

**PRESS RELEASE ON NEGOTIATION HELD BETWEEN
THE ELECTED HERDERS TEAM AND OYU TOLGOI LLC**

KHANBOGD SOUM

IKH BULAG

07 FEBRUARY 2014

Some herders of Khanbogd soum submitted a complaint to the World Bank Office of the Compliance Advisor Ombudsman in 2013 concerning the impacts of Oyu Tolgoi LLC. Following the complaint CAO assigned a facilitation team and the herders also appointed their representatives. Oyu Tolgoi Watch NGO assists the herders by providing advice. These parties meet on regular basis to negotiate complaint issues, and a routine meeting was held on 7 February 2014 in Khanbogd soum. During this meeting the parties held a detailed discussion concerning the dust matter related to Oyu Tolgoi operation, as well as hiring a multi-disciplinary team to assess the impact on herders' livelihood, and involving Erdenes Oyu Tolgoi representatives in the meetings organized in Khanbogd soum. The newly appointed herder representatives attended this meeting.

Herders described how the dust is increasing due to Oyu Tolgoi operations, and Oyu Tolgoi informed them about the measures they are taking in this regard, and agreed on involvement of herders in those arrangements and mutual exchange of information. The company agreed to provide the herders with its plan on measures to be taken in 2014 in terms of dust. Herder representatives expressed their criticism towards the relocation and compensation program implemented by Oyu Tolgoi, as they consider that the program doesn't link the mining impact on herders' livelihood with pastureland usage – it is therefore impacting their sustainable livelihood. The parties agreed unanimously on getting an assessment to be conducted by a multi-disciplinary team as agreed before. The parties shall agree on the Terms of Reference and scope of work of the team and will carry out the selection of experts together.

Herders Representatives of Khanbogd soum