

Oyu Tolgoi Mineral Reserves and Resources

March 2007 *(Extracted from Ivanhoe Mine' 2006 Annual Information Form (pages 35-42))*

Mineral Reserves and Resources

The estimates of mineral reserves and resources on the Oyu Tolgoi Project were classified using logic consistent with the CIM definitions referred to in NI 43-101. The most current estimate of mineral resources for the Oyu Tolgoi Project were prepared under the supervision of Harry Parker P. Geo. of AMEC and are contained in the Oyu Tolgoi Technical Report. An estimate of mineral reserves on the Southern Oyu Deposits has been prepared by GRD Minproc, and is also included in the Oyu Tolgoi Technical Report.

In the Oyu Tolgoi Technical Report, a consolidated resource estimate for the Oyu Tolgoi Property is reported as follows:

Total Oyu Tolgoi Project Resources ⁽¹⁾⁽²⁾
(based on a 0.60% copper equivalent cut-off)⁽³⁾

Resource Category	Tonnes	Cu (%)	Au (g/t)	CuEq ⁽⁴⁾ (%)	Contained Metal ⁽⁵⁾		
					Cu ('000 lbs)	Au (ounces)	CuEq ⁽⁴⁾ ('000 lbs)
Measured	101,590,000	0.64	1.10	1.34	1,430,000	3,590,000	3,000,000
Indicated	1,285,840,000	1.38	0.42	1.65	39,120,000	17,360,000	46,770,000
Measured + Indicated	1,387,430,000	1.33	0.47	1.63	40,680,000	20,970,000	49,860,000
Inferred	1,397,130,000	0.98	0.24	1.13	30,190,000	10,780,000	34,810,000

Notes:

- (1) Mineral resources are not mineral reserves until they have demonstrated economic viability based on a feasibility study or pre-feasibility study. Mineral resources are reported inclusive of mineral reserves.
- (2) This chart includes estimated resources on the Hugo North Extension Deposits located on the Shivee Tolgoi Property, which property is owned by Entrée but subject to earn-in rights by IVN. The estimate includes indicated resources of 117,000,000 tonnes grading 1.8% copper and 0.61 g/t gold and inferred resources of 95,500,000 tonnes grading 1.15% copper and 0.31 g/t gold at a 0.6% cut-off grade on the Hugo North Extension.
- (3) The 0.6% CuEq cut-off has been used to enable comparison with previous disclosures.
- (4) CuEq has been calculated using assumed metal prices (\$0.80/lb. for copper and \$350/oz for gold);
%CuEq. = % Cu + Au (g/t) x (11.25/17.64).
- (5) The contained gold and copper represent estimated contained metal in the ground and have not been adjusted for the metallurgical recoveries of gold and copper.

The estimates were based on 3D block models utilizing commercial mine planning software (MineSite®). Industry-accepted methods were used to create interpolation domains, these

domains were based upon mineralization and geology. Grade estimation was performed by ordinary kriging. A separate resource model was prepared for each of the deposits. Only hypogene mineralization was estimated, with the exception of a zone of supergene mineralization at Central Oyu. The estimation plans, or sets of parameters used for estimating blocks, were designed using a philosophy of restricting the number of samples for local estimation, as it was found to be an effective method of reducing smoothing and producing estimates that match the Discrete Gaussian change-of-support model and ultimately the actual recovered grade-tonnage distributions.

Modelling consisted of grade interpolation by ordinary kriging. Only capped grades were interpolated in the Southern Oyu and Hugo South Deposits. Nearest neighbour grades were interpolated for validation purposes. For both copper and gold, on all deposits except Hugo South, an outlier restriction was used to control the effect of high-grade composites. In the Southern Oyu Deposits, resource grades were also adjusted to reflect likely occurrences of internal and contact dilution from unmineralized post-mineral dykes. Validation procedures included Discrete Gaussian change-of-support method, comparisons using a nearest neighbour model and visual checks.

The base case CuEq cut-off grade assumptions for each deposit were determined using cut-off grades applicable to mining operations exploiting similar deposits.

Southern Oyu Resources

The mineral resource grade model on the Southern Oyu Deposits was tabulated above a 0.30% copper equivalent cut-off grade within a pit shell approximating a copper price of \$1.15/lb copper and \$450/oz gold. These parameters were used as they approximate the effective copper equivalent cut-off grade and pit shell in the reserve estimate on the Southern Oyu Deposits. The grade and tonnages, at a range of copper equivalent cutoff grades are reported below.

Southern Oyu Deposits⁽¹⁾⁽²⁾

Southern Oyu Deposits	CuEq Cutoff	Tonnage (t)	Cu (%)	Au (g/t)	Contained Metals ⁽⁴⁾				
					CuEq (%) ⁽³⁾	Cu ('000 lb)	Au (oz)	CuEq ⁽³⁾ ('000 lb)	
Measured	1.0	59,550,000	0.77	1.55	1.76	1,011,000	2,970,000	2,311,000	
	0.7	84,140,000	0.69	1.25	1.49	1,280,000	3,380,000	2,764,000	
	0.6	101,590,000	0.65	1.09	1.34	1,456,000	3,560,000	3,001,000	
	0.5	115,180,000	0.61	1.00	1.25	1,549,000	3,700,000	3,174,000	
	0.4	123,440,000	0.59	0.95	1.20	1,606,000	3,770,000	3,266,000	
	0.3	126,690,000	0.58	0.93	1.17	1,620,000	3,790,000	3,268,000	
	0.25	127,550,000	0.58	0.92	1.17	1,631,000	3,770,000	3,290,000	
	0.2	127,800,000	0.58	0.92	1.17	1,634,000	3,780,000	3,296,000	
	Indicated	1.0	102,330,000	0.85	0.82	1.38	1,918,000	2,700,000	3,113,000
		0.7	279,850,000	0.71	0.50	1.02	4,380,000	4,500,000	6,293,000
0.6		430,830,000	0.63	0.40	0.89	5,984,000	5,540,000	8,453,000	
0.5		617,530,000	0.57	0.35	0.79	7,760,000	6,950,000	10,755,000	
0.4		827,050,000	0.51	0.30	0.70	9,299,000	7,980,000	12,763,000	
0.3		992,400,000	0.47	0.27	0.64	10,283,000	8,610,000	14,002,000	
0.25		1,067,830,000	0.45	0.26	0.61	10,594,000	8,930,000	14,360,000	
0.2		1,143,710,000	0.43	0.25	0.59	10,842,000	9,190,000	14,877,000	
Measured+Indicated	1.0	161,880,000	0.82	1.09	1.52	2,926,000	5,670,000	5,425,000	
	0.7	363,990,000	0.70	0.67	1.13	5,617,000	7,840,000	9,068,000	
	0.6	532,420,000	0.64	0.54	0.98	7,512,000	9,240,000	11,503,000	
	0.5	732,710,000	0.57	0.45	0.86	9,207,000	10,600,000	13,892,000	

Southern Oyu Deposits	CuEq Cutoff	Tonnage (t)	Cu (%)	Au (g/t)	Contained Metals ⁽⁴⁾			
					CuEq (%) ⁽³⁾	Cu ('000 lb)	Au (oz)	CuEq ⁽³⁾ ('000 lb)
	0.4	950,490,000	0.52	0.38	0.76	10,896,000	11,610,000	15,926,000
	0.3	1,119,100,000	0.48	0.35	0.70	11,843,000	12,590,000	17,270,000
	0.25	1,195,370,000	0.46	0.33	0.67	12,123,000	12,680,000	17,657,000
	0.2	1,271,510,000	0.45	0.32	0.65	12,614,000	13,080,000	18,221,000
Inferred	1.0	3,750,000	0.91	0.48	1.22	75,000	60,000	101,000
	0.7	19,420,000	0.62	0.39	0.87	265,000	240,000	372,000
	0.6	47,390,000	0.51	0.35	0.74	533,000	530,000	773,000
	0.5	103,190,000	0.43	0.31	0.63	978,000	1,030,000	1,433,000
	0.4	181,700,000	0.38	0.26	0.55	1,522,000	1,520,000	2,203,000
	0.3	266,820,000	0.34	0.23	0.48	2,000,000	1,970,000	2,824,000
	0.25	318,380,000	0.32	0.21	0.45	2,246,000	2,150,000	3,159,000
	0.2	394,850,000	0.29	0.19	0.40	2,524,000	2,410,000	3,482,000

Notes:

- (1) Mineral resources are not mineral reserves until they have demonstrated economic viability based on a feasibility study or pre-feasibility study. Mineral resources are reported inclusive of mineral reserves.
- (2) The resources shown above at a 0.3% CuEq Cut-off are inclusive of the resources tabulated at the 0.6 CuEq cutoff in the consolidated resource statement.
- (3) CuEq has been calculated using assumed metal prices (\$0.80/lb. for copper and \$350/oz for gold);
 $\%CuEq. = \% Cu + Au (g/t) \times (11.25/17.64)$.
- (4) The contained gold and copper represent estimated contained metal in the ground and have not been adjusted for the metallurgical recoveries of gold and copper.

In the Southwest Gold Zone at Southwest Oyu, drilling is approximately on a 50 m sample spacing. Inspection of the model and drill hole data on plans and sections in the Southwest Gold Zone area, combined with spatial statistical work and investigation of confidence limits in predicting planned quarterly production showed good geologic and grade continuity. When taken together with all observed factors, it was determined that the blocks covered by this data spacing in the Southwest Gold Zone area may be classified as a measured mineral resource. A three-hole rule was used where blocks containing an estimate resulting from three or more samples from different holes (all within 55 m and at least one within 30 m) were classified as measured mineral resource.

The bulk of the remainder of the Southern Oyu Deposits were estimated at an indicated resource level. The drill spacing is at a nominal 70 m on and between sections. Geologic and grade continuity is demonstrated by inspection of the model and drill hole data in plans and sections over the various zones, combined with spatial statistical work and investigation of confidence limits in predicting planned annual production. A two-hole rule was used where blocks containing an estimate resulting from two or more samples from different holes. For the Southwest Oyu Deposit the two holes needed to be within 75 m, with at least one hole within 55 m. For the remaining deposits, both holes needed to be within 65 m, with at least one hole within 45 m to be classified as indicated mineral resources. All interpolated blocks that did not meet the criteria for either measured or indicated mineral resources were assigned as inferred mineral resources if they fell within 150 m of a drill hole composite.

Hugo Dummett Mineral Resources

A drill spacing of between 135 – 150 m along strike and 75 m to 100 m down dip was adopted for the classification of indicated resource blocks at Hugo Dummett. Blocks that do not meet these

criteria but that are within 150 m of a drill-hole composite are classified as inferred resource. Blocks outside of 150 m from a borehole composite are not classified.

For the Hugo North resource estimate, IMMI created three-dimensional mineralized shells or envelopes based on copper grades of 0.6%, and a quartz vein percentage of 15%. For gold interpolation IMMI created two sets of grade shells, one at 0.3 g/t gold threshold and one at 1.0 g/t gold threshold. The shapes were checked for interpretational consistency in section and plan. These shells were then used as interpolation domains. Copper grades for blocks within the copper domains in each deposit or zone were estimated with a hard boundary between the shells. Gold grades for blocks within the gold zone in Hugo North were also estimated with a hard boundary. The background estimation domain used all composites outside of the grade shells.

In Hugo South, a 0.6% copper shell and a 2% copper shell were used to constrain ordinary kriging. All blocks that fell within 150 m of a drill composite were assigned to an inferred mineral resource category. All other blocks were not included in the resource estimate.

The resources of the Hugo North Deposit were updated at an effective date of February 20, 2007. This update included drilling that was completed up to the 1st of November 2006.

Hugo Dummett Deposits - Mineral Resources at 0.6% copper equivalent cut-off⁽¹⁾

Deposit	Tonnage (t)	Cu (%)	Au (g/t)	CuEq ⁽²⁾ (%)	Contained Metal ⁽³⁾		
					Cu ('000 lb)	Au (oz)	CuEq ⁽²⁾ ('000 lb)
Indicated (Hugo North)	703,200,000	1.82	0.39	2.07	28,215,000	8,820,000	32,091,000
Indicated (Hugo North Extension) ⁽⁴⁾	117,000,000	1.80	0.61	2.19	4,643,000	2,290,000	5,649,000
Inferred (Hugo North)	722,800,000	0.97	0.30	1.17	15,457,000	6,970,000	18,644,000
Inferred (Hugo North Extension) ⁽⁴⁾	95,500,000	1.15	0.31	1.35	2,421,000	950,000	2,842,000
Inferred (Hugo South)	490,330,000	1.05	0.09	1.11	11,350,000	1,420,000	12,000,000
Total							
Indicated (Hugo North and Hugo North Extension) ⁽⁴⁾	820,200,000	1.82	0.42	2.08	32,910,000	11,080,000	37,611,000
Inferred (Hugo North, Hugo South and Hugo North Extension) ⁽⁴⁾	1,308,630,000	1.02	0.22	1.16	29,430,000	9,260,000	33,470,000

Notes:

- (1) Mineral resources are not mineral reserves until they have demonstrated economic viability based on a feasibility study or pre-feasibility study. IVN reports mineral resources inclusive of mineral reserves.
- (2) CuEq has been calculated using assumed metal prices (\$0.80/lb. for copper and \$350/oz for gold); %CuEq. = % Cu + Au (g/t) x (11.25/17.64).
- (3) The contained gold and copper represent estimated contained metal in the ground and have not been adjusted for the metallurgical recoveries of gold and copper.
- (4) The Hugo North Extension is located on the Shivee Tolgoi Property, which property is owned by Entrée but subject to earn-in rights in favour of the Corporation.

A further breakdown of the mineral resource inventory of the Hugo North and Hugo North Extension Deposits is set forth below.

Hugo North Mineral Resource Inventory⁽¹⁾
Indicated

Class Hugo North Deposit	CuEq Cutoff	Tonnage (t)	Cu (%)	Au (g/t)	CuEq ⁽²⁾ (%)	Contained Metal ⁽³⁾		
						Cu ('000 lb)	Au (oz)	CuEq ⁽²⁾ ('000 lb)
Indicated (Hugo North)	3.5	125,300,000	3.74	0.93	4.34	10,331,000	3,750,000	11,989,000
	3	175,400,000	3.49	0.84	4.03	13,496,000	4,740,000	15,584,000
	2	276,900,000	3.03	0.69	3.47	18,497,000	6,140,000	21,183,000
	1	541,600,000	2.15	0.46	2.44	25,672,000	8,010,000	29,134,000
	0.6	703,200,000	1.82	0.39	2.07	28,215,000	8,820,000	32,091,000
	0.3	798,200,000	1.65	0.35	1.87	29,036,000	8,980,000	32,907,000
Indicated (Hugo North Extension) ⁽⁴⁾	3.5	22,300,000	3.68	1.43	4.59	1,809,000	1,030,000	2,257,000
	3	32,000,000	3.36	1.29	4.18	2,370,000	1,330,000	2,949,000
	2	52,300,000	2.84	1.09	3.53	3,275,000	1,830,000	4,070,000
	1	84,800,000	2.22	0.80	2.73	4,150,000	2,180,000	5,104,000
	0.6	117,000,000	1.80	0.61	2.19	4,643,000	2,290,000	5,649,000
	0.3	137,900,000	1.59	0.52	1.92	4,834,000	2,310,000	5,837,000
Total Indicated (Hugo North and Hugo North Extension) ⁽⁴⁾	3.5	147,600,000	3.73	1.01	4.38	12,138,000	4,790,000	14,253,000
	3	207,400,000	3.47	0.91	4.05	15,866,000	6,070,000	18,518,000
	2	329,200,000	3.00	0.76	3.48	21,773,000	8,040,000	25,257,000
	1	626,400,000	2.16	0.51	2.48	29,829,000	10,270,000	34,248,000
	0.6	820,200,000	1.82	0.42	2.08	32,910,000	11,080,000	37,611,000
	0.3	936,200,000	1.64	0.38	1.88	33,849,000	11,440,000	38,803,000

Inferred

Class Hugo North Deposit	CuEq Cutoff	Tonnage (t)	Cu (%)	Au (g/t)	CuEq ⁽²⁾ (%)	Contained Metal ⁽³⁾		
						Cu ('000 lb)	Au (oz)	CuEq ⁽²⁾ ('000 lb)
Inferred (Hugo North)	>= 3.5	3,600,000	3.06	1.41	3.96	243,000	160,000	314,000
	>= 3	12,900,000	2.80	0.98	3.43	796,000	410,000	975,000
	>= 2	54,700,000	2.08	0.91	2.66	2,508,000	1,600,000	3,208,000
	>= 1	385,500,000	1.25	0.41	1.51	10,624,000	5,080,000	12,833,000
	>= 0.6	722,800,000	0.97	0.30	1.17	15,457,000	6,970,000	18,644,000
	>= 0.3	1,108,200,000	0.76	0.24	0.92	18,568,000	8,550,000	22,477,000
Inferred (Hugo North Extension) ⁽⁴⁾	>= 3.5	1,400,000	3.32	1.03	3.98	102,000	50,000	123,000
	>= 3	3,600,000	2.97	0.88	3.53	236,000	100,000	280,000
	>= 2	11,000,000	2.20	0.86	2.75	534,000	300,000	667,000
	>= 1	62,200,000	1.39	0.39	1.64	1,906,000	780,000	2,249,000
	>= 0.6	95,500,000	1.15	0.31	1.35	2,421,000	950,000	2,842,000
	>= 0.3	152,400,000	0.85	0.23	1.00	2,856,000	1,130,000	3,360,000
Total Inferred (Hugo North and Hugo North Extension) ⁽⁴⁾	>= 3.5	5,000,000	3.13	1.30	3.96	345,000	210,000	437,000
	>= 3	16,500,000	2.84	0.96	3.45	1,033,000	510,000	1,255,000
	>= 2	65,700,000	2.10	0.90	2.68	3,042,000	1,900,000	3,882,000
	>= 1	447,700,000	1.27	0.41	1.53	12,535,000	5,900,000	15,101,000
	>= 0.6	818,300,000	1.00	0.30	1.19	18,040,000	7,890,000	21,468,000
	>= 0.3	1,260,500,000	0.77	0.24	0.93	21,398,000	9,730,000	25,844,000

Notes:

- (1) Mineral resources are not mineral reserves until they have demonstrated economic viability based on a feasibility study or pre-feasibility study.
- (2) The contained gold and copper represent estimated contained metal in the ground and have not been adjusted for the metallurgical recoveries of gold and copper.

- (3) CuEq has been calculated using assumed metal prices (\$0.80/lb. for copper and \$350/oz for gold);
 $\%CuEq. = \% Cu + Au (g/t) \times (11.25/17.64)$.
- (4) The Hugo North Extension is located on the Shivee Tolgoi Property, which property is owned by Entrée but subject to earn-in rights in favour of the Corporation.

A further breakdown of the mineral resource inventory of the Hugo South Deposit is set forth below.

Hugo South Mineral Resource Inventory⁽¹⁾

Hugo South Deposit	CuEq Cutoff	Tonnage (t)	Cu (%)	Au (g/t)	CuEq ⁽²⁾ (%)	Contained Metal ⁽³⁾		
						Cu ('000 lb)	Au (oz)	CuEq ⁽³⁾ ('000 lb)
Inferred	>= 3.5	5,440,000	3.71	0.25	3.87	440,000	40,000	460,000
	>= 3	11,950,000	3.38	0.21	3.51	890,000	80,000	920,000
	>= 2	38,900,000	2.67	0.15	2.77	2,290,000	190,000	2,380,000
	>= 1	203,590,000	1.53	0.09	1.59	6,870,000	590,000	7,140,000
	>= 0.6	490,330,000	1.05	0.09	1.11	11,350,000	1,420,000	12,000,000
	>= 0.3	1,105,600,000	0.67	0.07	0.72	16,330,000	2,490,000	17,550,000

Notes:

- (1) Mineral resources are not mineral reserves until they have demonstrated economic viability based on a feasibility study or pre-feasibility study.
- (2) CuEq has been calculated using assumed metal prices (\$0.80/lb. for copper and \$350/oz for gold);
 $\%CuEq. = \% Cu + Au (g/t) \times (11.25/17.64)$.
- (3) The contained gold and copper represent estimated contained metal in the ground and have not been adjusted for the metallurgical recoveries of gold and copper.

Southern Oyu Mineral Reserves

In March 2007 GRD Minproc restated the mineral reserve for the Southern Oyu Deposits originally estimated in January 2006. The mineral reserve estimate upgraded the measured and indicated gold and copper resources contained within the planned open-pit deposits in the Southern Oyu Deposits established in the IDP to proven and probable mineral reserve categories. Total proven and probable open-pit reserves are estimated to be 930 million tonnes, with a grade of 0.50% copper and 0.36 g/t gold, containing 8.9 billion pounds of recovered copper and 7.6 million ounces of recovered gold.

Southern Oyu Mineral Reserves – March 2007

Class	Ore (tonnes)	NSR \$/t	Copper (%)	Gold (g/t)	CuEq Grade (%)	Recovered Copper ('000 lbs)	Recovered Gold (ounces)
Proven	127,000,000	15.91	0.58	0.93	1.18	1,451,000	2,833,000
Probable	803,000,000	7.96	0.48	0.27	0.66	7,431,000	4,768,000
Total	930,000,000	9.05	0.50	0.36	0.73	8,882,000	7,601,000

The key parameters in determining the Mineral Reserves are (i) assumed metal prices of \$400/oz gold and \$1.00 /lb copper; and (ii) block value net smelter return (“NSR”) cut-off grades of \$3.54 per tonne for Southwest Oyu and \$3.39 per tonne for Central Oyu. There was no change in the mineral reserve compared to the previously stated mineral reserves.

In order to estimate the reserves, GRD Minproc relied on the resource model from its prior resource estimates on the Southern Oyu deposits, and then applied proposed mining parameters for mining and processing. This includes pit designs using industry standard mining software, assumed metal prices as described above and smelter terms as set forth in the Oyu Tolgoi Technical Report. The estimate was prepared on a simplified project analysis on a pre-tax basis. Key outstanding variables noted by GRD Minproc include the Stability Agreement, marketing matters, water supply and management and power supply.

Only measured resources were used to report proven reserves and only indicated resources were used to report probable reserves. The mineral reserve estimate is primarily based on the IDP and relies only on the resources and facilities necessary to support an open pit mine at Oyu Tolgoi. The report only considers mineral resources in the measured and indicated categories, and engineering that has been carried out to a pre-feasibility level or better to state the open pit mineral reserve.

Comparison of the reserve to the total tonnes in the resource model indicates that at the reserve cut-off grades 100% of measured resource tonnage has been converted to proven mineral reserve. The probable to indicated ratios are: tonnage 75%, recovered copper metal 79% and recovered gold metal 70%. Of the total reserve and total resource within the block model, the reserve resource ratios are: tonnage 55%, recovered copper metal 64% and recovered gold metal 70%.