

IVANHOE MINES ANNOUNCES FINANCIAL RESULTS AND REVIEW OF OPERATIONS FOR THE FIRST QUARTER OF 2008

SINGAPORE — Ivanhoe Mines Ltd. today announced its results for the quarter ended March 31, 2008. All figures are in US dollars, unless otherwise stated.

HIGHLIGHTS

- **Drilling continues to expand the dimensions of the Heruga Deposit on the Javkhant concession of the Entrée Gold-Ivanhoe Mines joint-venture property in Mongolia. Heruga, rich in copper, gold and molybdenum, adjoins the southern boundary of Ivanhoe's Oyu Tolgoi mine development project.**
- **Underground mine development work is progressing at Oyu Tolgoi's copper- and gold-rich Hugo Dummett North Deposit.**
- **The Oyu Tolgoi Project is awaiting an approved Investment Agreement with Mongolia to begin full-scale construction.**
- **Ivanhoe's 80%-owned subsidiary, SouthGobi Energy Resources, has begun open-pit mining at its Ovoot Tolgoi coal mine in Mongolia.**
- **Ivanhoe sold its 42% control block in China gold producer Jinshan Gold Mines to a wholly-owned subsidiary of China's national gold-mining conglomerate, China National Gold Group, for C\$217.7 million. The sale was completed May 13, 2008, bringing Ivanhoe's consolidated cash position to approximately \$500 million.**
- **Ivanhoe Australia increased its ownership in Exco Resources to 19.6% on May 7, 2008.**
- **A contribution of \$108,000 toward emergency relief for the people of Myanmar affected by Cyclone Nargis was approved by the Ivanhoe Mines Board of Directors on May 9, 2008.**

MONGOLIA: OYU TOLGOI COPPER-GOLD PROJECT

Underground development program advancing at high-grade Hugo Dummett North Deposit in preparation for production

On January 27, 2008, the Oyu Tolgoi team celebrated the completion of Shaft No. 1. The completed, concrete-lined shaft is 6.7 metres in diameter, with a final depth of 1,385 metres. It is the deepest excavation in Mongolia. Lateral underground mine development activities on the 1,300-metre level have commenced, which will involve tunnelling into Oyu Tolgoi's Hugo Dummett North high-grade copper and gold deposit, facilitating access for exploration and initial production from the underground mine.

During the first quarter, engineering and procurement activities for the concentrator, infrastructure and underground mine continued to progress. The engineering and equipment schedules support the planned construction schedule. Engineering for the coal-fired power plant is underway.

Limited camp-construction activities occurred during the quarter. The work focused on completion and upgrades to accommodation and associated infrastructure to support the influx of workers expected when full-scale construction begins.

Drilling expands new Heruga Deposit rich in gold, molybdenum and copper

Exploration work is continuing to expand the dimensions of the Heruga Deposit that has been discovered on the Javkhlant concession of the Entrée Gold-Ivanhoe Mines joint-venture property adjoining the southern boundary of Oyu Tolgoi.

During the first quarter of 2008, Ivanhoe Mines completed approximately 11,690 metres of drilling on the Heruga Deposit. Heruga remains open at both ends, with ongoing drilling extending the overall strike length of the mineralization. At the beginning of the first quarter, five rigs were in operation. This now has been reduced to three rigs – one each at the northern and southern ends of the deposit, and one drilling to expand the inner high-grade gold zone.

In March 2008, Ivanhoe Mines announced the first resource estimate for the Heruga Deposit. The deposit is estimated to contain an inferred resource of 760 million tonnes grading 0.48% copper, 0.55g/t gold and 142 ppm molybdenum, for a copper-equivalent grade of 0.91%, using a 0.60% copper-equivalent cut-off grade. Based on this initial estimate, the Heruga Deposit is estimated to contain at least eight billion pounds of copper and 13.4 million ounces of gold. Using a higher cut-off grade of 1% copper equivalent, Heruga contains inferred resources of 210 million tonnes grading 0.57% copper, 0.97g/t gold and 145 ppm molybdenum, totaling 2.6 billion pounds of copper and 6.4 million ounces of gold.

Induced Polarization (IP) work is underway to better define the northern and southern target extensions of the Heruga Deposit for diamond drilling. Recent IP data show a narrower zone of anomalous chargeability extending northeast onto the 100% Ivanhoe Mines'-owned Oyu Tolgoi mining licence. This IP anomaly extends four-kilometres to the Solongo Fault at the southwest end of the Southwest Oyu deposit. It is assumed that the fault down dropped or offset the Southwest Oyu Deposit, and this IP anomaly could represent a deep continuation of the mineralization.

Ivanhoe Mines advised Entrée Gold in March that it had incurred in excess of \$27.5 million in exploration expenditures on the Entrée Gold-Ivanhoe Mines JV agreement areas and therefore has earned a 60% interest in all minerals — including the Heruga Deposit — on the Javkhlant exploration tenement and the northern extension of the Hugo Dummett North Deposit on the Shivee Tolgoi exploration tenement. Ivanhoe Mines intends to continue incurring earn-in expenditures in accordance with the terms of the JV agreement to increase its participating interest in the project. Subject to Ivanhoe Mines spending a total of \$35 million on exploration and/or development on the JV properties before November 2012, Ivanhoe Mines will earn a participating interest of 80% in all minerals extracted below a sub-surface depth of 560 metres on the optioned property and a 70% participating interest in all minerals extracted from surface to a depth of 560 metres.

Oyu Tolgoi Project awaiting an approved Investment Agreement to begin full-scale construction

The finalization of an acceptable Investment Agreement with the Government of Mongolia for the development of Oyu Tolgoi remains a continuing priority for the company. During 2007, a draft Investment Agreement was negotiated with a Working Group established by the government. The draft agreement was accepted by the cabinet and presented to Parliament for approval. Last November, while the draft agreement was before the Parliament, the governing political party appointed a new Prime Minister. In December, the Prime Minister withdrew the draft agreement for further review and

reconsideration and announced that the government would seek the assistance of qualified, independent, international experts to advise on the draft agreement. The Prime Minister subsequently agreed with other parties to enact certain revisions to Mongolia's Minerals Law before concluding an Investment Agreement for Oyu Tolgoi. Proposed revisions to the Minerals Law have been introduced in Parliament, where they remain under consideration. Mongolia will hold a national election June 29, 2008.

MONGOLIA

COAL PROJECTS

SOUTHGOBI ENERGY RESOURCES (79.8% owned)

SouthGobi Energy has begun open-pit coal mining at its Ovoot Tolgoi discovery in Mongolia

SouthGobi Energy began mining and stockpiling coal at its Ovoot Tolgoi Project in Mongolia's South Gobi region in April 2008. Deliveries to customers in China are expected to start during the third quarter.

The official start of mining culminated months of development and preparations, including the delivery of a fleet of surface-mining equipment valued at approximately \$16 million during the first quarter. Stripping and development of the first coal-mining production benches for the open-pit mine got underway in March.

The Ovoot Tolgoi mine is 45 kilometres north of Mongolia's border with China. A Chinese steel mill already has built a railway line to the Ceke border point, where a major, automated railcar loading facility opened last year. The Mongolian Government is formally transforming the Ceke border point into a full-time border crossing that will allow daily distribution of Ovoot Tolgoi coal to customers in China.

The initial workforce for the Ovoot Tolgoi open-pit coal mine has been hired. The first operating crews are comprised of experienced Mongolian heavy-equipment operators who require minimal familiarization with the new equipment. At the end of the first quarter, SouthGobi employed 137 people in Mongolia.

SouthGobi plans an extensive drilling program for Ovoot Tolgoi's underground deposits in 2008. The drilling will be aimed at delineating additional resources and providing engineering information for the development of an underground mining operation at Ovoot Tolgoi.

AUSTRALIA

Ivanhoe Australia has increased its ownership in Exco Resources to 19.6%

On May 7, 2008, Ivanhoe Australia exercised 21.1 million share-purchase options in Exco Resources at A\$0.35 per share to increase its holding in Exco's issued and outstanding share capital from 12% to 19.6%. Exco is an Australian mineral exploration company listed on the Australian Stock Exchange (trading symbol EXS). Exco holds extensive exploration tenements in the Cloncurry region in northwest Queensland and the White Dam gold project in South Australia.

Cloncurry IOCG Project expanding exploration

Ivanhoe Mines spent \$9.5 million on the Cloncurry Project during the first quarter of 2008, compared to \$2.3 million in the first quarter last year. Ivanhoe Mines is continuing to assess financing alternatives for Cloncurry. The Ivanhoe Mines tenement package comprises 15 Exploration Permits for Minerals (EPMs) totalling 1,873 square kilometres and 20 mining licences totalling 45 square kilometres. Three additional EPMs totalling 579 square kilometres are under application. An application has been made for one mining lease – the Lucky Luke tenement, under joint venture with Barrick Gold – totalling 15 square kilometres.

Work in the first quarter continued to focus on the Mount Elliott and Mount Dore deposits. There also has been a significant increase in regional exploration on Ivanhoe Mines tenements and the Exco Resources joint-venture tenements.

The Mount Dore Project

Mount Dore is the most advanced project on the Cloncurry property and provides the earliest opportunity for copper production. Significant non-NI 43-101-compliant mineral resources previously have been declared at the prospect and vertical infill drilling to re-establish a valid NI 43-101-compliant resource commenced in the third quarter of 2007. This resource drilling program will total 9,750 metres over 27 vertical holes (up to 400 metres each). It commenced in 2007 and will be complete during the current quarter. A total of 4,054 metres of diamond drilling and 4,004 metres of reverse-circulation (RC) drilling were completed during the first quarter. Two drill rigs are drilling vertical infill holes. An RC drilling program is underway on the western part of the deposit and RC holes to the north of the deposit have confirmed the continuation of mineralization to the north. Scoping studies for the project will commence during the current quarter.

The Mount Elliott Project

The copper-gold mineralization at the Mount Elliott system extends to at least 1,200 metres below surface and at least 1,700 metres along strike; it covers an area of more than one square kilometre. Modelling of the Mount Elliott drill data, using 0.25%, 0.5%, 1% and 2% copper-equivalent cut-offs, indicates that there are four main shoots. These are the previously mined Mount Elliott and Corbould shoots, and the Swan and Swell shoots.

More than 12,400 metres were drilled at Mount Elliott during the first quarter. The four rigs presently on site are drilling vertical holes required for resource modelling, as well as exploration holes. Estimation of a mineral resource is underway as a priority undertaking and will be completed using data ending December 31, 2008.

Work on the Exco Joint Venture

Initial rock-chip sampling (424 samples) carried out on various targets within the Exco JV has defined anomalous areas at various locations, including within the Wewak prospect in the western part of the licence package. The Wewak targets include gold-copper anomalous slates, as well as ironstones and shear zones where rock-chip samples assayed up to 9.5 grams of gold per tonne. Massive chalcocite was observed in the historically mined pits at Wewak. Drilling will commence during the current quarter. Under the Exco JV agreement, Ivanhoe Mines must spend \$600,000 by mid-July 2008. The JV comprises 13 EPMS, including one application, that total 561 square kilometres.

KAZAKHSTAN

Progress on large-scale rotary-kiln technology demonstration plant at Bakyrchik Gold Project

Ivanhoe Mines has reached agreement with Kazakh partners, subject to government approval, to acquire additional gold assets in Kazakhstan and advance the mine to full-scale production. Ivanhoe Mines is continuing to assess financing alternatives for the Bakyrchik Project.

Construction of a rotary-kiln technology demonstration plant began in 2007 and is scheduled for completion late in the third quarter of this year. The commercial-scale demonstration plant will be capable of processing 100,000 tonnes of ore per annum, using a 40-metre-long rotary-kiln to oxidize the ore, followed by conventional grinding and cyanidation. Bakyrchik has a stockpile of approximately 100,000 tonnes of ore grading 8.17 grams of gold per tonne that will be run through the demonstration plant to confirm metallurgical parameters.

Construction of the plant currently involves seven major on-site contractors and 10 off-site equipment fabricators. Construction activities have commenced on all major areas and infrastructure. Most purchase orders for the major mechanical equipment have been placed. It is expected that the demonstration plant will be completed at the end of the current quarter, with commissioning commencing in the third quarter. This is due largely to the competition for contracting resources in Kazakhstan, which reflects economic growth and high levels of construction activity being experienced throughout the country. The work plan was revised and submitted to the Ministry of Energy and Mineral Resources in December for approval. The plan requested an additional year to achieve the goal of a 900,000-tonne-per-annum industrial plant.

CHINA

Exploration resumed in Northern China, focusing on high-quality projects for acquisition

Reconnaissance field exploration was re-initiated in April 2008, focusing initially in central Inner Mongolia, and is continuing in surrounding provinces. The program consists of a field geological assessment covering a combined area of over 50,000 square kilometres. The program initially is targeting known unlicensed and licensed gold, silver, base metal and copper occurrences and deposits. The program involves detailed data reviews, field traverses and systematic rock-chip and channel sampling of all occurrences and deposits of interest to Ivanhoe Mines. The aim of the program is to identify high-quality, semi-advanced and grass-roots projects for acquisition.

Ivanhoe Mines sells its 42% stake in Jinshan Gold Mines for C\$217.7 million

On April 10, 2008, Ivanhoe Mines announced that it had agreed to sell to China National Gold Group Corporation of Beijing, and its financial partners, Ivanhoe's entire holding of 67,520,060 common shares of Jinshan Gold Mines, at a price of C\$3.1115 a share, and the Jinshan promissory note of C\$7.5 million. Proceeds received by May 13, 2008, totalled C\$217.7 million. Ivanhoe Mines will record a gain on the sale of its interest in Jinshan in the current quarter.

Jinshan's production at the CSH Gold Mine during the first quarter totalled 11,286 ounces of gold and 5,414 ounces of silver. Jinshan received net proceeds of \$10.9 million from the sale of gold and silver during the quarter.

FINANCIAL RESULTS

Ivanhoe Mines is engaged primarily in exploration, although a significant portion of its expenditures relate directly to development work at its Oyu Tolgoi Project. Exploration costs are charged to operations in the period incurred and often constitute the bulk of Ivanhoe Mines' operating loss for that period. It is expected that Ivanhoe Mines will commence capitalizing Oyu Tolgoi development costs once an Investment Agreement is finalized with the Government of Mongolia.

During the first quarter of 2008, Ivanhoe Mines recorded a net loss of \$63.6 million (or \$0.17 per share), compared to a net loss of \$46.8 million (or \$0.13 per share) for the comparable period in 2007, representing a \$16.8 million increase. Included in the Q1'08 net loss was \$57.3 million in exploration expenses, an increase of \$3.8 million over 2007. Included in exploration expenses are shaft sinking and engineering and development costs for the Oyu Tolgoi Project that have been expensed and not capitalized. Results for Q1'08 also were affected by \$6.8 million in general and administrative expenses, \$1.6 million in accretion expense and \$3.6 million in interest expense on the convertible credit facility and \$6.0 million in income from discontinued operations.

In Q1'08, Ivanhoe Mines' exploration activities were focused on the Oyu Tolgoi Project and the Cloncurry Project in Queensland, Australia. The majority of the \$57.3 million was spent on the Mongolian projects (\$43.7 million), as well a significant amount at Cloncurry (\$9.5 million).

SELECTED QUARTERLY DATA

(\$ in millions of U.S. dollars, except per share information)

	Quarter Ended			
	Mar-31 2008	Dec-31 2007	Sep-30 2007	Jun-30 2007
Exploration expenses	(\$57.3)	(\$96.6)	(\$74.8)	(\$79.1)
General and administrative	(6.8)	(9.0)	(7.0)	(5.9)
Share of income from investment held for sale	-	-	-	-
Foreign exchange gains (losses)	(1.3)	2.3	2.1	6.7
Net (loss) from continuing operations	(69.6)	(265.5)	(90.0)	(78.7)
Income from discontinued operations	6.0	11.9	6.8	4.6
Net (loss)	(63.6)	(253.6)	(83.1)	(74.2)
Net (loss) income per share				
Continuing operations	(\$0.19)	(\$0.71)	(\$0.24)	(\$0.21)
Discontinued operations	\$0.02	\$0.04	\$0.02	\$0.01
Total	(\$0.17)	(\$0.67)	(\$0.22)	(\$0.20)

	Quarter Ended			
	Mar-31 2007	Dec-31 2006	Sep-30 2006	Jun-30 2006
Exploration expenses	(\$53.5)	(\$70.4)	(\$67.3)	(\$43.7)
General and administrative	(5.2)	(8.9)	(6.9)	(6.0)
Share of income (loss) from investment held for sale	0.4	7.4	9.0	(2.4)
Foreign exchange gains (losses)	0.8	(3.7)	(0.4)	4.7
Net (loss) from continuing operations	(55.4)	(73.5)	(68.0)	(45.7)
Income from discontinued operations	8.6	4.8	1.5	5.4
Net (loss)	(46.8)	(68.7)	(66.5)	(40.3)
Net (loss) income per share				
Continuing operations	(\$0.15)	(\$0.21)	(\$0.20)	(\$0.14)
Discontinued operations	\$0.02	\$0.01	\$0.00	\$0.02
Total	(\$0.13)	(\$0.20)	(\$0.20)	(\$0.12)

Ivanhoe Mines' results for the three months ended March 31, 2008, are contained in the audited Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations, available on the SEDAR website at www.sedar.com and Ivanhoe Mines' website at www.ivanhoemines.com.

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

QUALIFIED PERSONS

Disclosures of a scientific or technical nature in this release and the Company's MD&A in respect of each of Ivanhoe Mines' material mineral resource properties were prepared by, or under the supervision of, the qualified persons (as that term is defined in NI 43-101) listed below.

Project	Qualified Person	Relationship to Ivanhoe Mines
Oyu Tolgoi Project	Stephen Torr, P. Geo, Ivanhoe Mines	Employee of the Company
Ovoot Tolgoi Project	Gene Wusaty, P. Eng, SouthGobi	Officer of SouthGobi

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Certain statements made herein, including statements relating to matters that are not historical facts and statements of our beliefs, intentions and expectations about developments, results and events which will or may occur in the future, which constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the "safe harbor" provisions of the *United States Private Securities Litigation Reform Act of 1995*. Forward-looking information and statements are typically identified by words such as "anticipate," "could," "should," "expect," "seek," "may," "intend," "likely," "plan," "estimate," "believe" and similar expressions suggesting future outcomes or statements regarding an outlook. These include, but are not limited to, statements respecting anticipated business activities; planned expenditures; corporate strategies; proposed acquisitions and dispositions of assets; discussions with third parties respecting material agreements; 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; the estimated timing and cost of bringing the Oyu Tolgoi Project into commercial production; the impact of amendments to the laws of Mongolia and other countries in which Ivanhoe Mines carries on business; changes in mine plan contemplated thereunder; the timing of commencement of full construction of the Oyu Tolgoi Project; and other statements that are not historical facts.

All such forward-looking information and statements are based on certain assumptions and analyses made by Ivanhoe Mines' management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements include those described under the heading "Risks and Uncertainties" elsewhere in this release. The reader is cautioned not to place undue reliance on forward-looking information or statements.

This release also contains references to estimates of mineral reserves and mineral resources. The estimation of reserves and resources is inherently uncertain and involves subjective judgments about many relevant factors. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable. There can be no assurance that these estimates will be accurate or that such mineral reserves and mineral resources can be mined or processed profitably. Mineral resources that are not mineral reserves do not

have demonstrated economic viability. Except as required by law, the Company does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events.