



November 1, 2006

## **ASIA GOLD AND IVANHOE MINES AGREE TO MORE TIME TO COMPLETE MONGOLIAN COAL ACQUISITION AGREEMENT**

**VANCOUVER, B.C.** — Asia Gold and Ivanhoe Mines have agreed to allow more time to complete their pending Coal Transaction, under which Asia Gold will acquire the coal division of Ivanhoe Mines in consideration for the issuance of common and preferred shares.

The agreement gives the companies additional time to fulfill certain conditions that are required to close the transaction, including completion of the transfer of certain mineral exploration licenses in Mongolia that currently are held by Ivanhoe.

Asia Gold has been advised by Ivanhoe that during the past month the Cadastral Office of the Mineral Resources and Petroleum Authority of Mongolia accepted applications filed by Ivanhoe to transfer the ownership of Ivanhoe's portfolio of coal licences in accordance with the provisions of the Mongolia's revised Minerals Law. The companies have agreed not to set a time limit on the completion of the formal licence transfer process that has been initiated. The Coal Transaction between the two companies is expected to close shortly after the completion of the transfer of the coal exploration licenses.

On July 11, 2006, Ivanhoe Mines and Asia Gold signed a definitive agreement for Asia Gold to acquire Ivanhoe Mines' Coal Division by issuing 82,576,383 shares of Asia Gold to Ivanhoe Mines, which would result in Ivanhoe Mines owning approximately 90% of the issued and outstanding shares of Asia Gold (see Ivanhoe Mines' news release dated July 11, 2006, for details). On August 8, 2006, an overwhelming majority of Asia Gold's minority shareholders voted to approve the transaction.

Asia Gold shares are listed on the TSX Venture Exchange under the symbol ASG.

### Information contacts

Asia Gold: Steven Feldman +1-604-681-6799. Website: [www.asiagold.com](http://www.asiagold.com)

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements: This document includes forward-looking statements, which include, but are not limited to, statements concerning the proposed transaction between Ivanhoe and Asia Gold, statements concerning the transfer of certain mineral licences in Mongolia and other statements that are not historical facts. When used in this document, the words such as "could, " "plan, " "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Ivanhoe Mines and Asia Gold both believe that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are disclosed under the heading "Risk Factors" and elsewhere in their respective filings with Canadian securities regulators.