Early Warning System

IFC-50384

Oyu Tolgoi WCF

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Quick Facts

Countries	Mongolia
Specific Location	South Gobi region
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-12-19
Borrower	OYU TOLGOI LLC
Sectors	Mining
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 350.00 million

Project Description

As stated by the IFC, the proposed investment comprises of an IFC A Loan of up to US$100 million and the possible mobilizatior of parallel loans from international and local commercial banks for the provision of a working capital facility (WCF) to Oyu Tolgoi LLC.

OT is an existing IFC client (under project # 29007). In December 2015, IFC provided a US$400 million A Loan, as part of the US$4.4 billion project finance facility (PFF), to support development of the Oyu Tolgoi copper and gold mine in the Southern Gobi region in Mongolia (IFC/R2013-0033). The public disclosure documents for the previous investment are available at: https://disclosures.ifc.org/project-detail/ESRS/29007/oyu-tolgoi-llc.

IFC is considering a short-term facility to support OT's working capital needs. The facility will support development of the original Project as already approved in 2015, i.e. construction and development of the OT copper-gold mine with no change in the scope of the original Project.
The OT mine is located in the South Gobi region of Mongolia, approximately 600 km south of the Ulaanbaatar, and 80 km north of the Mongolia-China border. OT currently operates open pit mining at the Southern Oyu deposit and limited production from block cave underground mining operations in the higher-grade Hugo North deposit (which is currently being developed and production rates will be increased in the coming years). Year-over-year copper concentrate production continues to increase. Construction of the underground mine involves eventual development of more than 200 km of underground tunnels at a depth of up to 1.3 km. Underground tunnelling is progressing consistently, and underground operations are expected to be fully ramped up by 2027.The proposed facility builds on the 2015 investment and provides short-term liquidity support for OT to ensure that it continues to stay on track with its operational targets, as well as with its development contributions.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

As stated by the IFC, Oyu Tolgoi is incorporated in Mongolia. The Government of Mongolia indirectly owns 34 percent of Oyu Tolgoi through Erdenes Oyu Tolgoi LLC, a Mongolian state-owned company. Rio Tinto PLC, a global metals and mining company, directly owns 66 percent of Oyu Tolgoi. Rio Tinto PLC (https://www.riotinto.com/) is publicly listed. It has operations in 35 countries and is headquartered in the United Kingdom.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Rio Tinto PLC	Parent Company	Mining	owns	Oyu Tolgoi LLC	Client	Mining

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Bank Documents

- Environmental and Social Review Summary

Community Documents

- Joint Statement on IFC and EBRD new financing for Oyu Tolgoi mine

Other Related Projects

- EBRD-55780 OT Liquidity