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IVANHOE MINES AND MONGOLIAN GOVERNMENT REACH AGREEMENT IN PRINCIPLE ON DRAFT INVESTMENT AGREEMENT FOR DEVELOPMENT OF OYU TOLGOI COPPER-GOLD COMPLEX

ULAANBAATAR — John Macken, President and CEO of Ivanhoe Mines, and Peter Meredith, Deputy Chairman, said today that Ivanhoe Mines and its strategic partner, Rio Tinto, have reached agreement in principle with the Mongolian Government's Working Group on a draft Investment Agreement for the development of the Oyu Tolgoi copper-gold project in Mongolia's South Gobi Region.

The draft agreement remains subject to review and approval by the Cabinet of the Mongolian Government and the National Parliament and the settlement of definitive documentation. The draft agreement also is subject to review and approval by the boards of directors of Ivanhoe Mines and Rio Tinto.

Detailed information will be released when appropriate, subject to approval of the draft agreement by the Mongolian Government's Cabinet.

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Forward-Looking Statements: This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning estimates of the planned development and engineering at the Oyu Tolgoi project, statements concerning the expected timing and outcome of Ivanhoe Mines' discussions with representatives of the Government of Mongolia for an Investment Agreement in respect of the Oyu Tolgoi project statements relating to the continued advancement of Ivanhoe Mines' projects and other statements which are not historical facts. 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 believes that its 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 are disclosed under the heading "Risk Factors" and elsewhere in the corporation's periodic filings with Canadian and US securities regulators.