NEWS ON NEGOTIATION BETWEEN HERDERS‘ REPRESENTATIVES OF KHANBOGD SOUM AND OYU TOLGOI COMPANY

Khanbogd soum Oyu Tolgoi mining 3-4 November 2014

We regularly provide you with information regarding the agreements reached through the joint meetings between the Herders’ Representatives and Oyu Tolgoi Company held with CAO involvement. This is the news release about the meeting held on 3 and 4 November 2014. As usual the meeting was facilitated by Compliance Advisor/Ombudsman of International Financial Corporation and Oyu Tolgoi Watch NGO attended as an advisor to herders.

This time the meeting was held two days at Oyu Tolgoi mining site and during the first day Herders Representatives have been introduced to mining operation visiting the following facilities.

- Open pit
- Concentration plant
- Heating Station
- Water treatment facility
- Tailings storage

The herders Representatives also met the mining management team members and got detailed information in response to questions of their interest and things observed while visiting the mining site and the parties agreed on the following:

- To discuss the issue related to the diversion of Khaliv and Dugat river during the next joint meeting scheduled on 15 -16 December 2014, and OT to introduce in advance the related data to Herders Representatives;
- OT to arrange a meeting between Herders Representatives and the organization that conducted a study on dust impact on livestock health.

On day 2, the parties reviewed the implementation status of previously agreed actions, and discussed the options of water supply to herders during the winter along with obligations and responsibilities of the parties in this regard. Moreover, a meeting was arranged with OT Procurement team who provided an updated information on implementation of water well program and the tender process as well. Further, the parties discussed and finalized the Terms of Reference for Multidisciplinary Team (MDT) and in principal agreed on selection criteria. OT made a detailed presentation about its projects and programs under implementation in Khanbogd soum. It is agreed that the parties shall discuss a compliant issue related to job place at January 2015 joint meeting. The parties requested the Office of the Compliance Advisor/Ombudsman (CAO) to assist in establishment of a mechanism to enable Local Government, Herders’ Representatives, Oyu Tolgoi LLC, Non-government organizations and other stakeholders to meet regularly for joint discussion.

Herders Representatives of Khanbogd Soum

Oyu Tolgoi LLC