

Entrée Gold Inc. has 20% Carried Interest in a Key Portion of One of the World's Most Significant, High Grade Copper Assets Ever Discovered that is Being Financed Through to Production by One of the World's Top Three Mining Companies – Not too Many Junior Companies Can Say That



Entrée Gold Inc.

**Resources
Copper and Gold Exploration
(ETG-TSX, EGI-NYSE MKT)**



**Gregory G. Crowe
President and CEO**

BIO:

Greg Crowe has been a director and President of Entrée Gold Inc. since the inception of the company in 2002 and became Chief Executive Officer in July 2003. He has led Entrée Gold

through a series of transactions and financings totalling in excess of \$100 million.

Mr. Crowe is a professional geologist with more than 25 years of exploration, business and entrepreneurial experience throughout North America, Latin America, Africa and Southeast Asia. Prior to joining Entrée, Mr. Crowe was President and co-founder of Azimuth Geological Inc., a private consulting company specializing in exploration and management services for junior and major mining companies such as Rio Algom Ltd., the Prime Group and Westmin Resources Limited. Mr. Crowe has served as a director of several junior mining companies.

Mr. Crowe obtained a Bachelor of Geology degree from Carlton University and a Master of Geology degree from the University of Calgary. He is a member of the Association of Professional Engineers and Geoscientists of British Columbia and the Prospectors and Developers Association of Canada.

Company Profile:

Entrée Gold Inc. (Entrée) is an exploration-stage junior resource company focused on the discovery and development of copper and gold projects worldwide. Entrée has an interest in a development-stage project in Mongolia and is also engaged in the exploration of mineral resource properties in the United States, Peru and Australia. Its two principal assets are its 20-30% joint venture interest in the Lookout Hill property in Mongolia, which hosts a copper-gold porphyry system that is

being financed to production by Rio Tinto, and the Ann Mason copper-molybdenum project in Nevada. The Lookout Hill property in Mongolia hosts two sizeable resources on the Shivee Tolgoi and Javhlant mining licenses, which adjoin Ivanhoe Mines' Oyu Tolgoi mineralized system to the north and south. In the United States, Entrée acquired a 100% interest in the Ann Mason deposit and other prospects, including the Blue Hill target, by acquiring the Australian listed company, PacMag Metals Limited. The Ann Mason Project also includes the Blackjack and Roulette targets.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Crowe, what is the basic vision and philosophy at Entrée Gold?

Mr. Crowe: Entrée is a junior resource/exploration company that is focused on advancing select projects to development and eventually, production. We have been in business since 2002, at which time we secured a significant ground position surrounding Ivanhoe Mines' Oyu Tolgoi license in Mongolia. We partnered with Ivanhoe Mines' subsidiary Oyu Tolgoi LLC on a portion of that ground, and have watched it progress into a near production project. Entrée retains a 20% - 30% carried interest in the joint venture. The joint venture property hosts significant resources, one of which is slated for first underground development at Oyu Tolgoi with financing secured by Rio Tinto. Additionally, we have acquired other significant copper assets such as a very large cop-

per/molybdenum resource located in the historic copper mining district of Yerington, Nevada. A sizeable ground position around this resource was assembled through a series of property deals and by the acquisition of an Australian junior-listed company. Our overall goal is growth in the copper/gold sector while undergoing a transition from exploration to a development/production company.

CEOCFO: What attracted you to Mongolia and will you tell us about the mining industry there?

Mr. Crowe: First of all, there was an opportunity which was first recognized by Cary Pinkowski, who at the time was a broker at Canaccord. The opportunity in Mongolia involved acquiring a key strategic ground position surrounding Ivanhoe Mines' fast developing Oyu Tolgoi project in 2002. The previous successes of the then chairman Robert Friedland of Ivanhoe Mines, made the surrounding ground very attractive from a marketing viewpoint. We saw the potential for this to become a significant play. Indeed, as the years rolled on, the Oyu Tolgoi property and the adjoining joint venture ground have become recognized as one of the largest and richest porphyry copper/gold discoveries in the world. It has attracted the attention of the major mining community including Rio Tinto, which not only financed the early stages of development, but has now taken control of Ivanhoe Mines. Rio is continuing to finance the Oyu Tolgoi mining complex into production, with first commercial production from the Oyu Tolgoi open pits is slated for 2013. In answer to what the mining situation is like in Mongolia, Mongolia is an extremely resource rich country, but it is really at the early stages of economic development. Mongolia is a democracy, and it is one of the few actual working democracies in that part of Asia. I see a lot of hope for Mongolia, but they are going through the transition and adjustments of a new growing democracy. At the end of June, there will be parliamentary elections in Mongolia and there are always a lot of questions surrounding who is going to come into

power and what will be the policies of that particular party going forward, particularly with respect to foreign investment in mining. One often sees these issues arise; but frankly, Mongolia has been a fairly stable and attractive place to invest in, and it has certainly been that way for Entrée. This is particularly true with Rio Tinto as our partner. We anticipate that Mongolia will continue to be a good place to do business over the long term.

CEOCFO: So, Entrée will reap the benefits, and Rio Tinto will do the work?

Mr. Crowe: Rio Tinto is certainly a very strong partner to have and I think I can honestly say that without Rio Tinto or someone like them perhaps this project would not have developed to the extent that it has. Further, with Rio as manager, they bring the high-

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est quality of mining expertise along with high standards for social and environmental responsibility.

CEOCFO: What is happening in Nevada?

Mr. Crowe: Nevada is a very significant asset. In order to put it into perspective, we can look at the resources, which we have under our belts in the different jurisdictions. In Mongolia, we have indicated resources that are estimated to contain over one billion pounds of copper equivalent, including over half a million ounces of gold, and additional inferred resources estimated to contain over four billion pounds of copper equivalent, including over three million ounces of gold. That is Mongolia. In Nevada, it is turning out to be a much larger resource. It is copper/molybdenum, and so far, we have indicated resources estimated to contain over eight billion pounds of copper and additional inferred resources estimated to contain over seven billion

pounds of copper. We believe there is potential for significantly more mineralization in the Ann Mason deposit. We are also evaluating a separate target just off to the side of it called Blue Hill, which has a significant copper-oxide component. We are heading towards a preliminary economic assessment, which will be released towards the end of 2012. On top of that, we are in an area that was an active copper mining district back until the late 1970's early 1980's, when Anaconda Mines owned the original Yerington pit, just to the east of us. It is an area that has shown potential for very large and significant copper resources, and two other public companies are currently working there. Nevada Copper is developing the Pumpkin Hollow deposit, which is at the feasibility level. Another company, Quaterra Resources, has the rights to the old Yerington Mine, and is also developing a copper oxide deposit called MacArthur. The Yerington district is once again becoming a very active area. It was dormant for about thirty years but with the increased copper and copper/molybdenum prices, it certainly is attracting the attention of the copper community and as we develop it further,

we anticipate that we might start getting attention from some of the larger mining companies.

CEOCFO: Would you like to get a partnership or joint venture?

Mr. Crowe: We partnered in Mongolia and I think it worked out well for us. What we would like to do is get the preliminary economic assessment for Ann Mason, look at it, and it will give us a preliminary idea of the valuation of the project. At that time, we will consider whether we want to bring in a partner. These types of deposits can be extremely large production situations that will require a significant capital expenditure and, because we are a small company, we may require a partner.

CEOCFO: Aside from the capital, exploration is not the same as production. Do you need to add to your team's background to go into that phase as well?

Mr. Crowe: I think we will have to add to the team. There is no question that we are an exploration-oriented company. We have brought some people onto our team that have more development and production experience and are certainly helping us out, but if we were to actually take an active role in the latter stages of development or into production, we would certainly have to bring people with that expertise on board.

CEOCFO: Entrée's corporate strategy is to "strike the balance between opportunity and risk." Would you elaborate on how you are doing that with the current projects?

Mr. Crowe: For the current projects, with respect to opportunity and risk, Mongolia is a good example. We saw the opportunity, and we moved in. It was extremely high-risk and became even higher risk during the years after the 2004 election when there was a minority government that wanted to impose punitive taxes on copper and gold mining and development in Mongolia. In my mind, it took the attraction of major companies such as Rio Tinto, which invested in Entrée in 2005, a year and a half before they invested in Ivanhoe Mines, to start to de-risk the project. When Ivanhoe Mines and Rio Tinto entered into an investment agreement and formed a partnership with the Mongolian government in 2010, Rio Tinto committed almost \$3.5 billion to the development of the project, which has now gone to over \$6.5 billion. I think their stake further de-risked the Mongolian situation. Now with respect to the United States we are finding that balance again. We saw the opportunity, and through the acquisition of an Australian junior company at a time when base metal values had gone south, we took the risk of going through with that acquisition; as such, we acquired a significant resource that has increased substantially in value since that time. We drilled an additional 40,000 metres

and almost doubled the estimated resource. We are proceeding to a PEA, and we are starting to attract the attention of major companies, so I think we are starting to de-risk that one as well. Not all the risk has gone away, as we still have a number of steps to go through including development permitting and financing to bring the project to the development production stage. Another aspect of balancing risk relates to the jurisdictions of our projects. Mongolia is still perceived to have a fair amount of legal and political risk, particularly as the election approaches. We have balanced that by choosing Nevada, one of the most mining friendly jurisdictions in the world, for our other major project.

CEOCFO: What is the financial picture like for the company?

Mr. Crowe: We now have about \$12.5-\$13 million in our treasury, which is not enough to realize all of our dreams. We are confident that with the quality of our assets, we would be able to attract a partner to help us out if we decide to go that route.

CEOCFO: Do you have any other properties on the backburner, or do you continue to look at other properties?

Mr. Crowe: We already have a couple of other properties. In the southwestern part of New Mexico, we have a project called Lordsburg, which is an interesting new porphyry copper/gold discovery. It is right in the area of significant copper/molybdenum mining by Freeport-MacMoRan, a large copper company that acquired Phelps Dodge in 2007, and they are mining nearby at Safford, Morenci, Tyrone and Chino. We also have earlier-stage projects in Peru and Australia as well.

That said, we are always looking at other properties. We are a bit opportunistic in these downturns when

stressed companies with good assets may be looking for partners.

CEOCFO: You are busy at Entrée!

Mr. Crowe: Yes, and again, our \$12.5 million is not enough to make us realize all of our dreams, so we choose to leave some on the backburner and hopefully, develop them as we free up our resources by bringing in a partner.

CEOCFO: Why should Entrée stand out to investors?

Mr. Crowe: I think we are unique. There are not too many junior companies that I know of who can say that they have a 20% carried interest in a key portion of one of the world's most significant and highest grade copper assets ever discovered, which is being financed right through to production by one of the world's top three mining companies. On top of that, we have almost three or four times the amount of resources to our credit being advanced in Nevada in an area that was totally ignored for thirty years. It is an opportunity that we are slowly de-risking by improving the quality of the resources there and going to a preliminary economic assessment.

CEOCFO: What is the outlook for copper?

Mr. Crowe: We believe that the long term outlook for copper is extremely strong. China continues to grow despite the fact that the economy may take the occasional pause. As for consumer projections going forward, there will be continued demand through China and India, as well as through a stronger US economy that seems to be slowly coming back into its own. Eventually Europe will get over their woes as well. We expect to see a decrease in supply, as there are not many new big copper mines coming onstream with the exception of Oyu Tolgoi, in which we have a key position.



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