

IVANHOE MINES COMPLETES SALE OF AUSTRALIAN IRON MINE

SINGAPORE — Ivanhoe Mines' Chief Financial Officer Peter Meredith announced today that the company has completed the sale of its Savage River iron ore mine in Australia to a subsidiary of Stemcor Holdings Limited, of London, England.

As previously reported, the purchase price consists of two initial payments totalling US\$21.5 million, plus a series of contingent, escalating-scale annual payments based on the annual Nibrasco/JSM (Japanese Steel Mills) pellet price. The escalating-scale payments are to be made over five years, beginning March, 2006.

Determination of the contingent, escalating-scale annual payments to Ivanhoe will be based on Savage River iron-ore pellet sales of 1.8 million tonnes per year for the next five years and an escalating pellet-price formula using the annual Nibrasco/JSM pellet price as the pricing benchmark. The payments will be made between April, 2005, and March, 2010, and calculated at an initial rate of US\$1.00 a tonne if the annual benchmark price exceeds US\$30 a tonne, and will escalate to a maximum of US\$16.50 a tonne if annual pellet prices exceed US\$80 a tonne.

The February, 2005, pellet-price settlement between two of the world's largest iron producers, CVRD and Rio Tinto, and Japanese steel mills was 71.5% higher than the 2004 benchmark pellet price of US\$38.10 a tonne, boosting the 2005 pellet price settlement to approximately US\$65.30 a tonne. Annual price adjustments generally take effect April 1 for Asian iron ore buyers. If, as expected, the Nibrasco/JSM pellet-price settlements average more than US\$65 a tonne this year, Ivanhoe will receive payments totalling approximately US\$44 million over the next 13 months. In addition, if the US\$65 a tonne benchmark price is maintained over the next five years, the total consideration Ivanhoe will receive for the sale of the mine will be US\$122.75 million.

Ivanhoe's decision to sell the Savage River Mine is part of the company's plan to rationalize its non-core assets as it focuses on the accelerated shaft sinking and underground development of the world-class Hugo deposit at the company's Oyu Tolgoi copper and gold project in Mongolia.

ABM Mining, a wholly-owned subsidiary of Ivanhoe Mines, has been producing iron ore pellets and concentrate at its integrated Savage River Mine — consisting of mining, pelletizing and shipping facilities in the state of Tasmania — since 1997. ABM held the Savage River Mine through its indirect subsidiary, Goldamere Pty Ltd. Pellet production from the mine in 2004 was approximately 2.1 million tonnes.

The Stemcor Group operates as a global provider of specialist services to the steel industry, in areas such as raw material supply, finished product marketing, logistics and trade finance.

Ivanhoe has a 100% interest in the Oyu Tolgoi project and owns or controls exploration rights covering approximately 118,000 square kilometres in Mongolia, where additional copper, gold and coal discoveries are being delineated. Ivanhoe produces LME grade A copper from its Monywa joint venture in Myanmar.

Ivanhoe's shares are listed on the New York, Toronto and Australian stock exchanges under the symbol IVN.

Information contacts: Investors: Bill Trenaman / Media: Bob Williamson +1.604.688.5755

FORWARD-LOOKING STATEMENTS: This document includes forward-looking statements regarding Ivanhoe Mines, and its subsidiaries, business and project plans. Forward-looking statements include, but are not limited to, statements concerning expected future payments to Ivanhoe and future Nibrasco/JSM pellet prices. 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 believes that its 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 the corporation's periodic filings with Canadian, US and Australian securities regulators.