

Oxford Communiqué Investor Report:

How to Stake Your Claim in This \$340-Billion Precious Metal Discovery

By The Oxford Club Research Team

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Carnegie and Rockefeller. Edison and the Wrights. Ford. DuPont. Any person off the street knows these names.

But who inspired these legendary people? Who played significant roles during their lives? You don't always know the names of these people.

In the late Steve Jobs' case, we do... Robert Friedland.

Jobs had several mentors in his life, but this one in particular deserves your attention. Steve Jobs met, befriended and was heavily influenced by Friedland who, by the way, also became a legend. Not in the computer business or digital electronics... but in a completely unrelated industry.

This gentleman acted as an early role model, confidant and mentor for Jobs. Kottke and others attribute several of Jobs' strongest character traits back to Friedland. Even Jobs' company name, Apple, traces its roots back to the days when Jobs worked at an apple farm run by Friedland.

Although Jobs didn't meet him until he went to college, in the short time they were together... Robert Friedland had a profound effect.

According to interviews and personal observations recorded in Walter Isaacson's book, *Steve Jobs*, the eccentric, charismatic Friedland was already quite the character when he first met Jobs. Friedland showed the strong personal traits and forcefulness of personality that have made him one of his industry's most colorful moguls.

In Isaacson's book, Kottke says he thinks Friedland taught Jobs a lot about how being the open, take-charge type is the way to influence people and get them to do what you want.

However, Friedland could hardly have been considered a success when he first met Jobs at Reed College. Friedland had recently been transferred there after being kicked out of Bowdoin for having \$125,000 worth of acid and then doing two years in a federal prison.

But all that's changed...

Today, like Jobs was, Friedland is a *billionaire and a legend in his own time*.

Now in his sixties, Friedland is a billionaire mining magnate, credited with some of the industry's biggest discoveries, and he's one of the most recognized names in the mining industry.

And like Jobs, it looks like Friedland has saved his most industry-shattering project for last.

You see, the company Friedland founded has begun production on a monster resource project buried deep in the Mongolian desert that he's been developing for 10 years.

And he's about to turn what others considered a \$5-million "pipe dream" into a **\$340-BILLION**

reality...

According to engineering consulting firm AMEC, the company he founded could be sitting on an estimated \$340-billion fortune. It turns out that this resource in the Mongolian desert is among the world's largest unexploited gold, copper and silver deposits... just as Friedland thought it might be.

This mega deposit, called Oyu Tolgoi, has eye-popping (estimated) reserves of 81 billion pounds of copper and 62 million ounces of gold.

Not only that...

It's important to emphasize that by early next year, news about this massive mine coming online and achieving full production will likely be the talk of the mining industry and the financial media.

But the big investment houses aren't waiting for the news to break. They're already buying in on a massive scale... Goldman Sachs owns 12.8 million shares of the company; Tradewinds has 7.2 million; Janus Capital Management, a hefty 35.8 million shares; and CitiGroup Inc owns another 16.1 million.

Obviously, they know something historic is about to go down. And now is the time to join them.

The Worst-Case Scenario... Is Hard to Find

Just for the fun of it, let's make the assumption that the estimates regarding the size of this deposit are wrong (not that we believe they are). As an investor, you want to be cautious and be sure you have a margin of safety when making stock purchases.

So let's ponder...

Maybe engineering consulting firm AMEC has overestimated the size of the resource and the company is not sitting on gold and copper worth an estimated \$340 billion.

Possibly *The Wall Street Journal* was being optimistic when it said; "... among the world's largest unexploited gold and copper deposits. It could be worth some \$300 billion..."

Maybe when the big investment houses sent their mining analysts to the property, they all did their math wrong when they came up with values in excess of \$300 billion.

That's the beauty of this situation... If they've all made errors and overestimated the value... It probably doesn't matter!

When you have a resource this big... discovered by a company this small... there's plenty of room for error... and you can still get rich.

Even if the present calculations are 50% too optimistic... this resource is still valued at \$170 billion! *This less-than-\$10 stock will command a much higher valuation even if the resource is half of what numerous experts think it is.*

Looking at an even worse scenario, say the company only produces 20% of what is expected. It would still be worth approximately \$68,000,000,000 – still an enormous sum. Particularly for a company that currently has revenue of less than \$200 million.

Admittedly, it will take decades of mining to realize the full value of this resource, and mining expenses will be hefty. Nonetheless, even if the company only keeps 20% of the 80% reduced projection above – that's \$13.6 billion in earnings for a company that's currently in the red.

Safety in Numbers, Knowledge and Experience

With all mining projects the big question is always: how are they going to pay for this?

That's what makes this situation even more promising. A reason not even mentioned yet...

One of the biggest names in the mining industry – Rio Tinto (NYSE: RIO) – is funding the project to the tune of a few billion dollars. And it now owns a small majority of the company. Talk about a believer. (If you're not familiar with Rio Tinto, it's the fourth-largest mining company in the world.)

Its involvement is a huge boon to the success of this project. After all, it's already developed some of the world's most successful gold, copper and silver mines. It's familiar with the technology, the equipment and the procedure.

So not only do you get to invest in a small company with a historic discovery. You get the comfort of knowing that a large, experienced mining company is developing the project.

But apparently news still travels slowly out of the Mongolian desert. The mainstream media and individual investors are still in the dark.

Here's your chance to get in ahead of the crowd...

The company that Robert Friedland founded is now called **Turquoise Hill Resources** (NYSE: TRQ).

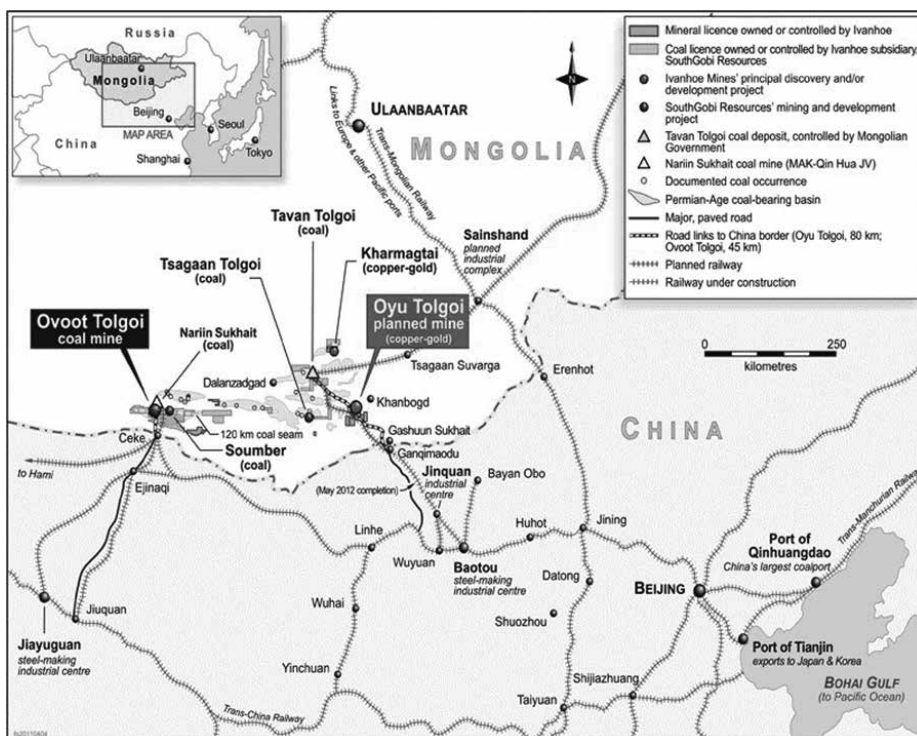
Turquoise Hill Resources

Based in Vancouver and founded in 1994, Turquoise Hill Resources (formerly called Ivanhoe Mines), is an international mineral exploration and production company. The company mines gold, copper, coal, molybdenum, rhenium and silver in Australia and central Asia.

While it has multiple projects underway, all those have taken a backseat to their Mongolian gold and copper mother lode, located 50 miles from the Chinese border.

With a 66% interest in the project, Turquoise currently has majority ownership in what is estimated to be the world's largest copper and gold resource.

The other 34% interest in the project belongs to the Government of Mongolia due to an agreement between it, Turquoise and Rio Tinto reached back in October of 2009.



Source: Turquoise Hill Resources

Outsized Reserves

Once the mine is in full operation, the estimated average annual production will be 1.2 billion pounds of copper, three million ounces of silver and 650,000 ounces of gold for the first 10 years.

This means that, when fully operational, the mine could produce over \$1 billion worth of gold

on a yearly basis based on today's price. And if the price of gold moves higher, the company could rake in even more money.

Add in \$3.9 billion in copper and \$74.8 million in silver production (a by-product of the copper mining), and the company could pull in close to \$5 billion every year from Oyu Tolgoi alone. Turquoise's share, at 66%, would amount to \$3.3 billion.

These numbers are based on today's metal prices. And of course, gold, copper and silver prices can move lower, potentially altering this revenue outlook. But even if Turquoise's annual revenue figure is cut in half to \$1.65 billion, it's still a considerable sum, placing Turquoise in the upper-echelon of mining companies and into territory the company has never seen before.

Sales were \$133.77 million in 2012 and, as of the beginning of the year, estimates have sales hitting \$1.33 billion in 2013. The estimated revenue growth for 2013 was 892%.

And long-term sales contracts have already been signed for a significant portion of the project's total concentrate. Not surprisingly – being only 50 miles away – most of the initial production will be delivered directly to customers in China.

Oyu Tolgoi: The Copper, Gold and Silver Mother Lode

Full-scale production from Oyu Tolgoi should send Turquoise's shares through the roof.

Since the company was established in 1994, it has never turned a profit. But estimates for this year have Turquoise turning a profit for the first time in company history. And 2014 is expected to increase further.

From there, it's off to the races as Turquoise achieves full year productivity and expands its operations to yield additional production.

Not surprisingly, in-the-know players are salivating over Turquoise's key asset and the estimates for its incredible revenue generation in the years ahead. Along with the aforementioned Goldman Sachs, Tradewinds and CitiGroup, Temasek – Singapore's investment arm – put up \$420 million for a 5.5% stake in Turquoise last year.

It's clear that the big Wall Street sharks are circling this opportunity and obviously see the huge potential here.

And amazingly, Turquoise is still dirt cheap, selling for less than \$10. Due to the sell-off in commodities, a recent share dilution (to help pay for Oyu Tolgoi), and the lackluster stock market, Turquoise shares were down more than 50% last year and offer an incredible buying opportunity.

You should strike while the iron is hot.

Action to Take: *By **Turquoise Hill Resources** (NYSE: TRQ) at market. And use our customary 25% trailing stop to protect your principal and profits.*

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