

News release via Canada NewsWire, Toronto 416-863-9350

Attention Business Editors:

Ivanhoe Mines enters into underwriting agreement in connection with previously announced financing of US\$100 million

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SINGAPORE, Dec. 8 /CNW/ - Ivanhoe Mines' Chairman Robert Friedland and Deputy Chairman Ed Flood announced today that in connection with the previously announced filing by the company of a preliminary short-form prospectus in all provinces of Canada, except Quebec, for an underwritten equity offering of units to raise up to US\$100 million, the company has entered into an agreement with a syndicate of underwriters co-led by HSBC Securities (Canada) Inc., Griffiths McBurney & Partners and CIBC World Markets Inc. to issue to the public, on a bought deal basis, 12,500,000 units from treasury at a price of Cdn.\$10.50 per unit for gross proceeds of Cdn.\$131,250,000. Each unit will consist of one common share and one half of a common share purchase warrant. Each whole common share purchase warrant will entitle the holder to acquire one common share for a period of two years from closing with an exercise price of Cdn.\$12.00 per share during the first year and Cdn.\$12.50 per share during the second year. The financing is expected to close on or about December 19th, 2003.

Ivanhoe has granted the underwriters an option to buy up to an additional 1,800,000 units at the offering price for a period of 30 days from the closing of the offering.

These securities have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States unless registered under the Act or unless an exemption from registration is available.

Ivanhoe shares are listed on the Toronto and Australian stock exchanges under the symbol IVN. The shares also are listed on NASDAQ under the symbol HUGO.

Forward-Looking Statements: Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the corporation's periodic filings with Canadian and Australian securities regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The company does not assume the obligation to update any forward-looking statement.

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CO: Ivanhoe Mines Ltd.

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