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Ivanhoe Australia Limited

Development and Discovery



Peter Reeve, CEO



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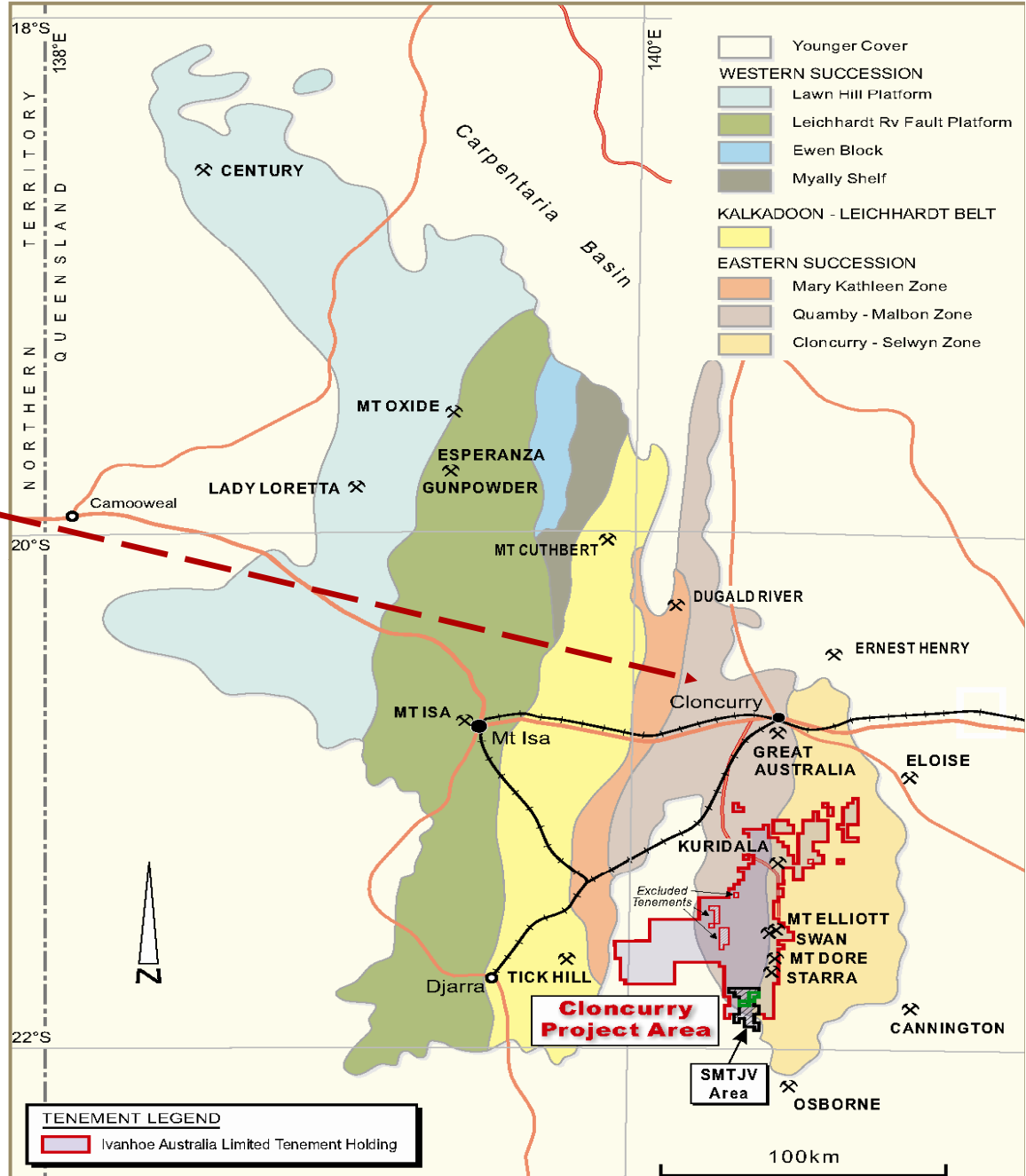
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The Mt. Isa Inlier

One of the world's most abundantly mineralised and under-explored belts



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Ivanhoe Australia Limited is focussed in Queensland's Cloncurry district

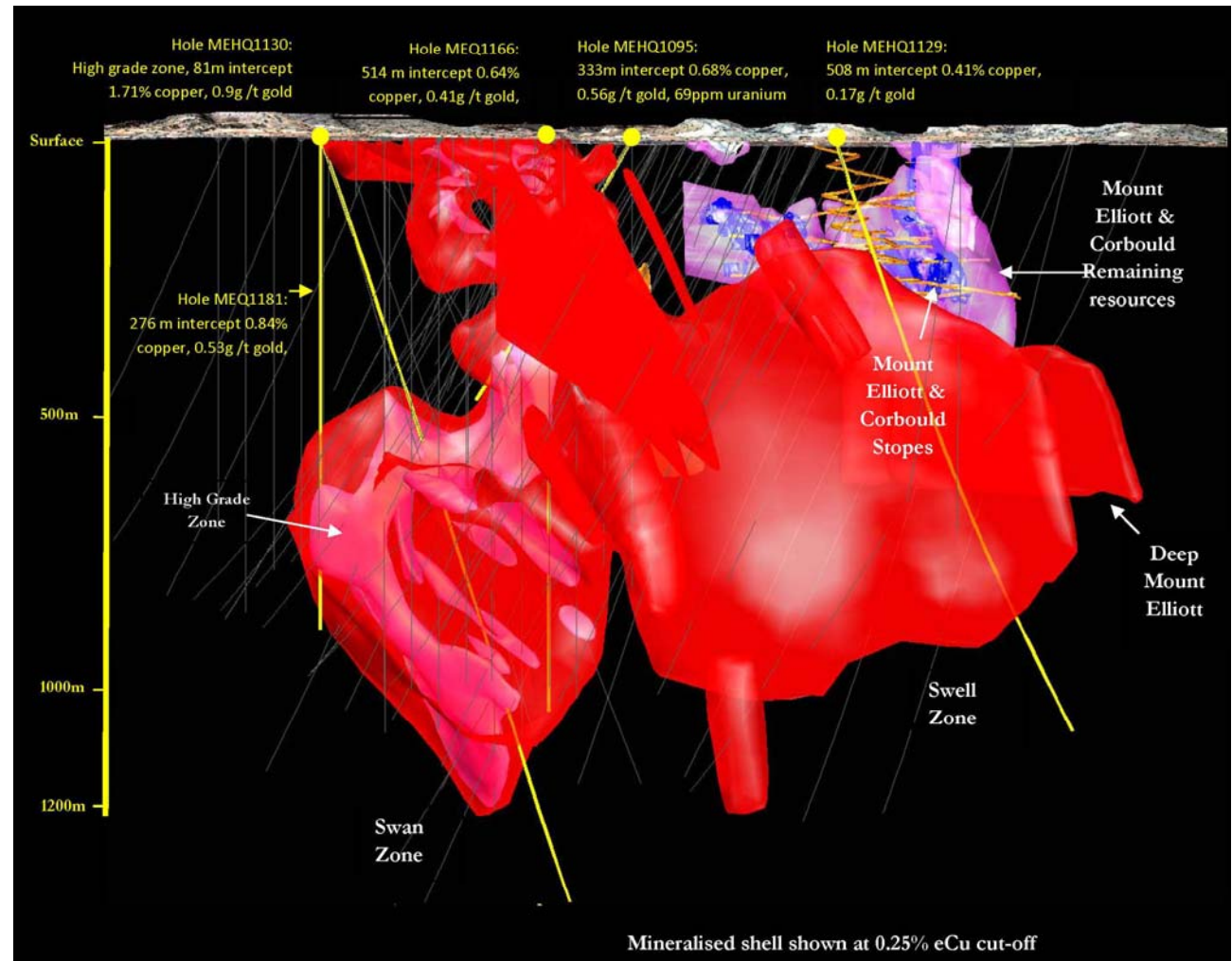
- ◆ Targeting copper, gold and uranium mineralisation
 - ◆ 100% interest in 2,315km² tenements (including application)
 - ◆ Iron Oxide Copper Gold (IOCG) System typically large scale, extensive depth and polymetallic
 - Examples are Ernest Henry, Olympic Dam and Prominent Hill
- ◆ Global Resources total 3.1 Mt copper and 5.1 Mozs gold
 - ◆ Principal IAL 100% projects have significant resources:
 - Mount Elliott; 2.3 Mt copper, 4.3 Mozs gold
 - Mount Dore; 480,000 tonnes copper
 - Starra Line; 274,000 tonnes copper, 809,000 ozs gold
- ◆ All the key projects are on granted mining licences
 - ◆ Uranium prospects, 220 targets and an evolving molybdenum story
 - ◆ Cash position \$70.2 million end September Quarter
 - ◆ 19.9% interest in Exco

Development Projects Creating a New Australian Copper Player

- ◆ 3 separate projects will be studied over the coming 2 years
 - i. Southern Concentrator being feed by:
 - Starra line open pit and underground
 - Mount Dore primary sulphides, open pit and underground
 - Mount Elliott high grade open pits
 - ii. Mount Dore open pit heap-leach SXEW
 - iii. Mount Elliott and Northern concentrator
- ◆ Potential for site in 5-6 years to produce 130 Kt pa copper and 200 Koz pa gold
- ◆ Creates a new mid tier copper player in Australian market
- ◆ Political risk benefit of Ivanhoe Australia's project suite is substantial compared to other new major copper developments in other parts of the world

Overview of Mount Elliott

- ◆ One of the largest discoveries ever in the Cloncurry district
- ◆ Resource 475 Mt @ 0.5% Cu, 0.3 g/t Au @ 0.25% Cu equivalent cut-off
- ◆ Resource 280 Mt @ 0.6% Cu, 0.4 g/t Au @ 0.5% Cu equivalent cut-off
- ◆ Mineralisation extends over a 1,000m strike and to a depth over 1,200m
– 130,000m drilling
- ◆ Substantial High Grade Zone now established.
- ◆ Infill drilling program to end December 2008. Update resource estimate early 2009



Potential Mount Elliott Project Study

- ◆ Open pit, sub-level cave and block cave mining methods to be employed
- ◆ 10-15 Mt p.a. production over 20+ years
- ◆ 75 Kt Copper and 150 Koz Gold p.a
- ◆ Capital \$1.0 billion plus
- ◆ Possible timeframe 5.5 years

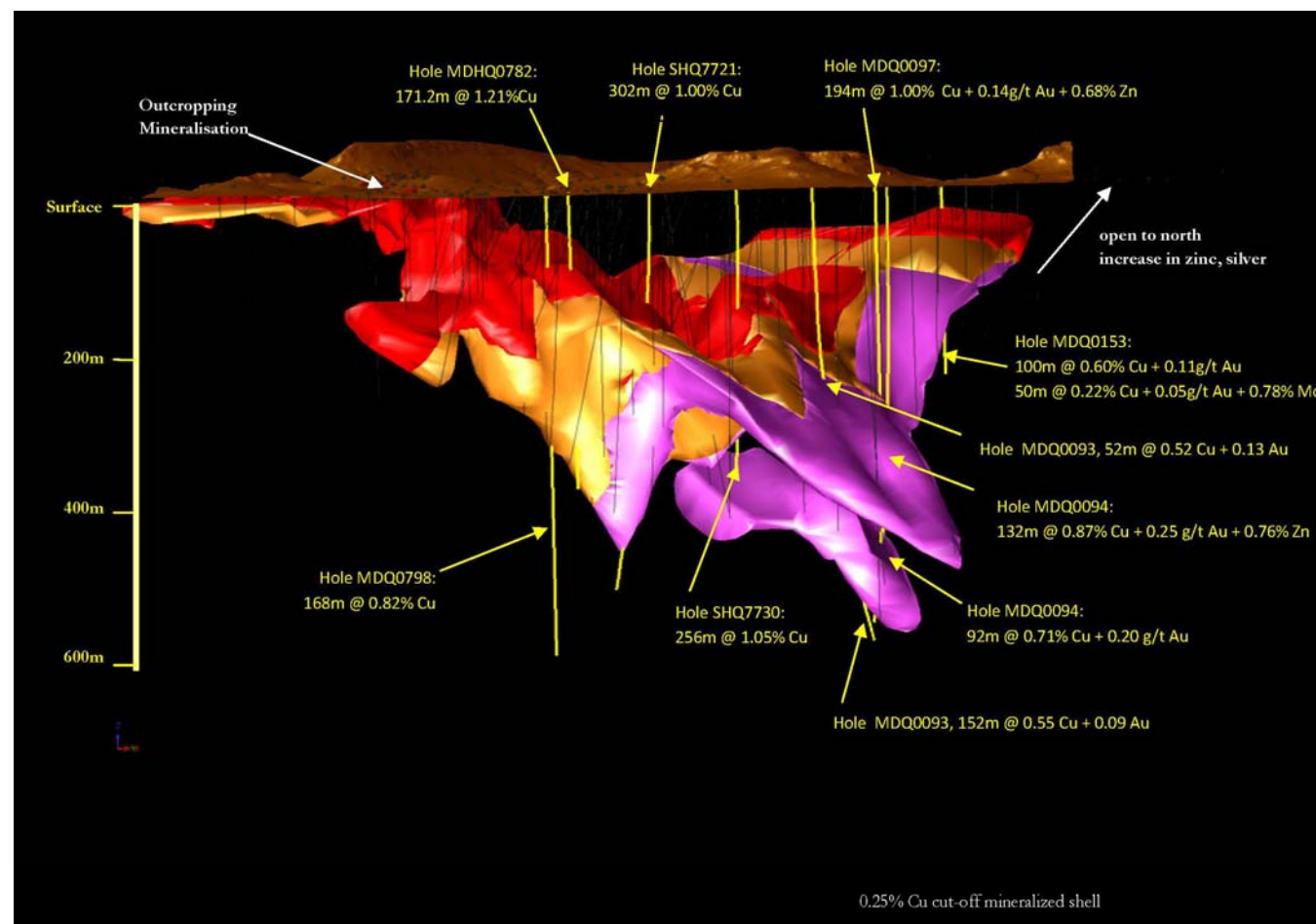
Other;

- ◆ Define high grade zone for potential Ridgeway style project
- ◆ Potential for early high grade pit over original Mount Elliott Mine
- ◆ Decline to Swan HGZ from Mount Elliott Mine

Overview of Mount Dore showing mineral zones

Mount Dore is a well studied development prospect with strong exploration upside.

- ◆ Secondary copper development project
- ◆ Resource of 80 Mt @ 0.6% copper @ 0.25% Cu cut-off
- ◆ Indicated category of 55 Mt @ 0.7% copper
- ◆ Mineralisation is considered to be open at depth and to the north
- ◆ Primary copper gold zinc silver lead to the north
- ◆ Molybdenum zone discovered in MDQ0153



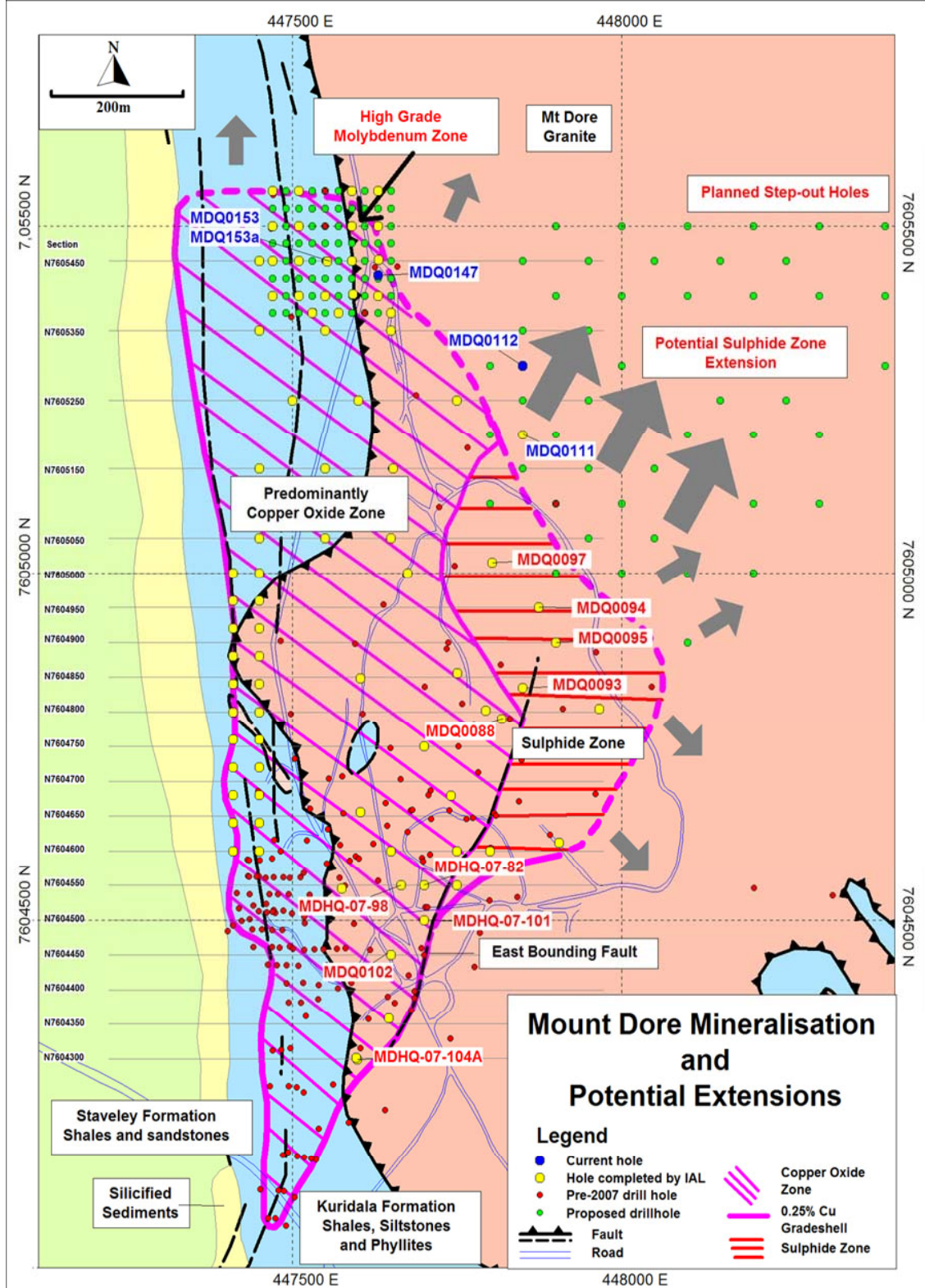
Potential Mount Dore Project Study

- ◆ Open pit to 350m
- ◆ 5 Mt p.a. heap leach
- ◆ 25,000 tpa copper production
- ◆ Capital of around \$150-180M
- ◆ Possible timeframe 2.5 years
- ◆ Mount Dore primary - study 2009
 - New underground mine north of pit
 - Mount Dore north sulphide - study 2009
 - Molybdenum circuit if resources defined

Mount Dore collar locations

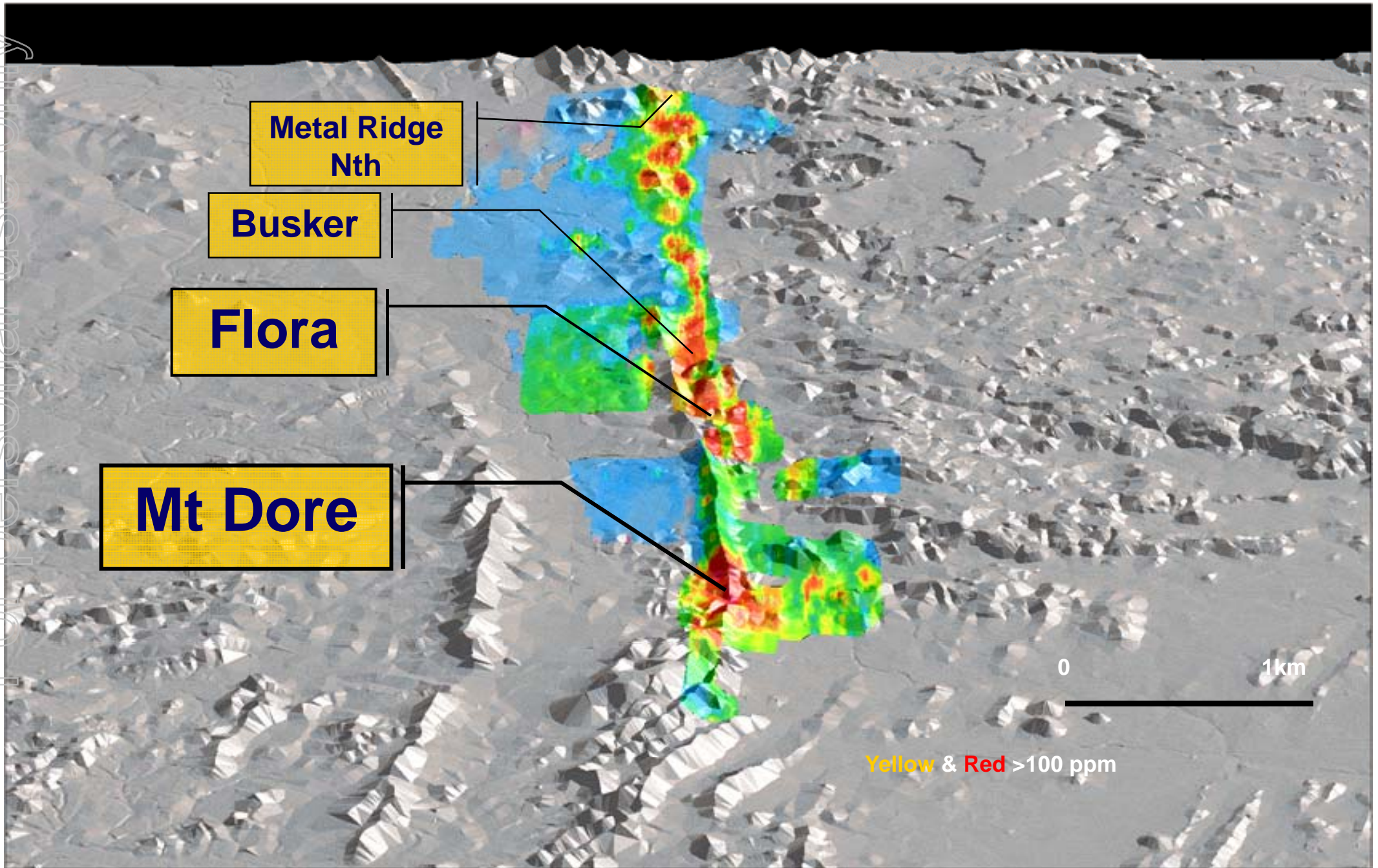
Potential for NE and SW Extension in Mount Dore

- ◆ 200m thick zone of primary copper sulphides / chalcopyrite (inc. zinc and silver) encountered in the north east
- ◆ This new and potentially significant zone plunges further to the NE and requires extensive drilling
- ◆ Thick low grade leachable secondary oxide and sulphides extend to the SW



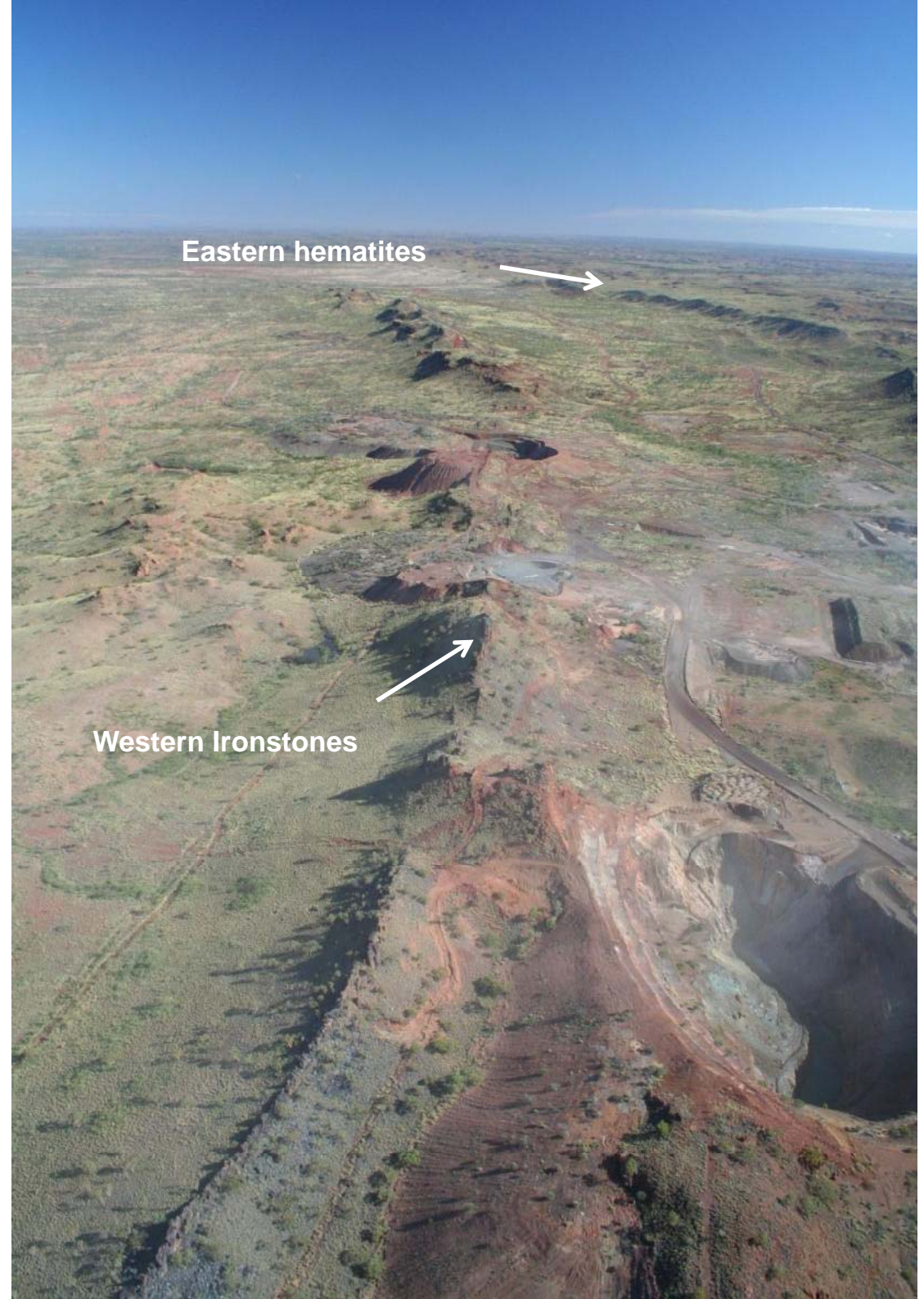
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Mount Dore Belt – Cu Soil Geochemistry

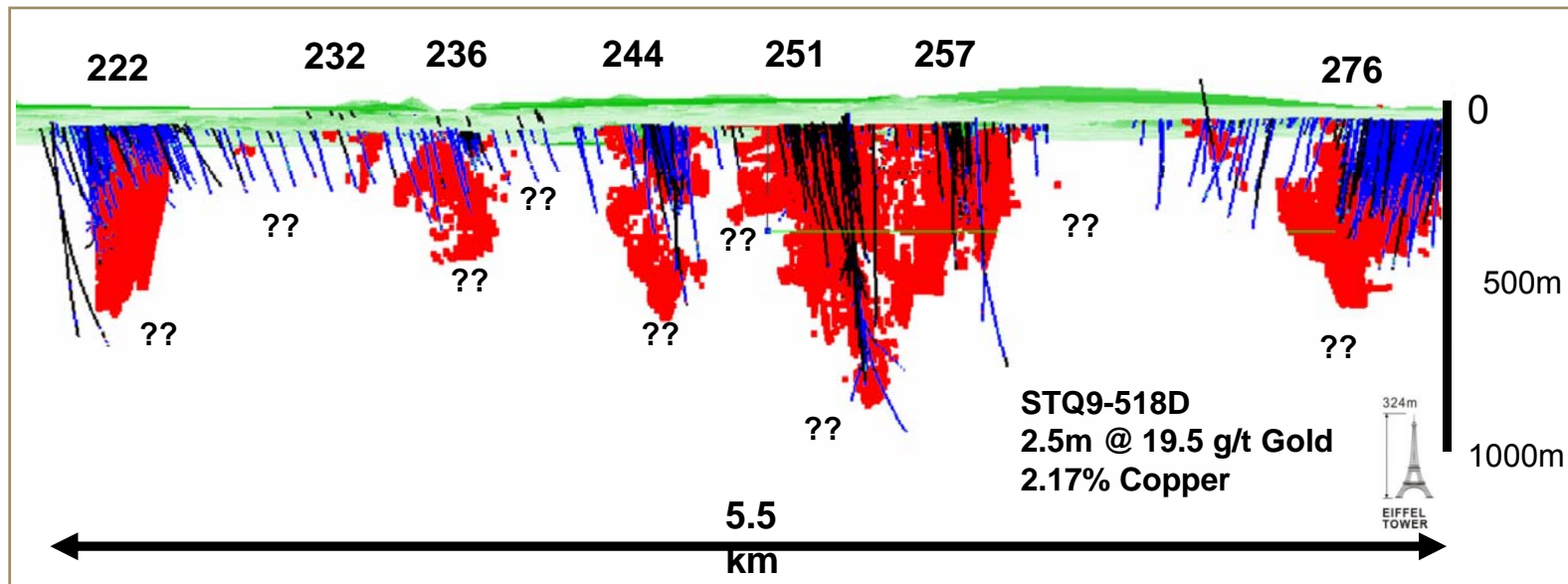
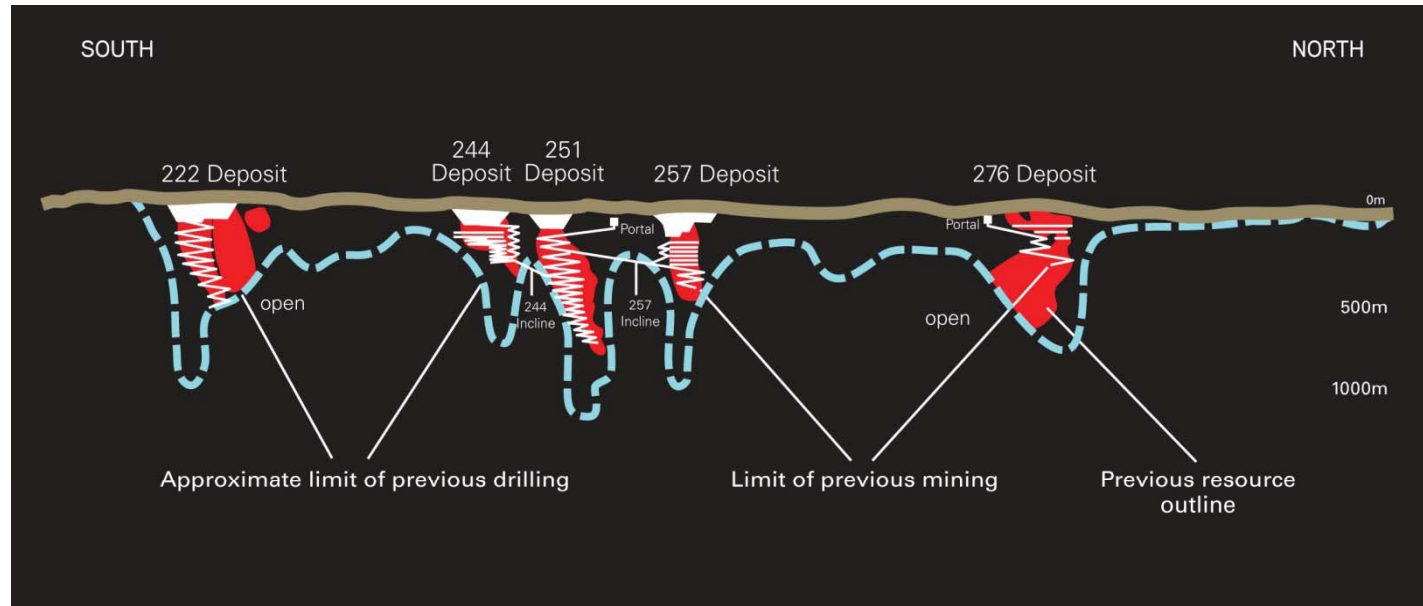


Starra Line Western Ironstones

- ◆ Previously mined 1987 – 2003 from 5 underground and 4 open pit mines
- ◆ 170,000 tonnes copper (grade 2.23%)
- ◆ 1 million ounces gold (grade 4.56 g/t)
- ◆ Resource 30 Mt @ 0.9% Cu, 0.8 g/t Au @ 0.5% copper equivalent cut-off
- ◆ Combined in 222 and 276 orebodies
- ◆ Resource upside exists adjacent to announced resources



Schematic Long Section, Starra Line Deposits



Potential Southern Concentrator Project Study

- ◆ Reinstall 2.5Mtpa copper-gold Southern concentrator
 - ◆ Mining from existing 222 open pit extension and underground on 276 and 222
 - ◆ Mining from early Mount Elliott high grade open pits
 - ◆ Potential dovetail of Mount Dore Sulphide project and high grade supergene from pit
- ◆ 25Kt copper and 50 Kozs gold p.a.
- ◆ Capital of \$50-70M
- ◆ Possible timeframe 1.5 – 2 years
- ◆ Initial underground mining studies for 222 and 276 completed, 222 pit to be optimised along with high grade pits at Mount Elliott.
- ◆ Study into primary sulphides and molybdenite from Mount Dore as additional early feed

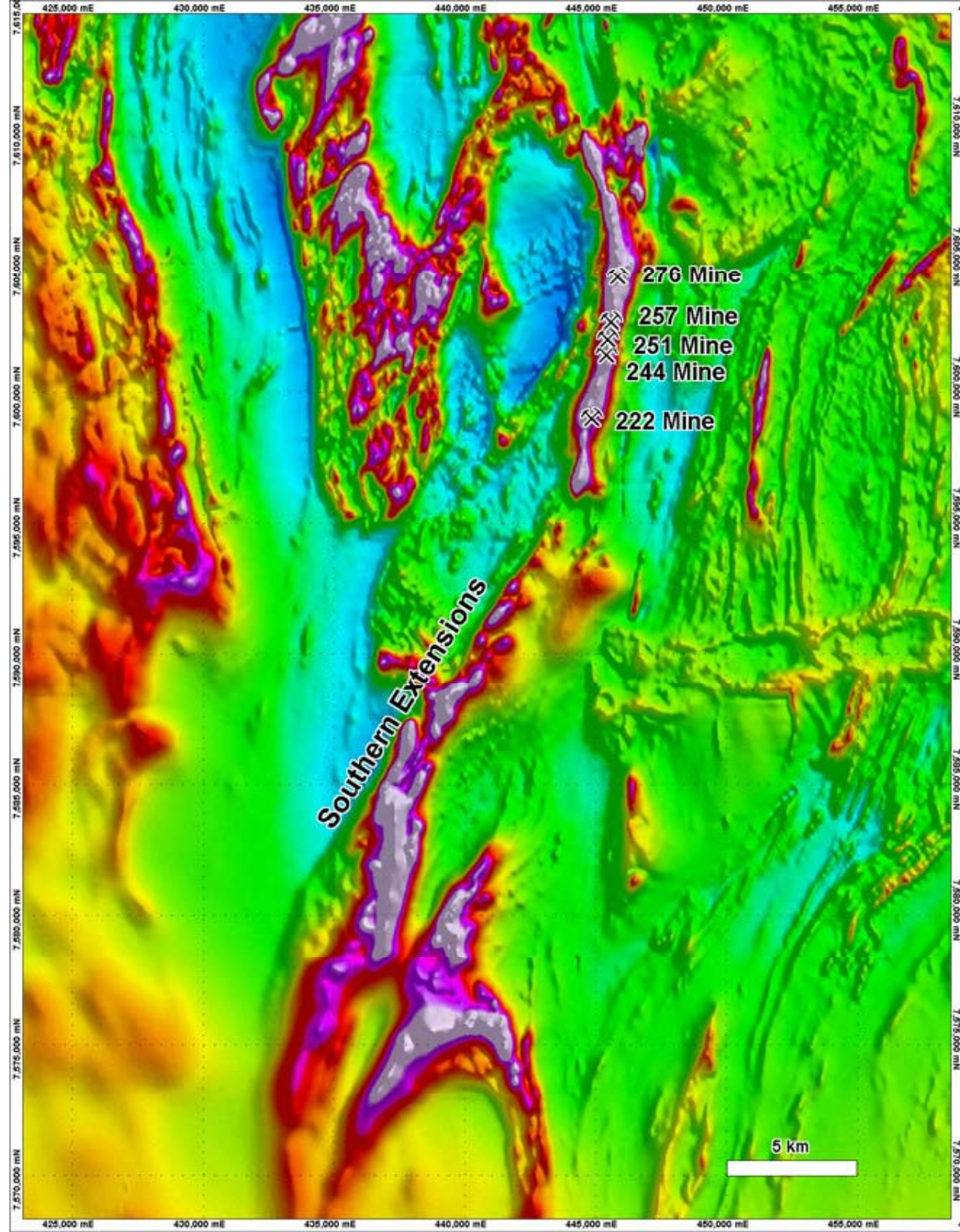
Starra Line - 222 Gold and Copper Pit



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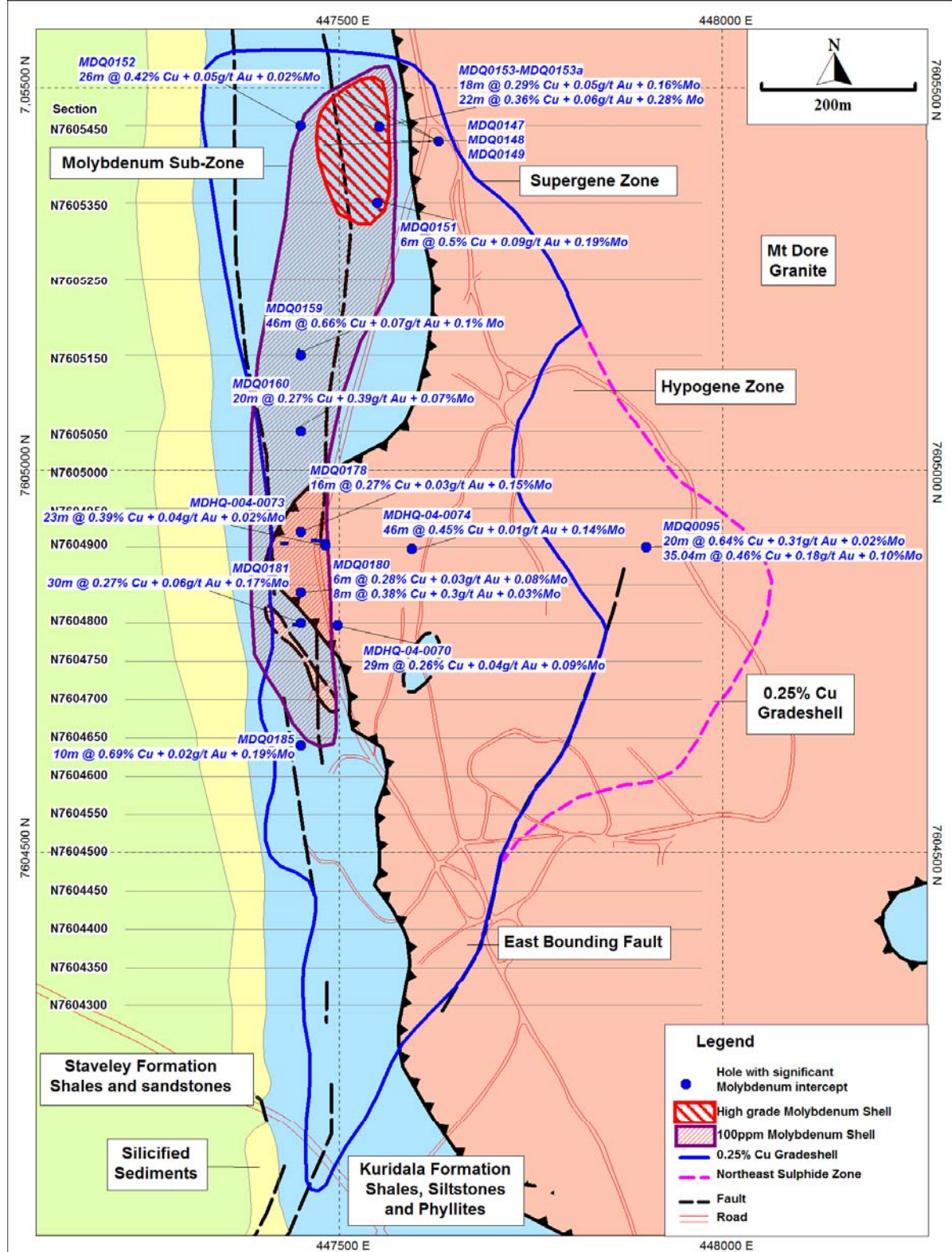
Magnetics Starra Line

- ◆ Starra Line trend continues for 30 km to the south
- ◆ Regional Starra features are poorly explored



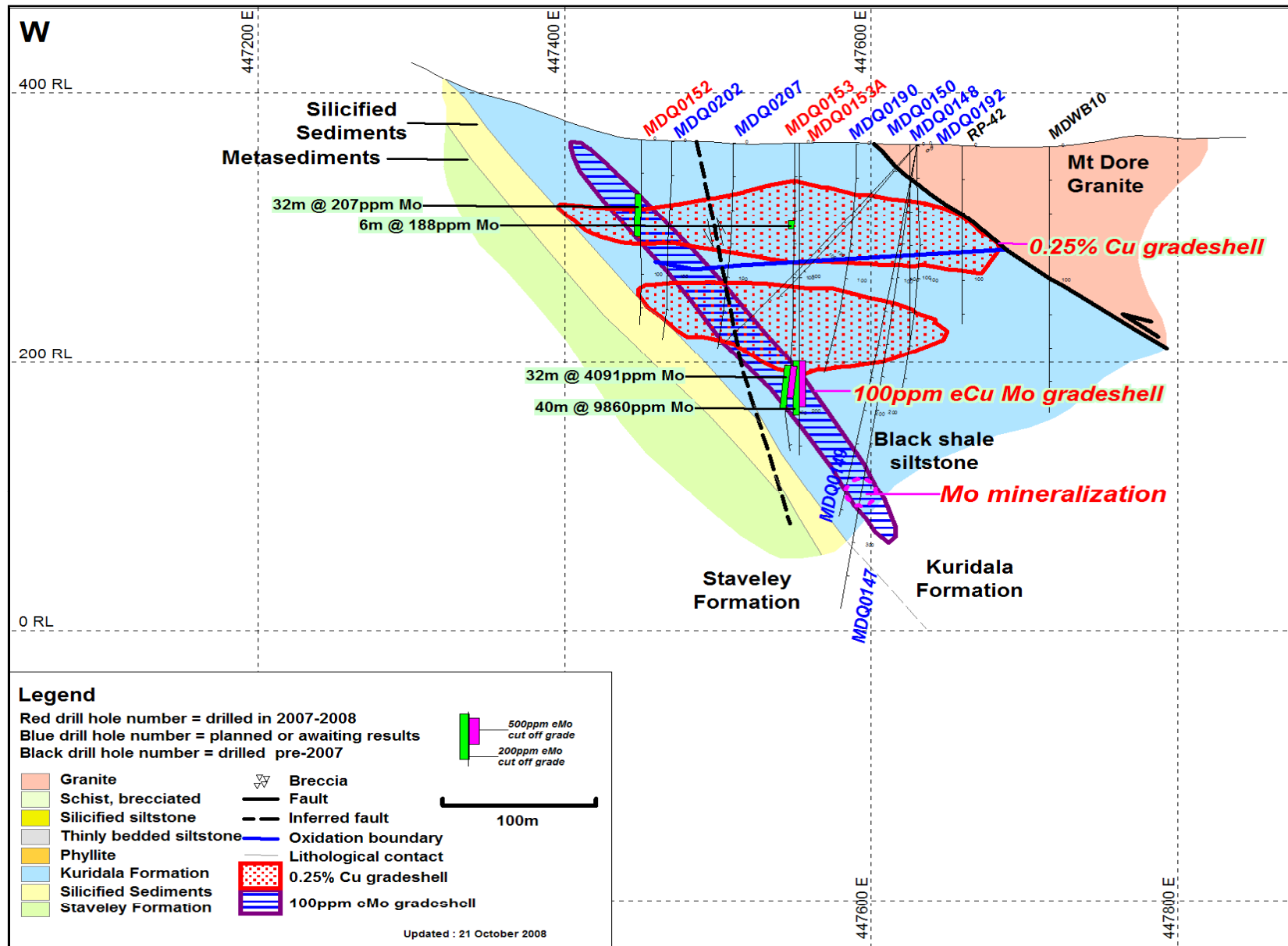
Emerging Molybdenum Discovery

- ◆ High Grade MoS₂ discovered in northern part of Mount Dore System
- ◆ MDQ0153a intersected 40 m @ 0.99% Mo
- ◆ Further drilling underway at present
- ◆ MoS₂ is easily recoverable
- ◆ Zone around 200m depth



Emerging Molybdenum Discovery

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IAL's Corporate Position

- ◆ IPO conducted during July 2008 for \$125m, listed August 6, 2008
- ◆ 83% more, raised to offshore
- ◆ Cash balance of \$70.2 million
- ◆ 2 year budget will be recast to cover 3 years
- ◆ Era of placements to juniors gone for now
- ◆ Ivanhoe Mines an active parent
- ◆ Rio involvement ongoing

Ivanhoe Australia: a unique resources play

- ◆ Significant resources declared on 3 projects for a total metal inventory of 3.1 Mt copper and 5.1 Mozs gold.
- ◆ These discoveries are the most significant in the Cloncurry region for many years.
- ◆ Potential projects could result in a substantial production profile in 5 years.
- ◆ The political risk benefit relative to new off shore projects is large.
- ◆ Significant resource upside exists in all projects.
- ◆ 220 previously worked exploration targets including Uranium.
- ◆ Well funded \$72m program over next 2 years.

Thank you

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