This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are one of the largest coal producers in Mongolia in terms of coal sales for export based on the first nine months of 2009. Our operations focus on mining, development and exploration of coking and thermal coals in Mongolia's South Gobi Province to supply premium quality coals to customers in China.

We own licences for three significant coal projects in Mongolia: a producing mine, the Ovoot Tolgoi Mine, and two development projects, the Soumber Deposit and the Ovoot Tolgoi Underground Deposit. In addition, we hold 18 mineral exploration licences in Mongolia. Each of these licences and the related mining assets are wholly-owned by us.

The Ovoot Tolgoi Mine, strategically located approximately 40 kilometres from the China-Mongolia border, is our flagship asset. We commenced mining at Ovoot Tolgoi's Sunset Pit in April 2008 and commenced coal sales in September 2008. The products from the Ovoot Tolgoi Mine include coking, premium and thermal coals, which are being sold to customers in China. Since the commencement of production in late 2008 until September 30, 2009, we have sold approximately 1.1 million tonnes of coal from the Ovoot Tolgoi Mine. The Ovoot Tolgoi Mine is covered by a single 9,308 hectare mining licence and corresponding permit to mine. Norwest, our Independent Technical Expert, considers it possible that our total coal production from the Ovoot Tolgoi Mine could increase to approximately eight million tonnes per annum from 2012 and onward. We estimate that aggregate capital expenditure in relation to this production ramp-up will be US$140 million up to the end of 2012.

Our Soumber Deposit is located approximately 20 kilometres to the east of our Ovoot Tolgoi Mine, which could allow the operations to share existing infrastructure in the event a mine is developed there. Preliminary exploration results show potential for thick seams of coking coal, and a resource has been established confirming a deposit. We are planning to do more exploration work on the east and the west parts of the deposit to fully investigate the feasibility of this project and to prepare for licensing.

We have conducted substantial exploration activities at the Ovoot Tolgoi Underground Deposit and have delineated mineral resources at this project. The Ovoot Tolgoi Underground Deposit is covered by the existing Ovoot Tolgoi Mining Licence.

Our 18 exploration licences in Mongolia comprise an area of 784,358 hectares. These licences are located around our existing mining area in the western part of the South Gobi Province but also further east, including a substantial holding around another known third-party owned Mongolian coal deposit called Tavan Tolgoi. Out of these 18 licences, four may be affected by a new Mongolian law that prohibits minerals exploration and mining in certain areas. See "Business — Our Mining and Exploration Operations — Mongolia". We intend to explore certain priority exploration targets over the next 12 months.

Our priority is to expand production at the Ovoot Tolgoi Mine, to investigate the feasibility of the Soumber Deposit and to continue exploration at the Ovoot Tolgoi Underground Deposit and our priority exploration targets.

In addition, we own a mining licence for the Tsagaan Tolgoi Deposit in Mongolia. We have no immediate plans to advance the development of the Tsagaan Tolgoi Deposit.

Prior to December 23, 2009, we also held an 85% interest in the Mamahak Deposit in Indonesia. In the third quarter of 2009, we, in the normal course of business, performed a more detailed operational review of the Mamahak Deposit. To minimise cash outflows pending the results of the operational review, we suspended operations at the Mamahak Deposit in October 2009 and recorded an impairment charge of US$23 million for the nine months ended September 30, 2009. On December 15, 2009, we announced that we had entered into an agreement to divest our 85% interest in the Mamahak Deposit in Indonesia to Kangaroo. The sale of our interest in the Mamahak Deposit was completed on December 23, 2009. For further details, see "Business — Our Mining and Exploration Operations — Indonesia — Mamahak Deposit".

We have been engaged in mining exploration activities and have a short operating history. To date, we have not generated net profits and have recorded operating cash outflows.

The tables below present our estimated coal reserves and coal resources.

Summary of Our Coal Reserves[(1)]

	Proven	Probable	Total
		(million tonnes)	
Ovoot Tolgoi Mine[(2)]	105.0	9.1	114.1

Summary of Our Coal Resources[(1)]

	Measured	Indicated	Total Measured and Indicated	Inferred
		(million tonnes)		
Ovoot Tolgoi Mine[(2)]	135.9	35.1	171.0	13.0
Soumber Deposit[(3)]	13.1	8.3	21.4	55.5
Ovoot Tolgoi Underground Deposit[(2)]	45.8	33.0	78.8	20.5
Tsagaan Tolgoi Deposit[(4)]	23.4	13.0	36.4	9.0
Total	218.2	89.4	307.6	98.0

Notes:

(1) These numbers have been prepared in accordance with the Canadian NI 43-101 standards which are materially similar to the standards prescribed by the JORC Code.

(2) Estimate for resources is as of June 1, 2009 and estimate for reserves is as of July 1, 2009. See the Ovoot Tolgoi Technical Expert Report dated October 21, 2009 in Appendix V-A to this prospectus for the details of the assumptions and parameters used to calculate these coal resources and coal quality.

(3) Estimate is as of August 11, 2009. See the Soumber Technical Expert Report dated October 21, 2009 in Appendix V-B to this prospectus for the details of the assumptions and parameters used to calculate these coal resources and coal quality.

(4) Estimate is as of December 31, 2007. See the Tsagaan Tolgoi Technical Expert Report dated March 25, 2008, in Appendix V-C to this prospectus for the details of assumptions and parameters used to calculate these coal resources and coal quality. Except for the receipt of a mining licence, the report represents the current status of the Tsagaan Tolgoi Deposit given that there have been no material advancements to the project since the date of the report.

SECONDARY LISTING

Our primary listing is on the TSX. We are seeking a Secondary Listing on the Stock Exchange in order to be listed on the same Stock Exchange as our peer companies. On the basis that our core business is in Mongolia and our end market is entirely in China, our peer companies include major Chinese and Mongolian coal companies, most of which are listed in Hong Kong. A Secondary Listing will enable us to offer shareholders in our peer companies the opportunity to invest in our company as well. Furthermore, a listing in Hong Kong would be consistent with our focus on Asia.

We have applied for, and been granted, waivers from certain requirements of Hong Kong laws, rules and regulations, by the Stock Exchange and the SFC. Shareholders will not have the benefit of those Hong Kong laws, rules and regulations that are waived. Additionally, those waivers could be revoked, exposing us and our shareholders to additional legal and compliance obligations. See "Waivers" for details of these waivers. There are certain residual differences between the shareholder protection regimes in Canada and Hong Kong. See "Appendix VI — Summary of the Articles of our Company, Certain TSX Listing Policies, Certain British Columbia Laws and Canadian Federal Laws, and Shareholder Protection Matters — Shareholder Protection Matters — Other Matters" for details of the differences in respect of material shareholder protections.

Under applicable Canadian Securities Laws, a Shareholder is obliged to issue a news release and file a report upon acquiring beneficial ownership or control or direction over 10% or more of the Company's outstanding Shares or securities that are, within 60 days, convertible into or exchangeable for Shares. Such Shareholder must issue an additional news release and file an additional report if there is a further acquisition of an additional 2% or more of the Company's outstanding Shares or there is a change in any material fact disclosed in a previous news release and report. Additionally, if while a person is an insider of the Company (a) the person enters into a transaction involving a security of the Company or, for any other reason, the person's direct or indirect beneficial ownership of, or control or direction over, securities of the Company changes from that shown or required to be shown in the latest insider report filed by the person, or (b) the person enters into a transaction involving a related financial instrument, the person must, within the prescribed period, file an insider report in the required form on the SEDI website at **www.sedi.ca**. For further details, see "Appendix VI — Summary of the Articles of our Company, Certain TSX Listing Policies, Certain British Columbia Laws and Canadian Federal Laws, and Shareholder Protection Matters — Summary of Key British Columbia Corporate Laws and the Articles — Disclosure of Shareholdings".

COMPETITIVE ADVANTAGES

We believe our success to date and potential for future growth can be attributed to a combination of our competitive strengths, including the following:

- Our projects are strategically located close to China, especially to the fast growing Gansu and Inner Mongolia regions;
- We have substantial and growing resources and reserves;
- We produce premium quality coals;
- We have a low cost structure due to favourable geographic and geological conditions;
- We have established production and have strong growth potential through future expansion of our existing mine capacity and development of our priority assets; and
- We have an experienced management team with strong skills in mining, exploration and marketing and are able to leverage the expertise, experience and relationships of our principal shareholder, Ivanhoe.

OUR BUSINESS STRATEGIES

Our vision is to become a leading coal producer that supplies coal from Mongolia into key growth areas in China. We plan to accomplish our goal through the following strategies:

- Expanding production at the Ovoot Tolgoi Mine;
- Developing integrated infrastructure for the area around the Ovoot Tolgoi Mine;
- Continuing to advance value enhancing coal projects, with a near-term emphasis on the Soumber Deposit;
- Enhancing the value of our products that are delivered to end customers;
- Undertaking exploration initiatives to establish additional resources and mineable reserves; and
- Continuing to focus on production safety, environmental protection, operational excellence and community relations.

SUMMARY OF HISTORICAL FINANCIAL AND OPERATING INFORMATION

Consolidated Statements of Comprehensive Income

	Year ended December 31,			Nine months ended September 30,	
	2006	2007	2008	2008	2009
	US$	US$	US$	US$ (unaudited)	US$
Continuing operations					
Revenue	—	—	3,125,851	—	26,077,803
Cost of sales	—	—	(2,177,425)	—	(20,988,873)
Income from mine operations	—	—	948,426	—	5,088,930
Administration expenses	(5,038,547)	(7,191,262)	(20,310,155)	(12,850,768)	(16,783,348)
Evaluation and exploration expenses	(9,577,429)	(13,787,952)	(36,183,163)	(28,088,514)	(13,781,444)
Impairment charge on Mamahak Deposit	—	—	—	—	(23,029,013)
Operating loss from continuing operations	(14,615,976)	(20,979,214)	(55,544,892)	(40,939,282)	(48,504,875)
Finance costs	(628,362)	(71,125,484)	(7,989,492)	(7,966,271)	(1,061,141)
Interest income	49,700	44,082	1,869,894	1,697,623	16,272
Loss before tax	(15,194,638)	(92,060,616)	(61,664,490)	(47,207,930)	(49,549,744)
Current income tax expense	—	—	—	—	(711,855)
Deferred income tax credit	—	—	—	—	8,608,766
Loss from continuing operations	(15,194,638)	(92,060,616)	(61,664,490)	(47,207,930)	(41,652,833)
Loss from discontinued operations	(6,533,998)	(4,675,812)	(7,911,252)	(5,362,114)	—
Net loss and comprehensive loss attributable to equity holders of the Company	(21,728,636)	(96,736,428)	(69,575,742)	(52,570,044)	(41,652,833)
Basic and diluted loss per share from:					
Continuing operations	(0.91)	(1.80)	(0.48)	(0.37)	(0.31)
Discontinued operations	(0.40)	(0.09)	(0.06)	(0.04)	—
Continuing and discontinued operations	(1.31)	(1.89)	(0.54)	(0.41)	(0.31)
Weighted average number of basic and diluted shares outstanding	16,647,940	51,070,891	128,353,692	126,775,043	133,341,543

Consolidated Statements of Financial Position

	As at December 31,			As at September 30,
	2006	2007	2008	2009
	US$	US$	US$	US$
Assets				
Current assets				
Cash and cash equivalents	965,494	1,393,632	10,117,311	2,710,766
Trade and other receivables	215,783	759,528	7,289,726	14,798,663
Inventories	—	—	13,676,716	10,707,439
Prepaid expenses and deposits	235,013	1,890,177	2,578,527	7,176,448
	1,416,290	4,043,337	33,662,280	35,393,316
Assets classified as held for sale	—	—	637,600	—
Total current assets	1,416,290	4,043,337	34,299,880	35,393,316
Non-current assets				
Property, plant and equipment	495,273	1,123,380	52,439,911	65,791,565
Intangible assets	403,360	443,360	13,208,218	—
Deferred income tax assets	—	—	—	8,608,766
Other receivables	—	—	—	108,333
Total non-current assets	898,633	1,566,740	65,648,129	74,508,664
Total assets	2,314,923	5,610,077	99,948,009	109,901,980
Equity and liabilities				
Current liabilities				
Trade and other payables	451,540	1,767,784	7,400,009	11,210,514
Amounts due under line of credit facilities	—	—	—	37,030,151
Deposit received for sale of Metals Division	—	—	3,000,000	—
	451,540	1,767,784	10,400,009	48,240,665
Current liabilities classified as held for sale	—	—	255,080	—
Total current liabilities	451,540	1,767,784	10,655,089	48,240,665
Non-current liabilities				
Amounts due under line of credit facilities	5,835,501	105,673,380	—	—
Asset retirement obligation	—	—	328,229	984,822
Total non-current liabilities	5,835,501	105,673,380	328,229	984,822
Total liabilities	6,287,041	107,441,164	10,983,318	49,225,487
Shareholders' (deficiency) equity				
Common shares	17,001,421	30,229,785	289,512,074	291,320,990
Preferred shares	—	4,189,154	—	—
Additional paid-in capital	24,009,622	—	—	—
Share option reserve	2,027,128	7,496,691	12,775,076	21,713,315
Accumulated deficit	(47,010,289)	(143,746,717)	(213,322,459)	(252,357,812)
Total shareholders' (deficiency) equity	(3,972,118)	(101,831,087)	88,964,691	60,676,493
Total equity and liabilities	2,314,923	5,610,077	99,948,009	109,901,980
Net current assets (liabilities)	964,750	2,275,553	23,644,791	(12,847,349)
Total assets less current liabilities	1,863,383	3,842,293	89,292,920	61,661,315

Key Operating Data

	Year Ended December 31,			Nine Months Ended September 30,
	2006	2007	2008	2009
Volumes, Prices and Costs				
Coal production (million tonnes)	—	—	1.16	0.51
Coal sales (million tonnes)	—	—	0.11	0.97
Average sales price (per tonne)	US$—	US$—	US$29.20	US$28.76
Total cash costs(1) of product sold (per tonne)	US$—	US$—	US$14.09	US$15.96
Direct cash costs(2) of product sold (per tonne)	US$—	US$—	US$ 8.30	US$13.75

Notes:

(1) Total cash costs describe the cash production costs and consist of cost of product, which includes direct and indirect labour, operating materials and supplies, and mine administration costs.

(2) Direct cash costs describe the direct cost of product and is equal to the total cash costs less mine administration costs.

LOSS ESTIMATE

Our Directors estimate that, on the bases set out in Appendix III to this prospectus and in the absence of unforeseeable circumstances, our operating loss from continuing operations for the year ended December 31, 2009, will amount to no more than US$53.0 million and our net loss and comprehensive loss attributable to equity holders of our Company for the year ended December 31, 2009, will amount to no more than US$111.2 million after financing costs(1), other income and income taxes.

Note:

(1) The financing costs relating to the increase in the fair value of the embedded derivatives, as described in "Financial Information — Subsequent Events — CIC Investment", is estimated to be not more than US$46.8 million during the year ended December 31, 2009. The change in the fair value of such embedded derivatives, which are non-cash in nature and recorded as a liability, is dependent on a number of factors including volatility and change in market price of the Shares.

OFFERING STATISTICS

	Based on a maximum Offer Price/ maximum Canadian Offer Price of HK$133.50/C$17.00
Market capitalisation of the Shares(1)	HK$21,563 million or C$2,746 million
Unaudited pro forma adjusted net tangible asset value per Share(2)	HK$24.11 or C$3.22

Notes:

(1) The calculation of market capitalisation is based on a total of 161,523,562 Shares expected to be in issue immediately after, and assuming the completion of the Offerings, without taking into account any Shares that may be allotted and issued upon exercise of the Over-allotment Options or Options granted under the EIP.

(2) The unaudited pro forma adjusted net tangible asset value per Share is based on a total of 161,523,562 Shares expected to be in issue immediately after, and assuming the completion of the Offerings, without taking into account any Shares that may be allotted and issued upon exercise of the Over-allotment Options or Options granted under the EIP.

The estimated net proceeds from the Offerings are based on 22,950,000 Offer Shares at the maximum Offer Price of HK$133.50 and 4,050,000 Canadian Offer Shares at the maximum Canadian Offer Price of C$17.00 per Canadian Offer Share, after deduction of the underwriting commissions (exclusive of any discretionary incentive fees) and other estimated expenses payable by the Company in relation to the Offerings.

The unaudited pro forma adjusted net tangible asset value per Share is translated into Hong Kong dollars and Canadian dollars at an exchange rate of US$1 to HK$7.7567 and US$1 to C$1.0372, respectively, the rate of the Bank of Canada prevailing on the Latest

Practicable Date. No representation is made that the U.S. dollar amounts have been, could have been, or may be converted to HK dollar and Canadian dollar or vice versa, at the rate.

DIVIDEND POLICY

We have not paid any dividends on our outstanding Shares since incorporation and do not anticipate that we will do so in the near future. The declaration of dividends on the Shares is, subject to certain statutory restrictions described within this prospectus, within the discretion of our Board based on its assessment of, among other factors, our earnings, capital and operating expenditure requirements and overall financial condition.

USE OF PROCEEDS

Assuming a maximum Offer Price of HK$133.50, we estimate net proceeds to the Company from the International Offering will be approximately HK$2,932 million, before exercise of the Over-allotment Option (assuming no reallocation between the International Placing and the Canadian Offering as described in the section headed "Structure of the International Offering — Pricing and Allocation") and after deducting the underwriting commissions (exclusive of any discretionary incentive fees) and other estimated expenses payable by us in relation to the International Offering assuming pro rata allocation of underwriting commissions (exclusive of any discretionary incentive fees) and other estimated expenses between the International Offering and the Canadian Offering. If the Over-allotment Option is exercised in full (assuming no reallocation between the International Placing and the Canadian Offering as described in the section headed "Structure of the International Offering — Pricing and Allocation"), the net proceeds to us will be approximately HK$3,392 million. Assuming a maximum Canadian Offer Price of C$17.00, we estimate net proceeds to the Company from the Canadian Offering will be approximately C$66 million, before exercise of the Canadian Over-allotment Option (assuming no reallocation between the International Placing and the Canadian Offering as described in the section headed "Structure of the International Offering — Pricing and Allocation") and after deducting the underwriting commissions (exclusive of any discretionary incentive fees) and other estimated expenses payable by us in relation to the Canadian Offering. If the Canadian Over-allotment Option is exercised in full (assuming no reallocation between the International Placing and the Canadian Offering as described in the section headed "Structure of the International Offering — Pricing and Allocation"), the net proceeds to us will be approximately C$76 million assuming pro rata allocation of underwriting commissions (exclusive of any discretionary incentive fees) and other estimated expenses between the International Offering and the Canadian Offering. We intend to use the net proceeds from the Offerings as follows:

- up to 35% to expand the existing production capacity of the open pit mine at the Ovoot Tolgoi Mine in line with our intention to continue to ramp up production at the Ovoot Tolgoi Mine and the development of specifically related projects such as expansion of maintenance facilities and employee housing. Norwest, our Independent Technical Expert, considers it possible that our total coal production from the Ovoot Tolgoi Mine could increase to approximately eight million tonnes from 2012 and onward;

- up to 25% to assess, construct and develop the regional infrastructure and the coal transportation infrastructure including the construction of roads and railway infrastructure from the Ovoot Tolgoi Complex to locations where such infrastructure can be connected to China's infrastructure for export facilitation. Depending on the outcome of such assessment, we will consider implementing and funding appropriate recommendations. We, through CRCC, have conducted a scoping study on the railway construction project and intend to further investigate the opportunities to develop this project as discussed in "Business — Our Mining and Exploration Operations — Infrastructure" We currently intend to use this portion of the proceeds to develop railway infrastructure, possibly through a joint venture arrangement, as described in "Business — Our Mining and Exploration Operations —

Infrastructure." To date we have not appointed any joint venture partners, and no investments have been made in such joint ventures to date, nor have we sought any applicable government approvals or consents, as the proposal remains in a preliminary stage. We will make an appropriate announcement providing further details at the time a joint venture agreement, if any, is entered into. However, in the event that we decide not to proceed with the development of railway infrastructure, or if this development is delayed, such proceeds would be utilised for other regional or transportation infrastructure such as roads;

- up to 20%, subject to completion of technical and engineering assessment, for construction of value added facilities such as the construction of a coal handling and washing plant;
- up to 15%, for exploration activities including at the Soumber Deposit and in the Alphabet Fields to the east and west of the Ovoot Tolgoi Mine, which will include geological, geotechnical and hydrological surveying and investigation of the areas surrounding our existing deposits together with additional key exploration target areas; and
- the balance of the net proceeds and the proceeds from any exercise of the Over-allotment Options, for general corporate purposes, which may include provision of working capital and general exploration, development and acquisition activities.

We currently have no agreements to make specific acquisitions or have no defined intention to develop projects or conduct exploration other than disclosed in this prospectus. We intend to analyse and consider potential acquisitions in the future that may fit with our expertise. We will consider acquiring projects in Mongolia, where we have significant operating expertise. We may also consider investing in projects that are outside of Mongolia; such projects will likely be focused on coal.

We may obtain funding for the above activities from sources other than the International Offering, including an additional offering of Shares in Canada. We may also use funding from equity financing, credit facilities, earn-in agreements and profits from our coal operations for the provision of working capital and general exploration, development and acquisition activities.

In the event that the Offer Price is set below the maximum Offer Price of HK$133.50, we currently intend to reduce the dollar value of net proceeds allocated for project development, acquisitions and exploration activities by the difference between the net proceeds we receive based on the maximum Offer Price and the Offer Price. In determining the Offer Price, our Directors and the Joint Global Coordinators, on behalf of the Underwriters, will take into consideration the demand for the International Offering, the closing price of the Shares on the TSX on the last trading day on the Price Determination Date and the interests of existing Shareholders.

Pending the use of the net proceeds from the Offerings for the purposes described above, and to the extent permitted under relevant Canadian and Hong Kong laws, we intend to deposit such net proceeds in short term interest-bearing accounts with licensed third-party institutions.

RISK FACTORS

We believe that there are risks involved in our operations, some of which are beyond our control. These risks can be broadly categorised into: (i) risks relating to our Secondary Listing; (ii) risks relating to our business and the industry in which we operate; (iii) risks relating to our projects in Mongolia; and (iv) risks relating to the International Offering. Set out below is a summary of the risks referred to above. For further details, please refer to the section headed "Risk Factors" in this prospectus.

Risks Relating Our Secondary Listing

- The characteristics of the Canadian share market and the Hong Kong share market are different.
- We are a Canadian listed company principally governed by Canadian laws and regulations and accordingly you may not have the benefit of certain Hong Kong laws, rules and regulations such as those relating to shareholder protection which, although broadly commensurate with those protections afforded to shareholders of Canadian listed companies, are not identical.
- We have applied for, and been granted, waivers from certain requirements of Hong Kong laws, rules and regulations, by the Stock Exchange and the SFC. Shareholders will not have the benefit of those Hong Kong laws, rules and regulations that are waived. Additionally, those waivers could be revoked, exposing us and our Shareholders to additional legal and compliance obligations.

Risks Relating to Our Business and the Industry in Which We Operate

- Some of our projects may not be completed as planned, costs may exceed our original budgets and may not achieve the intended economic results or commercial viability.
- Our coal reserves and resources are estimates based on a number of assumptions, and we may produce less coal than our current estimates. See "Financial Information — Disclosure Controls and Procedures".
- We commenced mining in April 2008 and coal sales in September 2008 and have recorded substantial net losses and operating cash outflows to date, and our short operating history may make it difficult for investors to evaluate our business and growth.
- We do not insure against all risks to which we may be subject in planned operations and insurance coverage could prove inadequate to satisfy potential claims.
- Licenses and permits are subject to renewal and various uncertainties and we may only renew our exploration licences a limited number of times and for limited periods of time.
- Prolonged periods of severe weather conditions could materially and adversely affect our business and results of operations.
- Our business and results of operations are susceptible to the cyclical nature of coal markets and are vulnerable to fluctuations in prices for coal.
- Our coal mining activities are subject to operational risks, including equipment breakdown.
- The unavailability or shortage of reliable and sufficient coal transportation capacity could reduce our coal revenue by causing us to reduce our production volume or impairing our ability to supply coal to our customers.
- Our prospects depend on our ability to attract, retain and train key personnel.
- Competition in the coal industry may hinder development plans and adversely affect our coal sales if we are not able to compete effectively.
- There are a number of risks associated with our dependence on a limited number of customers and our potential inability to attract additional customers.
- Our operations are exposed to risks related to environmental protection and rehabilitation.

- Foreign currency fluctuations could affect expenses and any future earnings.
- Our results of operations are subject, to a significant extent, to economic, political and legal developments in the PRC.
- The interests of our principal shareholder, Ivanhoe, may differ from those of our other Shareholders.
- It could be difficult for investors to enforce any judgment obtained outside Canada against us or any of our associates.
- Information in this document regarding future plans reflects current intentions and is subject to change.

Risks Relating to Our Projects in Mongolia

- Legislation in Mongolia may be subject to conflicting interpretations, which may have adverse consequences on our business.
- Application of and amendments to legislation could adversely affect our mining rights in our projects or make it more difficult or expensive to develop our projects and carry out mining.
- Our ability to carry on business in Mongolia is subject to political risk.
- The Mongolian Government could determine that any one or more of our projects in Mongolia is a Mineral Deposit of Strategic Importance.

Risks Relating to the International Offering

- Future share market conditions may change.
- The liquidity and future market price of our Shares following the International Offering could be volatile.
- Future issuances or sales, or perceived possible issuances or sales, of substantial amounts of our Shares in the public market could materially and adversely affect the prevailing market price of the Shares and our ability to raise capital in the future.
- The market price of our Shares when trading begins could be lower than the Offer Price as a result of, among other things, adverse market conditions or other adverse developments that could occur between the time of sale and the time trading begins.