myanmar in 1996, Ivanhoe representatives discussed the company's plans with Canadian government officials.

MICCL: The Joint-Venture Partnership Between 1996 and 2007

- ❑ In April, 1996, Ivanhoe Mines and Mining Enterprise No. 1 (ME1) signed an agreement to establish a joint venture as equal, 50/50 partners to develop the Monywa Copper Project, to market copper produced from the Sabetaung and Kyisintaung (S&K) deposits — and, as was subsequently justified by additional feasibility work, to develop the Letpadaung deposit. The development of the overall project was planned in two phases. Contracts for construction of phase one, the S&K Mine, were awarded in August, 1997.
- ❑ The joint-venture company, **Myanmar Ivanhoe Copper Company Limited (MICCL)**, was established and based in Myanmar. Under terms of the joint-venture agreement, Ivanhoe Mines Ltd., through its wholly-owned, Myanmar-focused subsidiary, Bagan Copper Holdings Ltd. (formerly Ivanhoe Myanmar Holdings, Ltd.), owned 50% of MICCL. The other 50% of MICCL was owned by the state-owned ME1. (NOTE: Ivanhoe's involvement with MICCL ended when Ivanhoe transferred ownership of its former 50% stake to the independent, third-party Monywa Trust on February 27, 2007.)

- ❑ In August 1997, the government of Canada imposed selective sanctions against Myanmar. The measures were directed against imports and exports between Canada and Myanmar. It is important to note that the Canadian measures did not impose restraints on capital that is invested in Myanmar to help with the development of the country's economy. The Canadian government asked the business community to "refrain from entering into further investment agreements or commercial ventures in Burma until improvements are evident."
- ❑ The Canadian government did not suggest that Canadian businesses should voluntarily terminate their existing operations, investment commitments and development agreements in Myanmar.
- ❑ Until its divestiture of its interest in MICCL in February, 2007, Ivanhoe had ongoing exploration and development programs in Myanmar that did not constitute new commercial ventures. Specifically, the long-planned development of the Letpadaung mineral deposit as the second phase of the Monywa Copper Project was a continuation of an existing investment agreement and, as such, would not have been a new venture and would not have been at variance with Canada's 1997 request.
- ❑ Throughout Ivanhoe Mines involvement, the Monywa Copper Project – and its phase-one S&K Mine – was controlled and operated by MICCL. As the owner and operator, MICCL made all day-to-day decisions involving the project. The MICCL Chairman, who was appointed by the state-owned ME1, held the controlling vote on the six-member MICCL Board of Directors — three of whom were appointed by Ivanhoe Mines.
- ❑ Mining Enterprise No. 1 was one of several established mining companies owned by the government of Myanmar and reported through the national government's Ministry of Mines. (Partnerships with state enterprises are common, and often mandatory, in emerging nations).
- ❑ By the end of 2005, Ivanhoe Mines had invested approximately US\$100 million in the development and operation of the MICCL joint venture's Monywa Copper Project.

Sustainable achievements and responsible stewardship

Jobs — and the Right to Work in a Safe and Healthy Environment

- ❑ An extensive skills-training program at the S&K Mine benefited local construction and operations personnel. Approximately 1,300 people worked on site during construction. Regular mine and copper-recovery operations provided permanent, direct jobs for approximately 630 people. Applying a very conservative economic spin-off multiple of 2:1, an estimated additional 1,200 people were indirectly employed in service and supply businesses.
- ❑ The planned second phase of the Monywa project — the development of the Letpadaung deposit — had been projected to create an additional 1,000 new direct jobs, plus many more indirect jobs.
- ❑ Ivanhoe Mines supported and assisted with the implementation of an internationally recognized standard of best-practice environmental management and of employee safety and health programs at the Monywa project. In March, 2006, the mine surpassed the mark of three million employee hours worked without any time lost to accidental injury. Earlier, the copper complex set a record in 2000 of 2,658,444 million hours worked in 543 days without a disabling accident (the count was restarted in July, 2000, after a worker's toe was broken). The mine pit operated for as long as 1,300 days without a disabling accident — a safety achievement that had been equalled by few mines in the world.

- ❑ The MICCL safety program and measurement techniques employed internationally recognized procedures: specifically, the AS/NZS 4801 Certification for Occupational Health and Safety Management developed in Australia and New Zealand; and the international ISO 9001 Certification for Quality Management.

For reference, a copy of the Myanmar Ivanhoe Copper Company Ltd.'s annual Safety, Health and Environment report for 2007 - *Responsible Mining, Sustainable Growth* - is available on the Health and Safety section of the Corporate Citizenship page and the Environmental Management page.

LINK: www.turquoisehill.com/s/health_and_safety.asp

Support for Neighbours and Communities

- ❑ Based on informed estimates of dependent families, it was projected that approximately 6,500 children, women and men in the Monywa region depended on the operation of the Monywa Copper Project for their food, shelter, income and jobs.
- ❑ Ivanhoe Mines' Philanthropic Program, funded through the Friedland Foundation, dedicated a continuing portion of its revenues from the S&K Mine to help pay for specific health care and education services to communities within an eight-kilometre (five-mile) radius of the mine. The area included 26 villages, which housed 25,000 people, including 2,600 children under the age of five.
- ❑ Equipment donated to the 16-bed Mine Town Hospital by Ivanhoe's Philanthropic Program included a new anesthetic machine, x-ray machine, semi-automatic blood analyzer, dental chair and dental x-ray. The Mine Town Hospital treated 519 in-patients in 2005 and, in addition, provided out-patient treatment and advisory services to 38,500 people.
- ❑ Ivanhoe donated its share of all copper produced in 1995-97 by the SX-EW pilot plant to fund children's education scholarships.
- ❑ Specifically, the project, with Ivanhoe's support, was responsible for:
 - the donation of new diagnostic and treatment equipment and general improvements at two area hospitals (the local Mine Town Hospital and also the larger Monywa Hospital, which provided services to an area with approximately one million people);
 - improvements to community drinking water, sanitation, housing, schools and local infrastructure;
 - improved reliability of electricity supply to more than 500,000 people; and
 - introduction of an employee pension plan and skills training at all job levels at the mine.

Environmental Management Met International Standards

- ❑ In early 2001, the Monywa project achieved environmental certification to the respected international standard, ISO 14001. Known as the "green standard," ISO 14001 provides a methodology for companies to develop or adapt an environmental management system to ensure that all environment-related activities and procedures are consistent and effective, and will achieve their stated objectives.
- ❑ The mining operation's performance in meeting its objectives was subject to two inspections every year by independent auditors working for Swiss-based Société Générale de Surveillance SA (SGS SA), the world's leading inspection, testing and certification agency. The SGS certificates and

verification statements were published in MICCL's annual Safety, Health and Environmental Reports. The first report was completed in October, 2000.

- With its long-term environmental plan in place, the MICCL joint venture voluntarily improved pre-existing conditions at the Monywa site — conditions that Ivanhoe had no role in creating. These conditions, including waste rock and untreated water, were the result of more than a decade of earlier mining activities under the Yugoslavia-Myanmar RTB Bor-ME1 joint venture that began operations in 1985 — nine years before Ivanhoe first became involved with the site. The earlier mining — entirely unrelated to any Ivanhoe interest — used a traditional flotation-smelter copper recovery process, which produced far greater emissions and impacts than the SX-EW process used by the MICCL joint venture S&K SX-EW mine, in which Ivanhoe was a partner between November 1998 and February 2007.
- Tailings from the earlier Yugoslavia-Myanmar mining venture were spilled over an area of approximately 150 hectares, east of the area that was mined by MICCL under its formal lease agreement. Most of the spill area was under the jurisdiction of local Myanmar authorities. For years, some residents of nearby villages engaged in unauthorized, unregulated hand-mining on the tailings spill area, digging pits in the waste crushed rock and employing crude and hazardous improvised processes to recover small amounts of residual copper that were sold to middlemen buyers to supplement villagers' meagre incomes. MICCL, as part of its ISO 14001 certification, assumed the responsibility to remove the old tailings from its lease area. MICCL also volunteered to help clean up the tailings area outside its lease boundary, when it was permitted to do so. Some of the area was cleaned up in 2004-2005 by MICCL under limited permissions that were received from the authorities.
- Ivanhoe publicly deplored and condemned the disinformation tactics used over the years by some critics who falsely claimed that Ivanhoe was associated with certain degraded environmental conditions on and around the Monywa site that, in fact, were created and left untreated by the previous Yugoslavia-Myanmar smelter-and-mine operation. The truth is that Ivanhoe, through its former partnership in the MICCL joint venture, was part of the remedy; but Ivanhoe most certainly did not contribute to the creation of the degraded conditions. The MICCL joint venture did not use the concentrator-smelter complex that was used and left behind by the earlier RTB Bor-ME1 venture.
- Between 1999 and the end of 2005, a total of 225 (556 acres) hectares affected by earlier mining conducted by the Yugoslavia-Myanmar joint venture were successfully rehabilitated by MICCL. During minesite environmental work completed just in 2005, a total of 37 hectares (91 acres) were rehabilitated, including the planting of 37,000 trees — 2,000 more than had been planned.

Extensive environmental management initiatives were reviewed in the 2007 Safety, Health and Environment report for the Monywa Copper Project, published by the Myanmar Ivanhoe Copper Company Ltd. (MICCL).

LINKS: www.turquoisehill.com/s/environmental_management.asp
www.ivanhoemines.com/i/pdf/OLOTMPF_MAY102007.pdf

Copper production achievements

Phase 1: Nine Years of Commercial Production of Best-Quality Copper

- ❑ Like other heap-leach, SX-EW operations around the world, copper ore at MICCL's Monywa Project was mined, crushed and stacked on an impermeable, high-density polyethylene liner inside a contained treatment pit. The ore was sprayed with a leach solution containing a diluted, 0.5% level of sulphuric acid to dissolve the copper. The resulting copper-rich solution was collected and pumped to a recovery plant, where an organic solvent extracted copper ions that were further treated to produce a copper-rich electrolyte.
- ❑ In an electrowinning cell, an electrical current causes the copper ions to migrate from the electrolyte onto stainless-steel cathode plates. Each plate simultaneously produces two 100-pound sheets that are at least 99.999% pure copper — the standard required for receipt of the London Metal Exchange's premier Grade-A quality certification.
- ❑ The first phase of the Monywa Copper Project, based on the S&K Mine, began commercial production of high-quality cathode copper in November, 1998, at a rate of 25,000 tonnes a year.
- ❑ In 2002, the mine's maximum production capacity was increased to 29,000 tonnes of copper a year; in 2003 capacity was raised to 31,000 tonnes per year, and in 2004 capacity was increased again, to 39,000 tonnes per year.
- ❑ Actual production of cathode copper in 2006 was 19,544 tonnes, a decline of 43% from the level of 34,478 tonnes of copper produced in 2005. Production was limited by a shortage of trucking capacity caused by delays in obtaining import permits needed for mining equipment that MICCL had ordered in 2005. A total of 7.7 million tonnes of ore, averaging 0.36% copper, were placed on the leach-heaps for the recovery of copper in 2006 — a reduction of 19% from 2005.
- ❑ Ore mined from open pits on the Sabetaung and Sabetaung South deposits supplied the Monywa Copper Project's S&K Mine. An application was filed to begin mining the adjacent Kyisintaung deposit.

Phase 2: Planned Development of Letpadaung Not Implemented

- ❑ The large mineral deposit at Letpadaung, approximately six kilometres southeast of the S&K Mine, was part of the planned phase-two development. However, phase two did not proceed during Ivanhoe Mines' involvement with the Monywa Project. It was estimated that ore from the Letpadaung deposit would have increased Monywa's total annual copper production to about 200,000 tonnes — which would have made Monywa one of the largest copper mines in Asia. The Monywa Project's copper deposits delineated to 2007 were estimated to be large enough to support production for more than 30 years.

Investments and Royalties

- ❑ As noted above, by the end of the first quarter of 2006, Ivanhoe Mines had invested approximately US\$100 million in the Monywa Copper Project. A consortium of Japanese investors, including Marubeni Corp. and Nissho Iwai Corp., provided a further US\$90 million to finance construction of the first phase of the project: the S&K Mine.
- ❑ Formal agreements in effect at the time required that all of the costs of building and operating the mine were repaid from copper sales before any profits were directed to the joint-venture partners. Accordingly, the government of Myanmar did not receive a share of profits from Monywa until all

construction costs were repaid to the Japanese investors — which occurred in August, 2005. Following repayment of the loan, Ivanhoe and ME1 each received cash payments from MICCL of US\$10 million in the fourth quarter of 2005. Ivanhoe Mines reported the receipt of a further dividend payment from MICCL of US\$15 million during the first quarter of 2007 — before Ivanhoe transferred ownership of its interest in MICCL to an independent, third-party Trust on February 27, 2007.

- The Myanmar Ministry of Mines received a 4% royalty from MICCL on sales of copper produced by the joint venture. MICCL used to deduct Ivanhoe Mines' share of the royalty payment from Ivanhoe's share of revenues from copper sales.
- Until December 31, 2006, MICCL sold all of the copper produced at Monywa to Marubeni Corporation, the original project finance lender, under the terms of a copper sales agreement. All Monywa Project finance loans were repaid in 2006, when the copper sales agreement with Marubeni also expired. After January 1, 2007, ME1 required that Monywa's cathode copper be sold based on a spot price system after the end of each month, after production quantities were confirmed.

The ownership divestiture process

Sale of Half of Ivanhoe's Interest in MICCL Proposed in 2004

- Ivanhoe Mines first announced on March 4, 2004, that two leading international investment banks — CIBC and HSBC — had been retained by Ivanhoe "to review strategic alternatives for Ivanhoe's interest in the Monywa project." Ivanhoe's 2005 Financial Statements, issued March 31, 2006, advised shareholders that Ivanhoe had signed a memorandum of understanding (MOU) with an established, large Korean corporation with the intent to sell a significant portion (reported to be up to 50%) of Ivanhoe's interest in the S&K Mine. The transaction was not completed.

Planned Divestment of MICCL Interest Confirmed in October 2006

On October 18, 2006, Ivanhoe Mines announced the formation of a strategic partnership with international mining leader Rio Tinto for the development of Ivanhoe's Oyu Tolgoi copper-gold mining complex in Mongolia.

A news release issued by Ivanhoe Mines on October 18, 2006, detailing the transaction with Rio Tinto, contained the following reference to the future of Ivanhoe's interest in the Monywa Copper Project joint venture:

Ivanhoe has previously announced that it is restructuring the company to enhance asset value for shareholders and generate capital for the development of Oyu Tolgoi and its core Mongolian assets. As part of this restructuring, and as a condition of this transaction, Ivanhoe is negotiating the divestiture of its joint venture interest in the Monywa Copper Project in Myanmar.

February 2007: Ivanhoe Mines Transferred Ownership of 50% Interest in Monywa Copper Project (including S&K Mine) to an Independent Trust That Will Complete Sale

On March 30, 2007, Ivanhoe Mines filed its **2006 Annual Information Form** with stock market regulatory authorities in Canada and the United States. A copy of the document is available on the Turquoise Hill website, www.turquoisehill.com, and on the *sedar.com* document registry.

The following reference is excerpted from the 2006 Annual Information Form:

(EXCERPT)

Other Business Matters Myanmar Trust Arrangements

As part of the Rio Tinto Transaction (announced October 18, 2006), IVN (Ivanhoe Mines) agreed to divest the Myanmar Assets and, in February 2007, established the Monywa Trust — an independent third party trust — and transferred ownership of the Myanmar Assets to the trust.

The sole purpose of the Monywa Trust is to facilitate the future sale of the Myanmar Assets to one or more arm's-length third parties who do not constitute Excluded Persons*.

(***Excluded Persons** means a contractually defined class of restricted persons identified as being prohibited from purchasing the Myanmar Assets from the Monywa Trust, which includes IVN (Ivanhoe Mines), Rio Tinto, and their respective directors, officers and affiliates and citizens or residents or entities controlled by citizens or residents of Myanmar or the United States).

In consideration for the purchase of the Myanmar Assets, a company wholly-owned by the Monywa Trust (Trust Holdco) issued to a subsidiary of IVN a promissory note. The principal amount of the promissory note entitles IVN to receive cash proceeds realized upon the future sale of the Myanmar Assets, plus 50% of any cash generated by the Monywa Copper Project that is available for distribution to the project participants but remains undistributed at the time of any such sale, less certain contractually specified deductions, including any fees and expenses incurred in carrying out the sale. IVN retains no ownership interest in the Myanmar Assets, directly or indirectly, except as a creditor of Trust Holdco pursuant to the promissory note.

Trust Holdco's mandate is to engage one or more qualified third parties who are not Excluded Persons (each, a Sale Service Provider). The Sale Service Provider will be responsible for identifying potential third-party purchasers who are also not Excluded Persons, soliciting expressions of interest from such potential purchasers, negotiating sale terms and facilitating the sale of the Myanmar Assets on behalf of Trust Holdco. A Sale Service Provider who successfully facilitates the sale of the Myanmar Assets to a purchaser who is not an Excluded Person will be entitled to a fee equal to a percentage of the proceeds realized by Trust Holdco on the sale of the Myanmar Assets.

Following a sale of the Myanmar Assets, Trust Holdco will use the proceeds to pay the Sale Service Provider's fee and any other expenses or liabilities incurred in carrying out the sale. Trust Holdco will then use the remaining proceeds of sale, less contractually specified deductions, to repay the promissory note held by IVN's subsidiary. Upon having retired the promissory note, the Monywa Trust will wind up Trust Holdco and distribute the remaining assets of the Trust, which are expected to consist solely of cash, to the designated beneficiaries of the Trust. The designated beneficiaries will be one or more recognized charitable organizations selected by the trustee. Following that distribution, the Monywa Trust will terminate.

SEPTEMBER, 2007:

Background Facts to Ivanhoe Mines' Former Interest in the Monywa Copper Project

- Following the Monywa Trust's acquisition of Ivanhoe Mines' 50% interest in the Monywa Project in February 2007, Ivanhoe Mines had no interests or activities in Myanmar and had no personnel in Myanmar employed by, or representing, the company.

- ❑ Following the divestment, Ivanhoe Mines did not receive any revenue or profits from any operation in Myanmar – including its former 50% interest in the Monywa Copper Project.
- ❑ The promissory note issued by the Monywa Trust did not establish a fixed amount to be paid to Ivanhoe following a sale. Ivanhoe established a reserve price, which was the minimum amount that it would accept from the Trust for the sale of assets. The reserve price was not disclosed in advance of discussions between the Trust and potential buyers, for obvious commercial reasons.
- ❑ MICCL, the Myanmar joint venture company that owns and operates the Monywa Copper Project, did not make regular dividend payments to its joint-venture shareholders during Ivanhoe Mines' involvement over almost nine years of mine operations. Decisions on such payments were made by the MICCL Board of Directors – and Ivanhoe Mines no longer had any representation on the MICCL board after its interest was acquired by the Monywa Trust in 2007.
- ❑ Ivanhoe did report receipt of a US\$15 million dividend from the Monywa Project in the first quarter of 2007, which accrued from the Monywa Project's operations during 2006 and was received by Ivanhoe before Ivanhoe's interest in the Monywa Project was transferred to the Trust in February 2007.
- ❑ As the owner of the 50% Monywa interest asset formerly held by Ivanhoe Mines, the Trust subsequently received a payment from MICCL in 2007. The Trust was obligated to use the proceeds received from MICCL to reduce by US\$6.6 million the amount owed under the outstanding promissory note issued by the Trust for the sale of the Ivanhoe assets to the Trust. Ivanhoe Mines reported the receipt of the payment in the company's Second Quarter statement on August 10, 2007.

For more detailed references, please also visit:

www.turquoisehill.com/s/monywatrust.asp

www.turquoisehill.com/s/health_and_safety.asp (Annual Health, Safety and Environment Reports)

www.turquoisehill.com/i/pdf/Values&Citizenship.pdf (Statement of Values and Responsibilities)

Updated: DECEMBER 2012