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IVANHOE MINES ENTERS INTO AGREEMENT TO RAISE UP TO CDN\$140 MILLION THROUGH AN UNDERWRITTEN EQUITY OFFERING OF COMMON SHARES

SINGAPORE — Ivanhoe Mines' Chairman Robert Friedland and Deputy Chairman Ed Flood announced today that in connection with the previously announced filing by the company of a preliminary short-form prospectus in all provinces of Canada for an underwritten equity offering of common shares, the company has entered into an agreement to issue to the public 10,714,285 common shares from treasury, on a bought-deal basis, at a price of CDN\$7.00 per share, for gross proceeds of CDN\$75 million.

The financing is expected to close on or about July 8th, 2004.

Ivanhoe has granted the underwriters an option to buy up to an additional 9,285,715 common shares at the offering price prior to the date of filing the final prospectus in connection with the offering. In addition, Ivanhoe will grant the underwriters an option to buy up to an additional 15% of the total offering for a period of 30 days from closing.

These securities have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States unless registered under the Act or unless an exemption from registration is available.

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