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## **STEP-OUT DRILLING CONFIRMS HIGH-GRADE GOLD AND COPPER DISCOVERY AT TURQUOISE HILL IN MONGOLIA**

SINGAPORE – Ivanhoe Mines' Chairman Robert Friedland and Senior Vice-President, Exploration, Douglas Kirwin announced today that ongoing drilling has expanded a high-grade discovery containing significant gold, copper and molybdenum mineralization at the company's Turquoise Hill (Oyu Tolgoi) discovery in southern Mongolia.

Final gold and copper assay results from two recently completed diamond-drill holes support the company's earlier estimates that one portion of the Turquoise Hill Project, called Southwest Oyu, contains a high-grade gold and copper porphyry discovery within a larger mineralized zone that, based on limited drilling to date, has the potential to contain several hundred million tonnes.

"The results that we have just received from holes 160 and 161 confirm that the gold and copper mineralization, hosted in quartz sulphide stockworks in andesite porphyry encountered in our earlier Hole 150, will be readily amenable to open-pit mining," said Charlie Forster, P.Geol., Ivanhoe's Exploration Manager for Mongolia, who is overseeing the drilling at Oyu Tolgoi. "The high gold and copper values over wide intersections received to date are extremely encouraging and are comparable to several of the world's best gold and copper porphyry deposits. They may also establish a localized, high-grade resource that will provide a faster payback on the investment required to develop the full potential of the deposit."

**Hole 160 averaged 1.68 grams/tonne gold and 0.80% copper over 288 metres, from 46 metres to 334 metres. Hole 161 averaged 1.70 grams/tonne gold and 0.71% copper over 358 metres, from 56 metres to 416 metres.** Hole 160 is a 120-metre, up-dip step-out northeast of Hole 150, results of which were reported in a July 17<sup>th</sup> news release, and Hole 161 is a lateral step-out 100 metres southeast of Hole 160, and approximately 150 metres, east-northeast from Hole 150. Hole 150 was Ivanhoe's first deep, diamond hole drilled at Southwest Oyu. **Hole 150 reached a downhole depth of 590 metres and averaged 1.17 grams/tonne gold and 0.81% copper over 508 metres, from 70 to 578 metres.**

Final gold and copper assays received to date from the Southwest Oyu Zone are summarized in the following tables. Molybdenum assays will be received in due course. Complete lists of assay results received to date, as well as property maps, cross sections and plans showing the location of the Ivanhoe and BHP drill holes at the Turquoise Hill Project, are on the Mongolia Exploration page on Ivanhoe's website at [www.ivanhoemines.com](http://www.ivanhoemines.com).

**Hole OTRCD-150 (-55 degrees)**

Hole Number	Final Depth	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)
OTRCD150	590.7 m	0	33	33.0	0.38	0.38
		<b>70</b>	<b>578</b>	<b>508.0</b>	<b>1.17</b>	<b>0.81</b>
including		70	124	54.0	0.45	0.51
including		124	188	64.0	0.88	0.66
including		<b>188</b>	<b>466</b>	<b>278.0</b>	<b>1.60</b>	<b>1.02</b>
including		466	524	58.0	0.79	0.57
including		524	578	54.0	0.40	0.50

**Hole OTRCD-160 (-55 degrees)**

Hole Number	Final Depth	From (m)	To (m)	Interval (m)	Au, g/t	Cu %
OTD160	460.7 m	0	46	46	0.37	0.34
		<b>46</b>	<b>334</b>	<b>288</b>	<b>1.68</b>	<b>0.80</b>
including		46	100	54	0.60	0.59
including		<b>100</b>	<b>172</b>	<b>72</b>	<b>1.14</b>	<b>0.68</b>
including		<b>172</b>	<b>198</b>	<b>26</b>	<b>2.60</b>	<b>1.40</b>
including		<b>208</b>	<b>334</b>	<b>126</b>	<b>2.39</b>	<b>0.89</b>

**Hole OTRCD-161 (-55 degrees)**

Hole Number	Final Depth	From (m)	To (m)	Interval (m)	Au, g/t	Cu %
OTD161	472 m	0	56	54	0.40	0.46
		<b>56</b>	<b>416</b>	<b>358</b>	<b>1.70</b>	<b>0.71</b>
including		56	176	132	0.52	0.47
including		<b>176</b>	<b>416</b>	<b>226</b>	<b>2.39</b>	<b>0.85</b>

Ivanhoe is also drill-testing several other prospective zones within the large Turquoise Hill porphyry system. The four mineralized zones identified to date, Southwest Oyu, South Oyu, Central Oyu and North Oyu, comprise a mineralized target that has the potential to host in excess of one billion tonnes of gold, copper and molybdenum mineralization within an area measuring 3,000 metres by 2,000 metres. The results of further drilling at the project are expected to reveal with greater certainty the nature and extent of resources on the property.

Hole 162, recently completed as a lateral step-out 80 metres northwest of Hole 160, has encountered visible copper mineralization from 56 metres to 239 metres and from 292 metres to 318 metres. Hole 163 is currently drilling as a 125-metre step-back from Hole 150 and is presently at a downhole depth greater than 400 metres in copper mineralization. Hole 166, recently collared as a 125-metre step-back southwest from Hole 161, is presently at 272 metres in very strong copper mineralization. Holes 151 through 157 were vertical, reverse-circulation holes drilled to test potential supergene-enriched zones in South Oyu and along the faulted eastern flank of the Southwest Oyu. Hole 158, also a vertical RC hole, was collared 100 metres south of Hole 163 and encountered 41 metres of 0.39% copper and 0.11 grams/tonne gold in the upper oxide portion of the hole, followed by 91 metres of 0.43% copper, 0.23 grams/tonne gold and 234 ppm molybdenum in the sulphide section. Hole 165 was collared 280 metres southwest and on-section of Hole 163, and drilled at -55 degrees to test a broad magnetic high between holes 165 and 163. The 517-metre hole encountered strong magnetite and mixed pyrite and chalcopyrite mineralization throughout its entire length. Assays for this hole are pending. Hole 164 was collared 125 metres northeast of Hole 149 in South Oyu and assays are pending. Drilling is continuing and additional assays will be announced periodically.

Three rigs currently are on site and two more are expected to arrive at the property in coming weeks. Ivanhoe plans to drill approximately 16,000 metres this fall to test the hypogene potential of the Southwest, Central and South Oyu zones.

Analabs Pty. Ltd., of Australia, performed the sample preparation and analyses of the Ivanhoe drill holes at its regional laboratory in Ulaanbaatar. Chemex Labs and Bondar Clegg in North Vancouver performed check assays for holes 149 and 150, on a 1-in-20 basis. These samples confirm the copper and gold results reported by Analabs. Samples will continue to be submitted to the Vancouver labs on a 1-in-20 basis throughout the program.

Ivanhoe Mines holds a conditional option to acquire 100% of the Turquoise Hill Project from BHP-Billiton.

An updated cross section of the Southwest Oyu zone showing the mineralised intercepts in Ivanhoe's holes 150 and 160 is on the next page.

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**Forward-Looking Statements:**

Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors identified in the corporation's periodic filings with Canadian Securities Regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The corporation does not intend to update this information and disclaims any legal liability to the contrary. Charlie Forster, P. Geo., of Ivanhoe Mines, a "Qualified Person" as defined by National Instrument 43-101 of the Canadian Securities Administrators, has reviewed the technical information contained within this release.

