

A tribute to R. Edward Flood



I V A N H O E
CAPITAL CORPORATION

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From Robert M. Friedland and Peter Meredith*

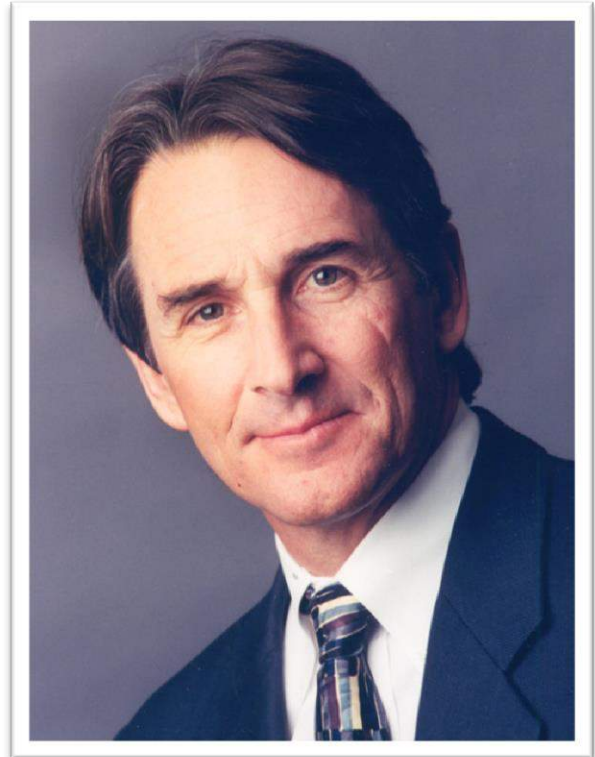
Ed Flood, an entrepreneurial geologist, with a flair for investment management, was a vital asset in critical decision making throughout the founding, operational establishment and ultimate exploration success – spanning 17 years of triumph and tribulation – that came to distinguish the original Ivanhoe Mines, and its founding entity, Indochina Goldfields.

We were privileged to know and respect Ed as a friend and colleague throughout much of his career, and are honoured to issue this salute on behalf of his many admirers and acquaintances within the Ivanhoe family of companies, as a fond farewell, following Ed's passing on October 15 that ended his valiant challenge of Lou Gehrig's Disease (ALS).

With the insights and confidence of his Master's degree in geology, which was his passport to discovery frontiers in North America and around the world, Ed was at home in faraway fields and browsing among the boxes of drill core. His proficiency with the science was complemented by his knowledge of the business-and-money side of mining, accumulated partly through two years as a research analyst with San Francisco investment banker Robertson Stephens, where he helped manage, among others, a billion-dollar mutual fund focused on international resource developments. He also acquired extensive boardroom experience from numerous corporate directorships. Combined with his disarmingly engaging personality, these talents made him a natural at chairing Ivanhoe Mines' sometimes-contentious annual meetings and addressing shareholder concerns.

Ed joined Ivanhoe predecessor Indochina Goldfields as founding President, and a Director, in 1995, before public stock-market followers had ever heard of the company. He helped lead the acclaimed 1996 IPO debut that raised CDN\$270 million on the Toronto Stock Exchange, followed by a CDN\$90 million private placement, during Indonesia's ill-founded gold rush. Then he headed the successful start-up of the Monywa copper mine joint venture in Myanmar in 1998.

In 1999, he relinquished the Ivanhoe presidency, but remained on Ivanhoe's Board of Directors, becoming Deputy Chairman, while working as a senior mining analyst with Haywood Securities between 1999 and 2001 – when perhaps his greatest career adventure began unfolding.



Earlier in his geologist's career, after several contacts and prior assignments with Robert Friedland, Ed had become a Director of Diamond Fields Resources in 1995.

Diamond Fields was co-chaired by Mr. Friedland. A fund operated by Robertson Stephens, by then Ed's employer, was a major investor in Diamond Fields, expecting to help finance a quest for African diamonds. But what began as a modest exploration side-interest in Canada, intently focused on diamonds and base metals, subsequently stole the show with its discovery of the massive Voisey's Bay nickel deposit in Newfoundland and Labrador.

As fellow relentless explorers, Ed and Robert were half a world away, checking out Nescor projects in Mongolia in June 1995, when Inco called Robert on a mobile telephone to seal an initial buy-in deal that led to Inco's CDN\$4.3 billion purchase of Voisey's Bay in 1996. During the trip, Robert recruited Ed to become Indochina's President, then his planned new venture, which was rebranded as Ivanhoe Mines in 1999. While in Mongolia, Ed and the visitors were briefed by government geologists about the country's mineral potential, including the South Gobi region's undefined Oyu Tolgoi prospect. Ed came to share Robert's enthusiasm for possible future opportunities in Asia and Asia Pacific.



Ed inspecting Oyu Tolgoi discovery core in 2001 after rejoining Ivanhoe's executive team.

Ivanhoe acquired the Oyu Tolgoi prospect from BHP in 2000 and began drilling. In 2001, Robert received the news that Ivanhoe had drilled the first of its discovery glory holes at Oyu Tolgoi. Robert's first phone call was to share the exultation with Ed. A few months later, Ed rejoined Ivanhoe's executive team as full-time Deputy Chairman. As drilling continued to reveal the astonishing scope of the Oyu Tolgoi copper-gold-silver discoveries, Ed was a key, authoritative voice in allaying initial skepticism among some investors and in helping to impress upon shareholders and investors the magnitude and significance of what was happening in the Gobi Desert. His experience, credibility and connections helped enable Ivanhoe to continue funding one of the industry's largest-ever exploration programs, while retaining ownership control.

Ed particularly is remembered for two seemingly prescient predictions.

- In May 2004, he told an audience of investors:

“In a world starving for copper, Oyu Tolgoi is the only entrée on the menu that we see out there on the horizon – and we're not talking about the low-calorie, low-carb special.”

Independent experts agree that Oyu Tolgoi is one of the great discoveries of our time and is destined to become one of the world's great mines. Its first phase began production in 2013 and logged output of 145,000 tonnes of copper, 446,000 ounces of gold and 869,000 ounces of silver during the first nine months of this year.

- In August 2003, he told a reporter speculating about potential partners for Ivanhoe at Oyu Tolgoi that a multi-metal giant would be the best bet:



“A Billiton, a Rio Tinto or an Anglo American would have more interest than a Barrick or a Placer.”

Ed at Ivanhoe’s exploration camp in Mongolia’s Gobi Desert, 2002.

Three years later, Rio Tinto did become a strategic partner in Oyu Tolgoi by acquiring an initial minority interest in Ivanhoe Mines, which it expanded to majority control in 2012.

Ed remained Executive Deputy Chairman of Ivanhoe Mines until 2007, when he returned to Haywood Securities (UK) as Managing Director of Investment Banking, but continued to serve as a regular Ivanhoe Director until 2012. He also accepted directorships with several other mining companies as he explored his own new horizons.

Ed Flood’s quarterbacking stands as an example for mining’s international leadership. We join with our colleagues and many, many others in celebrating Ed’s life and applauding his sterling accomplishments. We thank his family members for sharing him so generously with all of us.

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* Mr. Friedland is Chairman of Ivanhoe Capital Corp. and founder and Executive Chairman of Ivanhoe Mines.

Mr. Meredith is a Director of today’s Africa-focused Ivanhoe Mines, and a former Deputy Chairman and Chief Financial Officer of the original Ivanhoe Mines (renamed Turquoise Hill Resources in 2012).