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IVANHOE MINES WELCOMES SUPPORT AT CHINA-MONGOLIA SUMMIT FOR SOUTH GOBI INFRASTRUCTURE AND ANNOUNCEMENT OF CONSTRUCTION OF NEW HIGHWAY TO CHINA'S NATIONAL RAIL NETWORK

ULAANBAATAR – Robert Friedland, Chairman of Ivanhoe Mines (TSX and ASX: IVN), today welcomed the significant positive indications for Ivanhoe's Mongolian copper and gold mining projects stemming from last week's Ulaanbaatar summit between Mongolian President Natsagiyn Bagabandi and Chinese President Hu Jintao.

Summit discussions between the national leaders and their senior officials specifically highlighted their shared interest in the successful development of the world-class mine being planned by Ivanhoe at its Oyu Tolgoi (Turquoise Hill) copper-gold discovery in southern Mongolia, approximately 80 kilometres north of the Chinese border.

The Mongolian and Chinese leaders declared that they will cooperate in the development of Mongolian and trans-border infrastructure, including highways and railways. Expanded transportation infrastructure in the South Gobi region will be an asset for Ivanhoe's copper-gold mine and Mongolian mineral exports.

Chinese President Hu Jintao said in his official summit speech: "Well-positioned Chinese enterprises will be encouraged to invest in Mongolia and exploitation of mineral resources and infrastructure construction can be taken as priority areas for future cooperation." The Mongolian government echoed this sentiment, stating, "it is important to implement large-scale projects in mining and infrastructure that will positively affect Mongolian development and contribute to the Chinese economy."

The Chinese authorities also announced that they were making available US\$300 million in concessional financing for major infrastructure projects in Mongolia, such as new railway and highway links between the two countries.

New Highway to Border Crossing Announced

Chinese authorities in the province of Inner Mongolia have issued a formal approval document announcing the construction of an upgraded 226-kilometre highway that will provide a direct highway link between the Mongolian border crossing, just 80 kilometres south of Ivanhoe's Oyu Tolgoi (Turquoise Hill) project, and the Trans-China Railway system.

The highway, which is scheduled to be completed before the end of this year, will provide access for heavy construction equipment and supplies to Oyu Tolgoi and also can be subsequently used to send copper and gold concentrates to be produced at the mine to smelters and consumers in China. The highway is being constructed to a Chinese national standard that will result in a nine-metre-wide pavement on a 12.5-metre roadbed capable of carrying 60-tonne trucks, permitting the operation of road trains to haul concentrate similar to those commonly used in the Australian mining industry.

(A map showing the Inner Mongolia highway project and the links between the Oyu Tolgoi project and major Chinese transportation systems is attached and will be posted on Ivanhoe's website at www.ivanhoemines.com.)

Ivanhoe has initiated discussions with Mongolian and Chinese government authorities to extend the highway the final 80 kilometres to the Oyu Tolgoi project site. Discussions also are ongoing with the Mongolian and Chinese authorities for the provision of new rail links in the South Gobi region that would benefit the Oyu Tolgoi project within the bi-national cooperative expansion of infrastructure announced at the Ulaanbaatar summit.

Mr. Friedland said that the importance to Ivanhoe of the developments cannot be overstated. "We have found a world-class copper and gold province. It is extremely gratifying to see the far-sighted economic leadership by the two governments in pledging to put in place the highway and railway infrastructure that will facilitate the development of this major new resource. Ivanhoe is a true partner with Mongolia and China in helping to bring prosperity and sustainable development to the South Gobi cross-border region."

In April, Ivanhoe Mines and CITIC Group of China announced the formation of a strategic alliance in which CITIC Group expressed its willingness to make direct investments in, and to participate in the planning, construction, development and exploitation of, the Oyu Tolgoi copper-gold project and other base and precious metals projects throughout Mongolia and China.

Ivanhoe Mines is sole owner of the Oyu Tolgoi copper/gold system in Mongolia. Drilling to February, 2003, was independently confirmed to have identified 509 million tonnes of indicated resources grading 0.40% copper and 0.59 g/t gold, containing approximately 9.7 million ounces (275 tonnes) of gold and 4.5 billion pounds (2.0 million tonnes) of copper, at a 0.30% copper equivalent cut-off grade. In addition, the independent estimate confirmed that the deposit at that time contained inferred resources totalling 1.60 billion tonnes grading 0.63% copper and 0.17 g/t gold, containing approximately 9.0 million ounces (255 tonnes) of gold and 22.3 billion pounds (10.1 million tonnes) of copper. As exploration is still continuing in this area, the ultimate volumes of the deposits may far exceed the current estimates.

Ivanhoe Mines also has exploration rights covering over 90,000 square kilometres in central and southern Mongolia.

Ivanhoe shares are listed on the Toronto and Australian stock exchanges under the symbol IVN.

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