

Karin Finkelston
Vice President, Asia Pacific

February 25, 2013

Dear Ms. McNeal and partners,

Thank you for your February 11, 2013 letter to Dr Kim. The development of the Oyu Tolgoi mine is a strategic priority for the country of Mongolia, and we appreciate your continued interest in the project. Oyu Tolgoi is providing a unique opportunity for Mongolia to harness its natural resources for the long term benefits of its citizens.

IFC agrees that Oyo Tolgoi is a project with significant impacts that must be managed carefully. Many of the topics that you raise have also been identified as key impacts by IFC in our environmental and social due diligence process. We appreciate your views and through meetings with your organizations have heard perspectives and concerns that we have communicated to the OT team. We have recently completed a detailed response to an earlier civil society-led review of Oyu Tolgoi's Environmental and Social Impact Assessment that addresses the key issues you raise.

Oyu Tolgoi, which is partly owned by the Government of Mongolia, is a massive financial undertaking that is the largest project in Mongolia's history and one of the largest project financings in the mining sector globally. While construction of the first phase of the project is nearing an end, the costs to complete this important project remain large and require debt financing. Oyu Tolgoi sought out IFC financing because of our sustainability expertise and our unique ability to provide long term debt and to mobilize significant additional financing from other international lenders. MIGA's proposed political risk insurance to commercial lenders is playing an equally important role in the project financing.

IFC has taken a lead role in the evaluation of Oyu Tolgoi's environmental and social management to ensure the responsible development and operation of the mine. Our engagement will continue for the life of the loan through monitoring and supervision, working with Oyu Tolgoi to ensure implementation and adherence to IFC's environmental and social standards. We believe this is a role that IFC is uniquely qualified to hold, given our global experience in similar large scale projects.

We take your concerns, suggestions and considerations seriously.

Sincerely,

