



Entrée Gold Inc.

**Entrée Gold Corporate Presentation – Greg Crowe
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Next up, we have Entrée Gold, which is an exploration company whose Lookout Hill property in Mongolia completely surrounds Ivanhoe Mines Oyu Tolgoi project. The company also has assets in Nevada, New Mexico, and Peru. From Entrée Gold, we have Gregory Crowe, President, CEO, and Director. Mr. Crowe has been with the company since the inception in 2002. He's a professional geologist with more than 25 years' experience from various continents.

On the Path to Production

Morning, ladies and gentleman. Thank you for attending the Entrée Gold talk, and thank you to Dahlman Rose for arranging this conference. Most of you probably have heard a portion of this talk before, but for those of you who aren't familiar, we are part of the parcel of the Ivanhoe Mines Oyu Tolgoi developing project in Mongolia.

And as Anna said, we do have some other significant assets that I'll talk about today as well. There will be some forward-looking statements in this presentation, so just be aware of that. This is a forward-looking cautionary statement. As I said, we are part of a parcel of the Ivanhoe Mines development situation. It is into construction now and it is approximately 75% complete.

There was a talk given yesterday by Ivanhoe Mines. I believe Peter Meredith, our Deputy Chairman, gave a presentation. These facilities will be used to also treat Entrée Gold ore, copper gold ore, and we are going to be part of the first lift underground development estimated to commence in about 2016 on the Entrée joint venture property.

Corporate Strategy – Striking the balance between opportunity & risk

We also have some significant assets in Nevada that we acquired in 2010 through the acquisition of an Australian junior listed company, and I'll get into more details on that. They're located in the Yerington District of Nevada just to the southeast of Reno, Nevada. So, as I said two main components to the company. In the United States, we have a 100% interest in the Ann Mason resource and Blue Hill prospect, which is developing copper oxide at Blue Hill with some underlying sulfide.

We also have an earn-in agreement on a portion of the property to the southwest with Eurasian Minerals, and it's a copper-moly project. In Mongolia, our main assets are in a



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joint venture with Oyu Tolgoi LLC, which is a subsidiary of Ivanhoe Mines and the Mongolian government. We have resources outlined at two places, Hugo North Extension and Heruga, and we also have another portion of the property to the west called Shivee West, 100% owned by Entrée, with a first right of refusal back to Oyu Tolgoi LLC.

We just recently put out a news release on some interesting new gold discoveries on that property as well. We also have some early stage projects elsewhere in the United States and also in Australia and Peru. The resources we have outlined to date so far in Mongolia at our Hugo North Extension, which is a direct continuation of Ivanhoe Mines' Hugo Dummett ore body, we have an indicated resource that exceeds a billion pounds of copper equivalent with just about over half a million ounces of gold there.

Resources

At the inferred level, we have over 4 billion pounds of copper equivalent, both at Hugo North Extension and at our Heruga deposit, with over 3 million ounces of gold contained in those deposits as well. In the United States, at Ann Mason, we outlined an inferred resource of over 7 billion pounds of copper using a .3% copper cutoff. If we lower that to .2%, which essentially is being used elsewhere in the count by groups like Nevada Copper, that exceeds 10 billion pounds of copper equivalent.

Strategic Partners

This is a bit of a complicated slide, but I'll simplify it for you. In essence, Rio Tinto is our largest shareholder with about 13% of our issued and outstanding shares. They have a preemptive right whereby they can participate in any financing to maintain that position. They just recently participated in a financing that we completed in December and they have completed in every financing that we have done since they've gotten involved with the company in 2006. They also have a 49% interest in the shares of Ivanhoe Mines. They also have a stand still agreement which expires in 2012 and they're committed to spend close to \$4 billion just for the development of the project.

Also, I must note that Rio Tinto has absolutely no interest in the project. They only have an interest in the shares of Ivanhoe and the shares of Entrée. Ivanhoe Mines is our second largest shareholder; they do not have a preemptive right. They currently own about 11% of our issued and outstanding shares. We also have an agreement through Oyu Tolgoi LLC originally with Ivanhoe Mines but now joint with Ivanhoe and the Mongolian government.

In essence, it is now a joint venture. Started out as an earn-in agreement. They had to spend 35 million dollars in order to fully vest their interest. We gave them an eight year period in order to do that, but they did it in just over three years. We've been joint



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ventures since 2008. We are now retaining a 20% or 30% interest in mineralization depending on the depth of mineralization and we have significant resources outlined in two areas on the property. And at Entrée's election we can choose to be carried through to production by debt financing at a rate of prime plus 2%. And there is no repayment of that debt except out of 90% of production revenue. So in essence we don't have to raise a penny for the development, and we are part of the development program at Oyu Tolgoi.

Shareholder Base Fully Diluted

These are the main shareholders of the company. You can see this is on a fully diluted basis. Rio Tinto and Ivanhoe are our largest shareholders. Quite a few large groups, Caisse de depot, TD Asset, Front Street, US Global, Royce and several other smaller ones in the .5% range as well. So probably up to 60% is held by institutions.

Board of Directors

I'm the president and CEO, background is in geology, two degrees in geology. I've been with the company since 2002. James Harris is a securities lawyer out of Vancouver, Canada, been with the company since 2003. Michael Howard, household name in Great Britain, formerly the head of the conservative party of Great Britain. He ran against Tony Blair a couple of elections ago. Knows cabinet ministers in Mongolia and he's been a great advocate for us in Mongolia as well.

Lindsay Bottomer, formerly the manager for Echo Bay mines out of Vancouver. Peter Meredith, he is with Ivanhoe Mines. He is the deputy chairman of Ivanhoe Mines. He gave a talk yesterday here at the conference. Mark Bailey giving a talk later this afternoon. He's with a company called Mine Finders. They put into production the gold and silver Dolores project in Northern Mexico. Alan Edwards is the newest addition to our board. He in essence worked for Freeport McMoran in Grasberg, Indonesia. He's come on board with us to help us change from an exploration company to more of a development company. That constitutes the board of directors.

Financial Information

There's the financial information. We just did a financing in December. About \$16 Million and there was a treasury at the end so we've got over \$20 million in our treasury now. There are the issued and outstanding shares, fully diluted and the two week high and low currently trading in the 121-125 range. And there's the analyst coverage that we have to date.



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Growth through Exploration

In terms of historical development of the company, we initially started in Mongolia where we had no joint venture with Ivanhoe Mines or through Ivanhoe Mines with Oyu Tolgoi LLC. That went on and changed in 2010. But here essentially is an outline of the properties that we have in Mongolia. The area in the middle here in white is Ivanhoe Mines. The area surrounding it on all sides is Entrée. Zones of mineralization are shown in red with our Hugo North Extension to the North and Heruga to the south. With exploration going on particularly down in the Heruga area right now. Ivanhoe Mines is in joint venture with BHP to the north despite Rio Tinto as the partner to develop Oyu Tolgoi itself. So that's an interesting development as well. I'll come back to this slide in a little bit.

In 2010, we acquired an Australian junior listed company and along with that, we acquired numerous other assets. We also acquired Lordsburg, Oak Grove and a property in Peru, which I won't talk about because of time constraints. But in principle we went after the junior company in Australia to acquire the Ann Mason and the Blue Hill projects in Nevada.

USA – Properties – Yerington, NV

Let's talk about those projects in Nevada. We'll talk a little bit about Mongolia and start rapping up after that. Why did we like this area which is just to the southeast of Reno? It's not a producing camp. They produced at the Yerington Mine itself. Produced close to 2 billion pounds. That was Anaconda up until the late '70s early '80s. We liked it. It's a good mining jurisdiction. Probably the best in the US.

It's an underdeveloped camp in the sense that after Anaconda withdrew, it went dormant for probably three decades and it's only recently beginning to see the light of day again with the new interest in high copper prices. It's showing itself to have potential for significant copper resources. Nevada Copper is developing Pumpkin Hollow, Quattera is working on the Yerington Mine and as I said we were interested in particular in the Ann Mason deposit. Also there has been no major company involvement, so it's right for introduction to a senior company to help finance and bring this project back into production when the time comes.

Yerington Property

So what did we get essentially for taking over that company? In particular, we were interested in the Ann Mason with the main resource outlined here. That resource essentially is 7 billion plus pounds of copper at the inferred level using a .3 cutoff for over 10 million pounds using a .2 cutoff as they're using over at Nevada Copper. We also have an additional drill target, the Blue Hill copper oxide zone sitting here. This is a



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copper sulfide and copper oxide deposit, when you drill down below 100 meters, we get into copper sulfide.

Both of them are separated by a very large geophysical anomaly, which really detects copper sulfide. We essentially have been drilling here. We hope to outline upgraded resources, getting some indicated mineralization and go to a PEA later in 2012. We also are extending drilling to the west because very little drilling has been done between these two deposits, and we think there's room for expansion and outlining of additional mineralization. So that will be part of our 2012 program.

Properties – Arizona & New Mexico

We also have some properties elsewhere in the southwest U.S., in particular in New Mexico in the area where there's significant copper production underway at Safford, Morency, Tyrone, and Chino. These are in production by Freeport McMoran. We have a project at Lordsburg, outlined significant intercepts with gold and copper. That's interesting because it's the first time we've seen any gold mineralization in these types of porphyry in this area of the world.

We also have another project at Oak Grove, a good geophysical conductor near the Tyrone mine which we hope to be drilling later this year.

Porphyry Copper Deposits

This just puts it in perspective of why we're looking at these types of deposits. Grades on the left, the size of the deposit that are either in production or being financed to come into production, is indicated by the size of the bubble here. Ann Mason fits in well in terms of the grade and what is being financed, and in terms of its tonnage as well. We think that it's a good deposit to continue to develop.

Mongolia

Now let's talk about Mongolia in a little bit more detail. This is a long section from the north to south through those deposits. I'll just show you where it is on the map and then I'll come back to this. Let's go to the map. It's essentially coming along through this line here.

And in essence this shows Ivanhoe Mines area in the center, with our Hugo North extension to the north and our Heruga deposit to the south. Ivanhoe Mines is currently pre-stripping the pit here, and they plan on being in initial production this year, probably mid this year, going into full commercial production in 2013.

Oyu Tolgoi Trend



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Average grade of this type of mineralization is about 1% copper equivalent, that's copper plus gold. The jewel of the deposit is Hugo Dummett which comes down to our property on the Hugo North Extension area. Average grade at Hugo South is about 1%, average grade at Hugo North is about 2%, average grade and on our property is about 2.2%, with lots of drill intercepts in the 3% and 4% range. So we actually have some of the richest mineralization on the property.

They currently have a shaft sunk down 1,385 meters, or about 5,000 feet. They've drifted about 2/3's of the way to our property, they're going to continue to drift. We're slated, as of IDP-10, to be part of the first lift of underground mining, a year after Ivanhoe starts underground mining here. That will be 2015 here, 2016, the first development production on our project. Once they're up and fully operational, between here and here, they should be at about 100,000 to 110,000 tons per day ramping up to 165,000 tons per day, but they are building capacity for over 250,000 tons a day. We also have a significant discovery here called the Heruga Deposit. It actually is copper and gold, very high gold-copper ratios, and there is a molybdenum component, the first time we've seen economic concentrations of molybdenum at Oyu Tolgoi.

Ivanhoe Mines is drilling some deep holes in through here looking for a potential continuation of the mineralization in this area as well. So, what have we got in terms of resources? At Hugo North Extension, which is a direct continuation of the Hugo Dummett ore body, we've got first lift underground mining at the mineral reserves, estimated to be, again, development production in 2016, also indicated resources of an additional 5.6 billion pounds of copper equivalent, estimated to contain 4.6 billion pounds of copper and over 2 million ounces of gold with additional inferred resources of another 2.8 billion pounds of copper equivalent.

Resources – 20% Carried Interest

At Heruga, it's becoming a bit of a monster ore body, so far outlined just at the inferred level, but over 17 billion pounds of copper equivalent, estimated containing close to 10 billion pounds of copper and 14 million ounces of gold. We retain a 20% carried interest in all of these numbers. And as I said, this is the area right here, Ivanhoe Mines with our Hugo North Extension and our Heruga ore body. Ivanhoe Mines, Oyu Tolgoi LLC, our joint venture partner, is currently drilling in this area looking for extensions to the Heruga ore body.

Exploration Potential – Entrée OTLLC JV

Interesting enough, Ivanhoe and BHP has been drilling up here at a place called Ulaan Khud, and we believe this is a direct continuation of mineralization that was outlined in



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our Ulaan Khud zone in through here. They're busy trying to work out a resource here in this area right now, so lots of activity.

Argo & Zone III Targets

On our Shivee West project over here, we have a parallel system that has similarities to the mineralization over in through here. We've done some drilling over the past years, outlined some interesting copper, gold, moly anomalies, but nothing economic. But this year, we started working on a new gold zone called the Zone Three Argo Zone, which we're getting some interesting results. Just put those out recently, some good, really high grade surface samples and good interesting drill samples, particularly in this zone to the north here, which remains open to the north. This will be a focus of ongoing exploration in 2012 as well.

Increased Shareholder Value

So, what has the company got behind it, under its belt? The 20% interest that we have in Mongolia works out to be over 1 billion pounds of copper equivalent at the indicated level that also has about half a million ounces of gold and over 4 billion pounds at the inferred level with over 3 million ounces of gold.

In Nevada, using the 0.3% copper cutoff, we've got over 7 billion pounds of copper equivalent at the inferred level, and we're working on upgrading that to indicated and possibly expanding the size of the deposit as well.

Shaping the Company

So, this is the ups and downs of our little company since we joined forces, shall we say, with Ivanhoe Mines back in 2004. Major downturns affecting all of the companies here, it was the subprime mortgage crisis of 2008. Major downturn in 2006, base metal prices crashed and the Mongolian government brought in a horrific windfall tax.

The major upturns were doing the deal with Ivanhoe, outlining significant mineralization on our property, doing a deal with Rio Tinto, and then moving forward we essentially found a new discovery at Heruga and then we did the acquisition of our properties from the Australian junior company for those assets in Nevada. And we're working forward to, shall we say, return to more lofty levels, we hope.

Going Forward

In essence what we've got going forward in the United States, we're currently drilling. We've got two drills operating. We plan on doing a resource update and going to a PEA



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here in 2012. Elsewhere, expiration drilling at Oak Grove and Lordsburg, and we'll look at possibly looking at a little gold system in Australia as well.

Mongolia, the joint-venture partner is currently drilling, particularly in the Heruga area. They are going to continue the development and exploration up till 2016. This is outlined in Ivanhoe Mines IDP-10, with the first development production estimated to begin in 2016. Production from Hugo North Extension and Heruga, right now is outlined to go past 2070. We don't go much beyond that because of the investment agreement, in essence, runs out just before that. But there is enough mineralization left over at Heruga to take us into the 22nd century if need be. I don't know if I'll be around.

Shivee West, as I said, there are some interesting new gold targets that we plan on doing some exploration drilling on in 2012.

Building Shareholder Value

So in essence, I think we've got significant value under our belt with resources in Mongolia and at our Ann Mason deposit in Nevada. We believe there's increasing demand for gold and copper. I don't know if anybody has seen the recent articles that have come out on copper. Some are very bullish on copper going forward. There's estimated to be some severe shortages coming up in the next few years. And we believe that all of this, particularly as we're part of the Oyu Tolgoi development situation that we don't have to raise any money. We think that there's good potential for growth in our company going forward.

So that is the presentation. I see that I have 5 minutes left, so if anybody has any questions. Please. Yes?

Questioner

Your funding plans over the next couple of years to develop your operations.

Gregory Crowe

Yes. Well we just did a financing in December, so we've got over \$20 million in our bank. We believe that will take us through most of 2012. The funding plans right now are, in essence, to see how things go in 2012 to determine what would be the appropriate time to go back to the market. We believe that with an upgraded resource in Ann Mason and with advancing to a PEA, we're going to be in a much stronger position, as we get more development done by our joint-venture partner, we think we'll be in a stronger position, and also we hope that this economic downcycle will turn around as well on our behalf. Yes.



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Questioner

What's the environmental situation in Yerington? Did you pick up any historical problems?

Gregory Crowe

No, most of the environmental issues at Yerington were centered around the old Anaconda Yerington pit. Essentially that was under the guidance of the EPA and was being studied but Quattara, who has now done a deal with the EPA and they've got the go ahead to begin exploration.

They've had three or four drills operating there over the last year and they are trying to outline new resources. What are the on goings? Essentially, they are not responsible for any of the previous environmental situation, but they would be responsible for anything going forward.

I don't know, have you been to Yerington, have you seen it? Yeah, there's quite an interesting situation there that, I'll put it this way, our properties are interesting in that, they're over the hills. [Sigatse Peak] way to the west. We're in an entirely different watershed, a different basin, from the Yerington basin in the south and I think I'm happy to be there.

Okay. Thank you very much.