



May 9, 2007

## **IVANHOE MINES AND ASIA GOLD RECEIVE ENVIRONMENTAL APPROVAL FOR MONGOLIAN COAL PROJECT**

### **COAL PROJECT RENAMED OVOOT TOLGOI**

**VANCOUVER, CANADA** – Ivanhoe Mines Ltd. and Asia Gold Corp. announced today that the Detailed Environmental Impact Assessment report (DEIA) for the Ovoot Tolgoi coal project (formerly known as Nariin Sukhait) has been approved by the Mongolian Government's Ministry of Nature and Environment.

The coal project has been renamed Ovoot Tolgoi to differentiate Ivanhoe Mines' coal exploration and development project in Mongolia's South Gobi Province from the adjoining Nariin Sukhait coal mine owned by a Mongolian-Chinese joint venture company, MAK/Qinhua.

Ivanhoe Mines' wholly owned Mongolian subsidiary, Southgobi Sands, recently filed the DEIA as a first step in initiating the formal process for obtaining a mining license for the development of a surface open-pit coal mine at Ovoot Tolgoi. As required by the Minerals Law of Mongolia, the company filed its DEIA along with a Geological Resource report for Ovoot Tolgoi. Upon receipt of the Government approval of the Geological Resource report, Southgobi Sands will formally file for a mining license in order to commence development and operation.

According to the Minerals Law, mining licenses in Mongolia are granted for a 30-year term, with accompanying rights to two 20-year extensions. Such mining licenses provide broad-based rights to the licensee, including the rights to mine and conduct further exploration within the mining claim, sell mineral products at international market prices, transfer all or part of the mining license, construct necessary structures in order to carry out mining activities, pass through adjacent land and land owned or possessed by other persons and use land and water in compliance with applicable laws.

Ovoot Tolgoi, located in the southwest corner of the Omnogovi Aimag, (South Gobi Province) is the company's most advanced coal project. The project is within the Gurvantes Soum (township), 320 kilometres southwest of the provincial capital of Dalanzadgad and 950 kilometres south of the national capital, Ulaanbaatar. Ovoot Tolgoi is 45 kilometres north of the Mongolia-China border. The company's new airport, which went into service last fall, provides direct air access by chartered aircraft to Ovoot Tolgoi from Ulaanbaatar.

Current in-place coal resources at Ovoot Tolgoi, independently prepared by Ivanhoe Mines' technical consultant, Norwest Corporation of Salt Lake City, Utah, in accordance with National Instrument 43-101, are approximately 150 million tonnes of measured and indicated resources, and an additional 29 million tonnes of inferred resources.

### In-Place Coal Resources Summary for Ovoot Tolgoi as of March, 2007

Area	ASTM Group	In-Place Resources (Tonnes)		
		Measured	Indicated	Inferred
South-East Field	hvB to hvA	49,752,000	15,987,000	6,502,000
West Field	mhB to hvA	55,144,000	28,698,000	22,601,000
<b>Total</b>		<b>149,580,000</b>		<b>29,103,000</b>

Full details of the parameters used to calculate the in-place coal resources and coal quality estimates are available in Ivanhoe Mines 2007 Annual Information Form and Form 40-F, available at [www.ivanhoemines.com](http://www.ivanhoemines.com) and [www.sedar.com](http://www.sedar.com).

Although much of the work in the 2006 Exploration Program concentrated on the surface open-pit development, a secondary focus at Ovoot Tolgoi was to delineate resources that may be amenable to extraction by bulk underground mining methods. Deeper drilling was done in both the West and South-East fields to establish the thickness and quality of the coal at depths of up to 500 metres below surface. In December 2006, Norwest commenced a study to examine the underground mining potential at Ovoot Tolgoi. The main focus of the study is on the #5 Seam, which had very thick drill intersections of between 20 and 50 metres (true thickness) and exhibited promising coking (metallurgical) characteristics at depth. The company is aggressively pursuing drilling and engineering studies with a view to delineate additional resources that may be amenable to extraction by underground methods, principally for metallurgical coal.

On May 1, the Government of Mongolia completed the transfer of all 35 coal exploration licences held by Ivanhoe Mines Mongolia LLC in the South Gobi area of Mongolia to Southgobi Sands, which means that all of the material conditions precedent to the closing of Asia Gold's acquisition of the Ivanhoe Mines Coal Division have now been satisfied. The transaction is expected to close after Asia Gold's Annual General Meeting on May 25, 2007, at which time Asia Gold's shareholders will be asked to authorize a change of Asia Gold's corporate name to SouthGobi Energy Resources Ltd. to reflect more accurately the company's strategic focus of integrated coal and energy development in Mongolia's South Gobi Region.

If the name change is approved, SouthGobi Energy Resources will trade on the TSX Venture Exchange under the trading symbol SGQ. The proposed name change also is subject to regulatory approval.

Ivanhoe Mines is Asia Gold's largest shareholder, currently owning approximately 44% of Asia Gold's outstanding shares. Upon closing of the coal transaction, Ivanhoe Mines will own approximately 90% of the issued and outstanding shares of SouthGobi Energy Resources (Asia Gold).

Ivanhoe's shares are listed on the New York, NASDAQ and Toronto stock exchanges under the symbol IVN. Asia Gold shares are listed on the TSX Venture Exchange under the symbol ASG.

### **Qualified Person**

Gene Wusaty, President of Ivanhoe Mines' Coal Division and a Qualified Person as defined by NI 43-101, has reviewed and approved the technical and scientific information contained in this release.

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**The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.**

**Forward-Looking Statements:** This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the coal transaction between Ivanhoe Mines and Asia Gold and its anticipated effects, Asia Gold's proposed name change and other statements that are not historical facts, statements with respect to receipt of the Government approval of the Geological Resource report and statements with respect to planned exploration programs at Ovoot Tolgoi. 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 and Asia Gold both believe that the 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 will be disclosed under the heading "Risk Factors" and elsewhere in the Asia Gold management information circular for its May 25<sup>th</sup> Annual General Meeting.