



25 April 2012

Chalco and Ivanhoe Mines note status of SouthGobi Resources

HONG KONG – Aluminum Corporation of China Limited (“Chalco”) and Ivanhoe Mines Ltd. (“Ivanhoe”) make reference to the announcement made by SouthGobi Resources Ltd. (“SouthGobi”) on 16 April, 2012 regarding an announcement in a press conference by the Mineral Resources Authority of Mongolia (“MRAM”) of a proposed request to suspend exploration and mining activity on certain licenses pertaining to SouthGobi's Ovoot Tolgoi Mine. It was mentioned that MRAM had stated that the move is in relation to the proposed proportional takeover bid contemplated by the lock-up agreement between Ivanhoe and Chalco, dated as of 1 April, 2012 (the “Lock-up Agreement”).

Although the proposed partial bid is compliant with all the relevant laws and regulations of jurisdictions concerned, SouthGobi, Ivanhoe and Chalco have been advised by the Government of Mongolia that it is considering the introduction of new foreign investment legislation to allow it to assess investments. In this context, the parties understand that amongst the key issues to be considered by Government of Mongolia include the establishment of fair transfer pricing and taxation regimes with foreign investors. The parties also understand that the Government of Mongolia will look to model the legislation from precedents in other major jurisdictions.

Ivanhoe and Chalco have also noted certain statements made by various Mongolian stakeholders recently since the announcement of the proposed partial offer and would like to express their commitment to cooperate with and assist the MRAM and the Government of Mongolia in any future processes that they may have.

The parties confirm that subject to the terms and conditions set out in the Lock-up Agreement, Chalco has agreed to make a take-over bid on or before 5 July, 2012, and thereafter the bid must be taken up 36 days after it is made. Chalco confirms that its current intention is to mail the circular on or about 5 July and all deposited shares would be taken up by Chalco on 10 August, 2012. Chalco also confirms that it will not mail the bid circular before 28 June, 2012. Under the Lock-up Agreement, Ivanhoe is required to deposit its shares to Chalco's bid within 10 days after Chalco mails its circular. However, a condition to Chalco's completion of the proposed partial offer is that all required regulatory approvals have been obtained on terms satisfactory to Chalco. Unless and until such regulatory approvals have been obtained to its satisfaction, Chalco may withdraw its bid (in which case all deposited shares will be returned to shareholders) or extend its bid up to 180 days from the date of the offer to allow time for regulatory processes to be completed.



Chalco confirms that it intends not to take up any shares under its bid unless and until the regulatory approvals from the Government of Mongolia, if any, as well as other regulatory approvals pursuant to the Lock-up Agreement have been obtained and other conditions of the Lock-up Agreement have been satisfied or waived.

In the event new foreign investment legislation is implemented by the Government of Mongolia prior to the completion of the partial offer of the shares in SouthGobi, Ivanhoe and Chalco will cooperate with the Government to ensure any requirements under such legislation are satisfied.

Chalco intends to leverage its position as an established metals and mining industry incumbent to further enhance the coal operation of SouthGobi. Under its Cooperation Agreement with SouthGobi, Chalco has undertaken, following completion of the bid, to provide support services to further develop the SouthGobi operation for the benefit of SouthGobi and its shareholders. Chalco believes there will be a net benefit to Mongolia and the Mongolian mining industry which will also help strengthen the future economic interests and co-operation between Mongolia and China.

About Aluminum Corporation of China Limited (Chalco)

Chalco is headquartered in Beijing and listed in Shanghai (601600.SH), Hong Kong (2600.HK) and NYSE (ACH.US) as a diversified Aluminum and mining company. Apart from its integrated Aluminum portfolio and the dominant position in China's Aluminum industry, it has also started to penetrate other growth-oriented mining areas. The Chairman and CEO of Chalco is Mr. Xiong Weiping and Mr. Luo Jianchuan is the President.

About Ivanhoe Mines

Ivanhoe Mines (NYSE, NASDAQ & TSX: IVN) is an international mining company with operations focused in the Asia Pacific region. Assets include the company's 66% interest in the Oyu Tolgoi copper-gold-silver mine development project in southern Mongolia; a 58% interest in Mongolian coal miner SouthGobi Resources (TSX: SGQ; HK: 1878); a 59% interest in copper-gold miner Ivanhoe Australia (ASX, TSX: IVA), which also is developing a molybdenum-rhenium discovery; and a 50% interest in Altynalmas Gold, a private company developing the Kyzyl Gold Project in Kazakhstan.

About SouthGobi Resources

SouthGobi Resources (TSX: SGQ, HK: 1878) is focused on exploration and development of its Permian-age metallurgical and thermal coal deposits in Mongolia's South Gobi Region. The company's flagship coal mine, Ovoot Tolgoi, is producing and selling coal to customers in China. The company plans to supply a wide range of coal products to markets in Asia.



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