

## **Ivanhoe Mines announces financial results and review of operations for the third quarter of 2009**

### **Ivanhoe Mines, Rio Tinto and Government of Mongolia enter into landmark Oyu Tolgoi Investment Agreement**

**SINGAPORE** — Ivanhoe Mines Ltd. today announced its results for the quarter ended September 30, 2009. All figures are in US dollars, unless otherwise stated.

#### **HIGHLIGHTS DURING THE QUARTER AND SUBSEQUENT WEEKS**

- On October 6, Ivanhoe Mines and its strategic partner, Rio Tinto, joined with the Government of Mongolia in a state ceremony for the signing of an Investment Agreement for the Oyu Tolgoi copper-gold project. The Investment Agreement establishes a stable legal, fiscal and regulatory environment for the construction and operation of the Oyu Tolgoi mining complex.
- On October 27, Ivanhoe received \$388 million from Rio Tinto, increasing Rio Tinto's equity ownership in Ivanhoe Mines to 19.7%. The additional funds will be used to help build and commission the open-pit mine and to advance development of the underground block-cave mine at Ivanhoe's Oyu Tolgoi copper-gold project in Mongolia.
- Exploration work continued at Oyu Tolgoi utilizing proprietary, deep-probing Zeus™ induced polarization (IP) survey technology on the first 12-kilometre section of the Oyu Tolgoi copper-gold mineralized trend. The IP anomalies outlining the deposits have been dramatically extended and there is important potential to significantly increase Oyu Tolgoi's current gold and copper resources through expanded drilling programs. The company expects to release initial Zeus survey results in the near future.
- On October 26, Ivanhoe's 79%-owned subsidiary, SouthGobi Energy Resources (SGQ - TSX.V), entered into a financing agreement with a wholly-owned subsidiary of China Investment Corporation for \$500 million in the form of a secured, convertible debenture. The funds primarily will support an accelerated coal expansion program in Mongolia. SouthGobi reported coal sales in Q3'09 of approximately 457,000 tonnes from its Ovoot Tolgoi mine in southern Mongolia.
- In November, Ivanhoe Mines' 83%-owned subsidiary, Ivanhoe Australia (IVA - ASX), received its initial, independent NI 43-101 resource estimate for its Merlin Project in northwestern Queensland.
- The Oyu Tolgoi Project's Integrated Development Plan (IDP-09) is being updated based on the terms of the signed Investment Agreement. The IDP-09 is being prepared for Ivanhoe Mines by several of the world's foremost engineering, mining and environmental consultants, led by GRD Minproc and including Stantec (formerly McIntosh) Engineering.

- **In Q3'09, Ivanhoe Mines expensed \$43.5 million in exploration and development activities, compared with \$59.7 million in Q3'08. In Q3'09, Ivanhoe Mines' exploration activities were largely focused in Mongolia and Australia.**

## **MONGOLIA: OYU TOLGOI COPPER-GOLD PROJECT**

### **Rio Tinto increased its interest in Ivanhoe Mines to 19.7%**

On October 27, 2009, Rio Tinto completed Tranche 2 of its private placement financing as part of the strategic partnership announced between the companies in October 2006. Tranche 2 consisted of 46,304,473 Ivanhoe Mines shares at \$8.38 per share, for proceeds to Ivanhoe Mines of \$388 million. The financing increased Rio Tinto's equity ownership in Ivanhoe Mines from 9.9% to 19.7%.

The proceeds of \$388 million will be used to help build and commission the open-pit mine at Oyu Tolgoi and to advance development of the underground block-cave mine.

Under the current agreement with Ivanhoe Mines, Rio Tinto has rights to subscribe for common shares from Ivanhoe Mines' representing up to 43.1% of Ivanhoe Mines and, during the next two years, Rio Tinto may increase this stake to a maximum of 46.6% through purchases on the open market.

### **Ivanhoe Mines and Rio Tinto signed long-term Investment Agreement with the Mongolian Government to build and operate Oyu Tolgoi**

On October 6, 2009, Ivanhoe Mines, with its subsidiary, Ivanhoe Mines Mongolia Inc. LLC (IMMI), and Rio Tinto, signed the long-awaited Investment Agreement with the Government of Mongolia, establishing a long-term, comprehensive framework for maintaining a stable tax and operating environment for the construction and operation of the Oyu Tolgoi copper-gold mining complex in Mongolia's South Gobi Region. The signing, at a state ceremony in Ulaanbaatar, was attended by invited guests and dignitaries, including the President, the Prime Minister, the Speaker of Mongolia's Parliament (the State Great Khural), Cabinet members, members of Parliament and representatives of the international diplomatic and business communities. The ceremony culminated nine years of exploration successes that have established Oyu Tolgoi as one of the world's largest, undeveloped copper-gold porphyry projects, and nearly six years of negotiations with the Government of Mongolia for an Investment Agreement.

The agreement created a partnership between the Mongolian Government – which will acquire a 34% interest in Oyu Tolgoi's licence holder, IMMI – and Ivanhoe Mines, which will retain a controlling 66% interest in IMMI. Provisions of the Investment Agreement include protection of the parties' investments in the Oyu Tolgoi Project, the amount and term of the parties' investments in the Oyu Tolgoi Project, the right to realize the benefits of such investments, the conduct of mining with minimum environmental impact and progressive rehabilitation, the social and economic development of the South Gobi Region and the creation of thousands of new jobs in Mongolia.

The Mongolian Parliament, through a special resolution approved on July 16, 2009, authorized the Government to finalize the Agreement. As mandated by the resolution, the terms of the Investment Agreement were consistent with or authorized under current laws and regulations applicable in Mongolia. The draft agreement was accepted by the Government's Cabinet and Mongolia's National Security Council – consisting of the Prime Minister, the President and Speaker of the State Great Khural.

Four Mongolian laws were changed to clear the way for an Oyu Tolgoi Investment Agreement. On August 25, the Mongolian Parliament approved amendments to the laws, including the insertion of a sunset provision to cancel the 68% windfall profits tax on copper and gold effective January 1, 2011.

### **A 50-year assurance of stability**

Given the extent of the discoveries associated with the Oyu Tolgoi Project and the potential for additional discoveries, Ivanhoe Mines and the Government of Mongolia agreed that the Investment Agreement should conform with the provision of Mongolia's current Minerals Law specifying that certain deposits of strategic importance qualify for 30 years of stabilized tax rates and regulatory provisions, with an option of extending the term of the Investment Agreement for an additional 20 years.

Major taxes and rates stabilized for the life of the agreement include: corporate income tax; customs duty; value-added tax; excise tax; royalties; exploration and mining licences; and immovable property and/or real estate tax.

IMMI will receive a 10% investment tax credit on all capital expenditures and investments made throughout the initial Oyu Tolgoi construction period. Any future taxes introduced will not be imposed on the project unless future legislation is more favourable, in which case Ivanhoe Mines may request the more favourable treatment. If Mongolia enters a tax or bilateral treaty that provides greater benefits to the investor, Ivanhoe Mines may request the benefit of such law, regulation or treaty to help ensure that a stable taxation and operating environment is maintained.

### **Mongolia will join Ivanhoe Mines and Rio Tinto as a partner in Oyu Tolgoi**

Mongolia's state-owned company, Erdenes MGL LLC, will acquire a 34% interest in the Oyu Tolgoi Project within 14 days of the Investment Agreement taking effect — after the conditions precedent contained in the Investment Agreement have been satisfied.

Provisions of the Investment Agreement and Shareholders' Agreement also include:

- Ivanhoe Mines will arrange financing for the construction of Oyu Tolgoi within two years of the Investment Agreement taking effect. Production must begin within five years of financing being secured.
- Ivanhoe Mines will fund the construction of Oyu Tolgoi through loans and equity during the construction and initial production periods. Ivanhoe Mines will receive loan repayments, redemption of the equity, dividends and interest at a rate of 9.9%, adjusted to the US CPI. Erdenes will nominate three directors and Ivanhoe will nominate six directors to the nine-member IMMI board of directors.
- Ivanhoe Mines will nominate the management team that will be responsible for Oyu Tolgoi's core operations. Management services payments will be received, based on capital and operating costs, through the construction period and after production begins.
- The Government will have the option to purchase an additional equity interest of 16% of IMMI, at an agreed upon fair-market value, one year after the expiry of the initial 30-year term of the Investment Agreement and following the start of the permitted 20-year extension. This additional equity interest would give the government a total maximum interest of 50% of IMMI for the remainder of the Oyu Tolgoi Project's operational life. Ivanhoe Mines would continue to hold management rights over the project and hold a deciding vote at board and shareholder meetings.

## **Mongolian Government Treasury Bills purchased by IMMI**

On October 6, 2009, IMMI agreed to purchase three Treasury Bills (T-Bills) from the Government of Mongolia, having an aggregate face value of \$287.5 million, for the aggregate sum of \$250 million. The effective rate of interest on the T-Bills is 3.0%. Each T-Bill will mature on the fifth anniversary from the date of its respective issuance.

- The initial T-Bill, with a face value of \$115 million, was purchased on October 20, 2009. The purchase price was \$100 million.
- A second T-Bill, with a face value of \$57.5 million, will be purchased for \$50 million within 14 days of the satisfying of all conditions precedent to the Investment Agreement.
- The final T-Bill, having a face value of \$115 million, will be purchased for \$100 million within 14 days of IMMI fully drawing down the financing necessary to enable the complete construction of the Oyu Tolgoi Project, or June 30, 2011, whichever date is earlier.

## **Present status of work at Oyu Tolgoi**

The 1,385-metre Shaft No. 1 has been completed at Oyu Tolgoi and is supporting the initial development program underway for the Hugo North underground block-cave mine. The underground lateral development currently covers a total of 1,430 metres, with development rates exceeding initial estimates. In addition, surface works for the construction of Shaft No. 2 have been completed.

Site earthworks have been undertaken in preparation for the laying of the concentrator foundation. An initial 1,800-person construction camp has been built and the construction warehousing facility is nearing completion.

By mid-October 2009, engineering for the concentrator facility was 73% complete and engineering for the required infrastructure was 50% complete. Key management for construction and operations has been engaged and is in place in Mongolia in preparation for the start of full-scale construction.

Ivanhoe Mines has continued to advance mine planning and engineering. The Oyu Tolgoi Project's Integrated Development Plan (IDP-09) is being updated based on the terms of the signed Investment Agreement. IDP-09 is being prepared for Ivanhoe Mines by several of the world's foremost engineering, mining and environmental consultants, led by GRD Minproc and including Stantec (formerly McIntosh) Engineering.

## **Oyu Tolgoi exploration continued on the area between Southwest Oyu and Heruga; Zeus™ IP survey technology deployed in first full field test**

During Q3'09, Ivanhoe Mines completed 2,350 metres of drilling on the Oyu Tolgoi Project, entirely in the area between the established Southwest Oyu and Heruga deposits, within Ivanhoe Mines' 100%-owned Oyu Tolgoi Mining Licence. Two holes were drilled by the one drill rig available. Drill hole OTD1495 is a vertical hole 1,000 metres northeast of the previously reported thick intersection in OTD1487A, targeting the same mineralized zone; it was lost at 1,951 metres in the conglomerate that overlies the mineralization. A daughter hole, OTD1495A, is a northeast-oriented wedge off OTD1495, commencing at 1,140 metres. The hole intersected the top of mineralization at 2,034 metres, and went on to intersect 280 metres of 0.84% copper to 2,314 metres, followed by a 16-metre unmineralized dyke, then by 47.2 metres of 1.32% copper from 2,330 metres to the end of the hole at 2,377 metres. The hole ended, due to drilling difficulties, in 1.8% copper mineralization. Hole OTD1487A completed in December 2008 intersected 369.3 metres grading 0.83 g/t gold, 0.53% copper, and 64 ppm molybdenum (1.09% copper equivalent). This hole included an intersection of 78.3 metres grading 2.13 g/t gold, 0.82% copper and 126 ppm molybdenum (2.24% copper equivalent) between 2258 and

2336.3 metres downhole. The mineralization is rich in bornite and appears to be very similar to that in the Hugo Dummett Deposit.

In Q2'09, Ivanhoe Mines and GoviEx Gold entered into an agreement to inaugurate the proprietary Zeus technology at Oyu Tolgoi in an expanded induced-polarization (IP) survey to test the full extent, on strike and at depth, of the Oyu Tolgoi copper and gold mineralized trend. The Zeus IP technology has been designed to increase the effectiveness and productivity of exploration surveys through improved resolution of targets and host geology, enabling real-time investigation of mineralized targets to extended depths. The multiple A-B electrode spacings, up to 20 kilometres wide, allows for a much greater understanding of the deep mineralization in this area. GoviEx Gold is an Asia-based mineral exploration company that utilizes proprietary geophysical technology and expertise to conduct exploration activities at the regional, district and mine scale.

Using Zeus, the IP anomalies outlining the deposits have been dramatically extended, indicating important potential to significantly increase Oyu Tolgoi's current gold and copper resources through expanded drilling programs. An update on the initial Zeus survey results is expected to be issued in the near future.

Three rigs, including one underground rig to be set up on the 1300-metre level near the Hugo North Deposit, are being used in the current drilling program directed at expanding the the Oyu Tolgoi Project's resources and reserves.

## **MONGOLIA: COAL PROJECTS**

### **SOUTHGOBI ENERGY RESOURCES (79% owned)**

#### **SouthGobi secured \$500 million convertible debenture financing from China Investment Corporation**

On October 26, 2009, SouthGobi announced that it had entered into a financing agreement with a wholly-owned subsidiary of China Investment Corporation (CIC) for \$500 million in the form of a secured, convertible debenture bearing interest at 8.0% (6.4% payable in cash and 1.6% payable in SouthGobi shares, where the number of shares to be issued is calculated based on the 50-day volume-weighted average price (VWAP), with a maximum term of 30 years.

The conversion price is set as the lower of C\$11.88 or the 50-day VWAP at the date of conversion, with a floor price of C\$8.88 per share. Assuming full conversion at the base price of C\$11.88 and that any conversion occurs following SouthGobi achieving a 25% public float (on an as converted for the debenture loan basis), CIC's overall shareholding interest in SouthGobi would be approximately 22%.

SouthGobi and CIC each have various rights to call conversion of the debenture into common shares. CIC has the right to convert the debenture, in whole or in part, into common shares 12 months after the date of issue. SouthGobi has the right to call for the conversion of up to US\$250 million of the debenture on the earlier of 24 months after the issue date, if the market price of its common shares is greater than C\$10.66, or upon SouthGobi achieving a public float of 25% of its common shares under certain agreed circumstances. If SouthGobi fully exercises its conversion right immediately following its achieving a 25% public float (on an as converted for the debenture loan basis) and assuming conversion at the C\$11.88 base price, CIC's initial shareholding interest in SouthGobi would be approximately 11%.

After five years from the issuance of the convertible debenture, at any time that the VWAP of SouthGobi's shares for 50 consecutive business days is 20% higher than the floor price of C\$8.88, SouthGobi can convert any remaining outstanding portion of the convertible debenture into SouthGobi shares at the conversion price, which is set as the lower of C\$11.88 or the 50-day VWAP at the date of conversion, with a floor price of C\$8.88 per share.

The financing primarily will support the accelerated investment program in Mongolia and up to \$120 million of the financing also may be used for working capital, repayment of debt due on funding, general and administrative expense and other general corporate purposes.

### **Expansion planned for SouthGobi's Ovoot Tolgoi coal mine**

SouthGobi is producing and selling coal at its Ovoot Tolgoi Project in Mongolia's South Gobi Region, 45 kilometres north of Mongolia's border with China.

During early 2009, SouthGobi and other regional coal exporters experienced difficulties expediting coal shipments across the Mongolia-China border due to sporadic openings at the Ceke crossing. In January 2009, SouthGobi curtailed production to preserve cash and to manage stockpiles. By the end of Q2'09, operating hours at the border crossing had increased to 11 hours a day, six days a week, enabling SouthGobi to increase its coal sales and draw down its coal stockpiles. With the increasing sales and reductions in its coal inventory, SouthGobi resumed non-stop mining operations effective July 1, 2009.

In July 2009, Chinese and Mongolian authorities agreed to build a designated coal transportation corridor at the Shivee Khuren-Ceke border crossing. This facility is under construction and is expected to be operational by late 2009. When completed, it will permit coal to be transported across the border through three corridors that are separate from non-coal traffic. SouthGobi believes that these improvements to the border crossing capacity will allow it to continue to substantially increase the amount of coal it ships into China.

Coal sales in Q3'09 were approximately 457,000 tonnes, an increase from the Q2'09 coal sales of approximately 384,000 tonnes. SouthGobi recognized revenue of \$11.9 million in Q3'09 at an average realized selling price of approximately \$28 per tonne. The cost of sales was \$8.6 million in Q3'09. Total cash costs per tonne of coal sold in Q3'09 were \$13.41, compared with \$18.13 for Q2'09. The decrease primarily was due to SouthGobi resuming full mining operations in Q3'09. Operational costs were expensed in Q2'09 due to the full mine shutdown and therefore resulted in higher total cash costs in Q2'09.

In April 2008, SouthGobi purchased a second fleet of coal-mining equipment that is scheduled to be commissioned in Q4'09. The new shovel/truck mining fleet consists of a Liebherr 996 hydraulic excavator with a 34-cubic-metre bucket and four Terex MT4400 218-tonne-capacity trucks. The new fleet will supplement the existing mine fleet consisting of a Liebherr 994 hydraulic excavator with a 13.5-cubic-metre bucket and seven Terex TR100 91-tonne-capacity trucks.

Additional equipment will be required as production at the mine expands, including larger hydraulic shovels, larger dump trucks, bulldozers and graders. SouthGobi has entered into an agreement for a third fleet that will be delivered in mid-2010, with an additional fleet likely to be ordered for 2011. The larger equipment will increase productivity. However, SouthGobi will continue to employ the smaller initial fleet in areas of thinner seams and to supplement the larger equipment.

## **Ovoot Tolgoi resources updated**

On October 12, 2009, SouthGobi completed a pre-feasibility study for the Ovoot Tolgoi Mine resulting in the identification of Proven and Probable Mineral Reserves. The independent estimate prepared by Norwest Corporation (Norwest) calculated 114.1 million tonnes of Proven and Probable surface coal reserves at July 1, 2009.

SouthGobi also received an updated, independent NI 43-101 resource estimate for the Ovoot Tolgoi Complex, prepared by Norwest. The Ovoot Tolgoi surface and underground resources contain Measured plus Indicated coal resources of 249.8 million tonnes, with an additional Inferred coal resource of 33.5 million tonnes as at June 1, 2009.

## **Initial resources reported for Soumber Deposit**

The Soumber Deposit is approximately 20 kilometres east of the Ovoot Tolgoi Mine and approximately 50 kilometres northeast of the Shivee Khuren-Ceke border crossing.

On October 12, 2009, SouthGobi received an initial, independent NI 43-101 resources estimate for the Soumber Deposit. The Soumber central field resources consist of Measured coal resources of 13.1 million tonnes, Indicated coal resources of 8.3 million tonnes and Inferred coal resources of 55.5 million tonnes. Laboratory data demonstrated that some coal seams possess the potential of coking-coal characteristics. The Soumber Deposit has potential to increase coal resources to the east and to the west, as well as at depth.

Due to its proximity to the Ovoot Tolgoi Mine, the Soumber Deposit likely will be able to share common infrastructure with the Ovoot Tolgoi Mine. SouthGobi has initiated mine planning and will submit an application for a mining licence for development of this project.

## **AUSTRALIA**

### **IVANHOE AUSTRALIA (83% owned)**

#### **Ivanhoe Australia's Merlin molybdenum and rhenium deposit received initial NI 43-101 Mineral Resource estimate**

In November 2009, Ivanhoe Mines received an initial, independent NI 43-101 resource estimate for the high-grade Merlin molybdenum and rhenium deposit, which comprises part of Ivanhoe Australia's Mt. Dore Project in the Cloncurry District in northwestern Queensland. The NI 43-101 Technical Report on Mt. Dore (including the Merlin Zone) has been filed on [www.sedar.com](http://www.sedar.com).

At a cut-off grade of 0.3% molybdenum, estimated Indicated resources total 5.2 million tonnes at a grade of 1.0% molybdenum and 16 g/t rhenium, containing 52,000 tonnes of molybdenum and 83 tonnes of rhenium, plus additional Inferred resources totalling 3.5 million tonnes at a grade of 0.8% molybdenum and 14 g/t rhenium, containing 28,000 tonnes of molybdenum and 49 tonnes of rhenium.

Using a lower cut-off grade of 0.1% molybdenum, estimated Indicated resources total 10 million tonnes at a grade of 0.6% molybdenum and 10 g/t rhenium, containing 58,000 tonnes of molybdenum and 97 tonnes of rhenium, plus additional Inferred resources totalling 5.8 million tonnes at a grade of 0.5% molybdenum and 10 g/t rhenium, containing 29,000 tonnes of molybdenum and 58 tonnes of rhenium.

Preliminary development project studies for Merlin are underway to evaluate suitable mining and processing alternatives for the Merlin Project.

## **KAZAKHSTAN**

### **Drilling underway at Bakyrchik Gold Project**

Altynalmas Gold has commenced an initial 33,000-metre deep-level drilling program at the Bakyrchik Gold Project intended to upgrade the present mineral resource to provide the basis for future project financing. The drilling program is expected to be completed by April 2011. In addition, Altynalmas Gold plans to commence a 6,000-metre, near-surface drilling program in early 2010 to drill open-pit targets. Following completion of the drilling program, Altynalmas Gold plans to complete a feasibility study.

Construction of a 100,000-tonne-per-year rotary kiln (Pilot Roaster) began in September 2007 and was completed in December 2008. The purpose of the Pilot Roaster plant is to assess the viability of single-stage roasting, using a rotary kiln as outlined in the work program approved by Kazakhstan's Ministry of Energy and Mineral Resources. On April 18, 2009, a decision was made to shut down the Pilot Roaster until further modifications were made to the ore preparation and rotary kiln. The Pilot Roaster is in the process of being re-commissioned. Given an increased understanding of the mineralogical characteristics of the Bakyrchik ores, it remains unlikely that recoveries greater than 60% can be achieved by single-stage roasting.

Following the completion of laboratory bench-scale and pilot testwork, the solution to successfully treating Bakyrchik ores appears to be fluidized-bed roasting involving two stages: a reductive first stage, followed by an oxidative second stage. Whereas the reductive first stage volatilizes and drives off arsenic, the oxidative stage oxidizes sulphur and carbon. Altynalmas Gold believes that gold recoveries of 85% to 88% can be realized in a commercial-scale plant. Following pilot testwork, the technology is scalable into commercial use. Preliminary design work has commenced as part of a pre-feasibility study.

### **EXECUTIVE CHANGES**

Andrew Harding, Rio Tinto's new Chief Executive, Copper, was appointed to Ivanhoe Mines' Board of Directors on November 5, 2009.

Based in London, Mr. Harding provides management oversight to the Copper Group, which comprises Kennecott Utah Copper, Kennecott Minerals Company and the Resolution copper project in the U.S., interests in the copper mines of Escondida in Chile, Grasberg in Indonesia, Northparkes in Australia and Palabora in South Africa and the La Granja copper project in Peru, as well as the Oyu Tolgoi copper-gold partnership with Ivanhoe Mines in Mongolia.

Mr. Harding joined Rio Tinto in 1992, initially working for Hamersley Iron. He went on to hold operating roles within the Energy, Aluminium and Iron Ore product groups, including at the Mount Thorley, Hunter Valley, Weipa, Mount Tom Price, Marandoo and Brockman mines. In 2007, he became Global Practice Leader, Mining, within Rio Tinto's Technology & Innovation group. Prior to his new executive role, Mr. Harding was President and Chief Executive Officer of Kennecott Utah Copper.

Mr. Harding succeeds Bret Clayton as Rio Tinto's representative on the Ivanhoe Mines Board. Mr. Clayton, who served on the Board since May 2007, recently was appointed to the new role of Group Executive, Business Support and Operations, for Rio Tinto.

## FINANCIAL RESULTS

In Q3'09, Ivanhoe Mines recorded a net loss of \$69.8 million (or \$0.18 per share), compared with a net loss of \$88.0 million (or \$0.23 per share) in Q3'08, representing a decrease of \$18.2 million. Results for Q3'09 mainly were affected by \$43.5 million in exploration expenses, \$12.5 million in general and administrative expenses, \$4.1 million in interest expense, a \$23.0 million write-down of property, plant and equipment, and \$23.0 million in share of loss of significantly influenced investees. These amounts were offset by \$3.6 million in income from discontinued operations and \$19.5 million in mainly unrealized foreign exchange gains.

Exploration expense of \$43.5 million in Q3'09 decreased \$16.2 million from \$59.7 million in Q3'08. The exploration expenses included \$28.1 million spent in Mongolia (\$37.9 million in Q3'08), primarily for Oyu Tolgoi and Ovoot Tolgoi, and \$11.5 million incurred by Ivanhoe Australia (\$17.0 million in Q3'08). Exploration costs are charged to operations in the period incurred and often represent the bulk of Ivanhoe Mines' operating loss for that period. Ivanhoe Mines expects to commence capitalizing Oyu Tolgoi development costs in 2010 once the Investment Agreement conditions precedent have been addressed and the agreement takes full effect.

Ivanhoe Mines' cash position, on a consolidated basis at September 30, 2009, was \$341.7 million. As at November 13, 2009, Ivanhoe Mines' current consolidated cash position is approximately \$600 million.

## SELECTED QUARTERLY DATA

This selected financial information is in accordance with U.S. GAAP, as presented in the annual consolidated financial statements.

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

	Quarter Ended			
	Sep-30 2009	Jun-30 2009	Mar-31 2009	Dec-31 2008
Revenue	\$11.9	\$10.7	\$3.5	\$3.1
Exploration expenses	(43.5)	(38.1)	(37.4)	(76.0)
General and administrative	(12.5)	(10.5)	(7.8)	(8.1)
Foreign exchange gains (losses)	19.5	21.7	(9.3)	(40.6)
Writedown of other long-term investments	-	-	-	(18.0)
Net (loss) income from continuing operations	(73.4)	(29.9)	(66.7)	(168.1)
Income from discontinued operations	3.6	5.0	10.7	8.1
Net (loss) income	(69.8)	(24.9)	(56.0)	(160.0)
Net (loss) income per share - basic				
Continuing operations	(\$0.19)	(\$0.08)	(\$0.18)	(\$0.45)
Discontinued operations	\$0.01	\$0.01	\$0.03	\$0.02
Total	(\$0.18)	(\$0.07)	(\$0.15)	(\$0.43)
Net (loss) income per share - diluted				
Continuing operations	(\$0.19)	(\$0.08)	(\$0.18)	(\$0.45)
Discontinued operations	\$0.01	\$0.01	\$0.03	\$0.02
Total	(\$0.18)	(\$0.07)	(\$0.15)	(\$0.43)

  

	Quarter Ended			
	Sep-30 2008	Jun-30 2008	Mar-31 2008	Dec-31 2007
Revenue	\$0.0	\$0.0	\$0.0	\$0.0
Exploration expenses	(59.7)	(67.3)	(57.3)	(96.6)
General and administrative	(5.1)	(7.5)	(6.8)	(9.0)
Foreign exchange (losses) gains	(20.0)	(1.0)	(1.3)	2.3
Writedown of other long-term investments	-	-	-	(24.5)
Gain on sale of long-term investments	-	201.4	-	-
Net (loss) income from continuing operations	(98.7)	118.3	(69.6)	(265.5)
Income from discontinued operations	10.7	9.2	6.0	11.9
Net (loss) income	(88.0)	127.5	(63.6)	(253.6)
Net (loss) income per share - basic				
Continuing operations	(\$0.26)	\$0.32	(\$0.19)	(\$0.71)
Discontinued operations	\$0.03	\$0.02	\$0.02	\$0.04
Total	(\$0.23)	\$0.34	(\$0.17)	(\$0.67)
Net (loss) income per share - diluted				
Continuing operations	(\$0.26)	\$0.29	(\$0.19)	(\$0.71)
Discontinued operations	\$0.03	\$0.02	\$0.02	\$0.04
Total	(\$0.23)	\$0.31	(\$0.17)	(\$0.67)

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## **QUALIFIED PERSONS**

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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:

Oyu Tolgoi Project	Stephen Torr, P.Geo, Ivanhoe Mines	Employee of the Company
Ovoot Tolgoi Project	Stephen Torr, P.Geo, SouthGobi Energy	Employee of the Company

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Ivanhoe Mines' results for the three and nine months ended September 30, 2009, 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](http://www.sedar.com) and Ivanhoe Mines' website at [www.ivanhoemines.com](http://www.ivanhoemines.com).

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

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### **Information contacts**

Investors: Bill Trenaman +1.604.688.5755 / Media: Bob Williamson +1.604.688.5755  
Website: [www.ivanhoemines.com](http://www.ivanhoemines.com)

### **Forward Looking Statements:**

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, 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," "will," "believe" and similar expressions suggesting future outcomes or statements regarding an outlook. These include, but are not limited to, statements respecting the timely satisfaction of conditions precedent to the effectiveness of the Investment Agreement; future equity investments in Ivanhoe Mines by Rio Tinto; the availability of project financing for the Oyu Tolgoi Project; expansion of the reserves and resources identified to date at the Oyu Tolgoi Project; the timing of commencement of full construction of the Oyu Tolgoi Project; the estimated timing and cost of bringing the Oyu Tolgoi Project into production; anticipated future production and cash flows; target milling rates; the impact of amendments to the laws of Mongolia and other countries in which Ivanhoe Mines carries on business; the anticipated future production for the Ovoot Tolgoi Coal Mine; the potential improvement of the export conditions at the Ceke border between Mongolia and China; the planned commissioning of a second fleet and third fleet of coal-mining equipment to expand Ovoot Tolgoi's production capacity; the completion of a Scoping Study for the Merlin Project; the planned drilling program and feasibility study at the Bakyrchik Gold 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 the Company's MD&A. The reader is cautioned not to place undue reliance on forward-looking information or statements.

The MD&A 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.

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