



IVANHOE
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NEW US\$15 MILLION FINANCING TO ADVANCE DEVELOPMENT OF TURQUOISE HILL GOLD AND COPPER DISCOVERY IN MONGOLIA

SINGAPORE – Ivanhoe Mines' Chairman Robert Friedland announced today that the company has arranged a US\$15 million (CDN\$24.19 million) private placement financing with leading Canadian and Australian mutual funds. The proceeds will be used to fund Ivanhoe's ongoing gold and copper exploration program in Mongolia, including the current resource delineation drilling at the Turquoise Hill (Oyu Tolgoi) Project in southern Mongolia.

The financing consists of 6,452,800 Special Warrants at a price of CDN\$2.50 (US\$1.55) each and 2,932,364 Special Warrants at a price of CDN\$2.75 (US\$1.71) each. Each Special Warrant entitles the holder to acquire one common share of Ivanhoe, at no additional cost, at any time until the close of business on the fifth business day after the earlier of (i) the date upon which the British Columbia and Ontario securities commissions issue receipts for the company's final prospectus; and (ii) four months following the Closing Date of the transaction. The financing is subject to regulatory approval and mutually acceptable documentation.

The Turquoise Hill Project is located approximately 80 kilometres north of the Chinese border (at approximately the same latitude as Niagara Falls, on the Canada-US border, and the port of Marseille in the south of France). Ivanhoe's initial exploration has been concentrated on the Southwest Oyu zone, one of four mineralized zones that have been identified to date at Turquoise Hill. Current drilling at Southwest Oyu is designed to provide sufficient data for the calculation of a resource estimate within the first of a number of potential open pits within the 3-kilometre by 4-kilometre core of the Oyu Tolgoi project area.

Ivanhoe has now arranged US\$31.75 million (CDN\$50.21 million) in equity financing to fund the company's development drilling program at the Turquoise Hill Project since discovering the high-grade gold and copper porphyry zone at Southwest Oyu in July, 2001.

Ivanhoe Mines holds an option to acquire 100% of the Turquoise Hill Project from BHP-Billiton, subject to certain limited back-in-rights or a 2% NSR. Ivanhoe now holds mineral rights to a total of 15,600 square kilometres, or more than 6,000 square miles, in Mongolia's Gobi porphyry copper-gold belt. The expanded exploration portfolio includes new licences covering an additional 15,100 square kilometres (5,830 square miles) of land strategically located in the same geological province that hosts the Turquoise Hill Project.

Information contacts

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