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IVANHOE MINES RECEIVES INITIAL ANNUAL PAYMENT OF US\$28 MILLION FROM THE SALE OF THE SAVAGE RIVER IRON ORE MINE

SINGAPORE — Ivanhoe Mines announced today the company has received its first contingent annual payment, totalling US\$28.0 million, from the sale of the Savage River iron ore mine in Australia, bringing the total payments received to date to US\$49.5 million.

In February, 2005, Ivanhoe Mines sold the Savage River mine to a subsidiary of Stemcor Holdings Limited, of London, England. The purchase price consisted of two initial payments totalling US\$21.5 million, which Ivanhoe has now received, plus a series of contingent, escalating-scale annual payments based on the annual Nibrasco/JSM (Japanese Steel Mills) pellet price to be made over five years, beginning March, 2006.

Ivanhoe's shares are listed on the Toronto, New York and NASDAQ stock exchanges under the symbol IVN.

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