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## **Exploration Joint Venture Significantly Expands Ivanhoe's Presence in Australia's Cloncurry Copper, Uranium and Gold Mineral Belt**

### **Ivanhoe Australia Enters into Investment Agreement with Exco Resources**

**Melbourne, Australia** — John Macken, Ivanhoe Mines' President & CEO, and Peter Reeve, CEO of Ivanhoe Australia Pty. Ltd., a wholly-owned subsidiary company, announced today that Ivanhoe Australia has entered into a private placement investment in, and a joint-venture agreement with, Exco Resources NL. Exco is an Australian mineral exploration company listed on the Australian Stock Exchange. Exco holds extensive exploration tenements in the Cloncurry copper, uranium and gold region in northwest Queensland and the White Dam gold project in South Australia.

Ivanhoe Australia's investment and joint venture with Exco significantly expands Ivanhoe's exploration presence in the highly prospective Cloncurry region in the Mt. Isa District.

The private placement consists of 26.4 million Units at a price of A\$0.30 per Unit, for a cost of A\$7.9 million. Each Unit consists of one common share and 0.8 share purchase warrants. One full share purchase warrant allows Ivanhoe Australia to purchase, subject to Exco shareholders' approval, one Exco common share at a price of A\$0.35 on, or before, June 1, 2008. If all the warrants are exercised, the total investment will be \$A15.3 million and will result in Ivanhoe Australia holding approximately 19.9% of Exco's common shares.

#### **Exploration Joint Venture on Exco's Cloncurry Tenements**

The second part of the investment is an exploration joint venture on approximately 785 square kilometres of Exco's 100%-owned tenements located south of Ivanhoe's Kuridala tenements, which form the northern part of Ivanhoe's 2,140-square-kilometre Cloncurry copper, uranium and gold project. The terms of the joint venture call for Ivanhoe Australia to spend A\$5 million over three years to earn an 80% interest in Exco's tenements. The joint venture expands and consolidates Ivanhoe Australia's exploration land position around its current Cloncurry Project.

Ivanhoe's Cloncurry Project covers the historic Selwyn-Mt. Elliot Mining District. Ivanhoe acquired the project in 2003 with a plan to expand the known copper, gold and uranium mineralization and to conduct an integrated exploration program designed to test for significant deposits similar to the Ernest Henry Mine, owned by Xstrata, to the north, and the Osborne Mine, owned by Barrick, to the south of Ivanhoe's existing exploration tenements.

Ivanhoe's exploration work to date at Cloncurry has discovered a series of related high-grade Iron Oxide Copper Gold (IOCG) systems, with associated uranium, that are geologically similar to the nearby Ernest Henry Mine, and to the Olympic Dam and Prominent Hill mines in South Australia.

"Ivanhoe Australia's investment in Exco Resources highlights our commitment to exploration in the Cloncurry region," said Mr. Reeve. "The area remains substantially under explored and is highly prospective given the geological prominence of this world-class mineral region. Both Ivanhoe's and Exco's exploration teams are keen to begin aggressively exploring the new tenements."

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

Additional information on Exco Resources and its exploration projects is available at [www.excoresources.com.au](http://www.excoresources.com.au).

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Forward-Looking Statements. This document includes forward-looking statements that include, but are not limited to, statements concerning Ivanhoe's planned exploration program at the Cloncurry prospect and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Ivanhoe Mines believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are disclosed under the heading "Risk Factors" and elsewhere in the corporation's periodic filings with Canadian and US securities regulators.