

IVANHOE MINES LTD
Form 6-K
April 08, 2010

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

From: April 7, 2010

IVANHOE MINES LTD.

(Translation of Registrant's Name into English)

Suite 654 999 CANADA PLACE, VANCOUVER, BRITISH COLUMBIA V6C 3E1

(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F- Form 40-F-

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes: No:

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____.)

Enclosed:

Annual Meeting Materials

**Notice of Annual and Special Meeting of Shareholders
and
Management Proxy Circular
of
IVANHOE MINES LTD.
DATED: April 5, 2010**

IVANHOE MINES LTD.
Notice of Annual and Special Meeting of Shareholders
May 7, 2010

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of shareholders of Ivanhoe Mines Ltd. (the Corporation) will be held on Friday, May 7, 2010, at 9:00 AM local time, in the President's Room of the Terminal City Club located at 837 West Hastings Street, Vancouver, British Columbia for the following purposes:

1. to receive the annual report of the directors to the shareholders;
2. to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2009, and the auditors' report thereon;
3. to elect twelve (12) directors for the ensuing year;
4. to appoint auditors for the ensuing year and to authorize the directors to fix the auditors' remuneration;
5. to consider, and if thought advisable, to pass a special resolution authorizing the Corporation to amend its Articles to set the number of directors of the Corporation as not less than three (3), nor more than fourteen (14);
6. to separately elect one additional director for the ensuing year, contingent upon the approval of the special resolution to amend the Articles of the Corporation to increase the maximum number of directors to fourteen (14);
7. contingent upon the approval of the special resolution to amend the Articles of the Corporation, to consider, and if thought advisable, to pass an ordinary resolution fixing the number of directors at fourteen (14);
8. to consider, and if thought advisable, to pass an ordinary resolution authorizing the Corporation to amend and restate the Employees' and Directors' Equity Incentive Plan (the Incentive Plan) to: (i) make certain amendments to the amending provisions of the existing Incentive Plan; and (ii) make certain other technical amendments to the Incentive Plan;
9. to consider, and if thought advisable, to pass an ordinary resolution approving and ratifying the Shareholder Rights Plan adopted by the Corporation on April 5, 2010, as described in the accompanying management proxy circular; and
10. to transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed March 18, 2010 as the Record Date for the determination of shareholders entitled to notice of, and to vote at, the meeting and at any adjournment thereof.

A management proxy circular, form of proxy, the audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2009 and a return envelope accompany this notice of meeting.

A shareholder who is unable to attend the meeting in person and who wishes to ensure that such shareholder's shares will be voted at the meeting, is requested to complete, date and execute the enclosed form of proxy and deliver it by facsimile, by hand or by mail in accordance with the instructions set out in the form of proxy and in the management proxy circular.

Dated at Vancouver, British Columbia this 5th day of April, 2010.

BY ORDER OF THE BOARD

Beverly A. Bartlett
Vice President and Corporate Secretary

IVANHOE MINES LTD.
World Trade Centre
654 - 999 Canada Place
Vancouver, British Columbia, V6C 3E1
MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES

This Management Proxy Circular is furnished to the holders of common shares (shareholders) of IVANHOE MINES LTD. (the Corporation) by management of the Corporation in connection with the solicitation of proxies to be voted at the Annual and Special Meeting (the Meeting) of the shareholders to be held at 9:00 AM, local time, on May 7, 2010 in the President s Room of the Terminal City Club located at 837 W. Hastings Street, Vancouver, British Columbia, and at any adjournment thereof, for the purposes set forth in the Notice of Meeting.

The solicitation of proxies by management will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. All costs of this solicitation will be borne by the Corporation.

The Board of Directors of the Corporation has fixed the close of business on March 18, 2010 as the record date, being the date for the determination of the registered shareholders entitled to receive notice of, and to vote at, the Meeting (the Record Date).

Unless otherwise stated, the information contained in this Management Proxy Circular is as of March 30, 2010. All dollar amounts are expressed in Canadian dollars (C\$ or Cdn\$), United States dollars (US\$) or Australian dollars (A\$), as indicated.

APPOINTMENT OF PROXYHOLDERS

A shareholder entitled to vote at the Meeting may, by means of a proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders, to attend and act at the Meeting for the shareholder and on the shareholder s behalf.

The individuals named in the enclosed form of proxy (the Form of Proxy) are directors and/or officers of the Corporation. **A shareholder may appoint, as proxyholder or alternate proxyholder, a person or persons other than any of the persons designated in the enclosed Form of Proxy, and may do so either by inserting the name or names of such persons in the blank space provided in the enclosed Form of Proxy or by completing another proper Form of Proxy.**

A shareholder forwarding the enclosed Form of Proxy may indicate the manner in which the proxyholder is to vote with respect to any specific item by checking the appropriate position. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the position opposite the item is to be left blank. The shares represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

An appointment of a proxyholder or alternate proxyholders will not be valid unless a form of proxy making the appointment, signed by the shareholder or by an attorney of the shareholder authorized in writing, is deposited with CIBC Mellon

Trust Company, by facsimile to 1-866-781-3111 or 1-416-368-2502, by mail to P.O. Box 721, Agincourt, Ontario, M1S 0A1 or by hand to The Oceanic Plaza, 1600 1066 Hastings Street, Vancouver, British Columbia, V6E 3K9 or 320 Bay Street, Banking Hall Level, Toronto, Ontario, M5H 4A6 and received by CIBC Mellon Trust Company not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke the proxy

- (a) by depositing an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing
 - (i) with CIBC Mellon Trust Company, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used,
 - (ii) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or an adjournment thereof, at which the proxy is to be used,
 - (iii) with the chairman of the Meeting on the day of the Meeting or an adjournment thereof, or
- (b) in any other manner provided by law.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

EXERCISE OF DISCRETION

The persons named in the enclosed Form of Proxy will vote or withhold from voting the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction in respect of a particular matter, such shares will be voted in favour of such matter. The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified or referred to in the Notice of Meeting and this Management Proxy Circular and with respect to other matters which may properly come before the Meeting.** As of the date of this Management Proxy Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any such or other matters which are not now known to management should properly come before the Meeting, the shares will be voted on such matters in accordance with the best judgment of the persons named in the Form of Proxy.

VOTES NECESSARY TO PASS RESOLUTIONS

The Corporation's by-laws provide that the quorum for the transaction of business at the Meeting is at least one individual present at the commencement of the Meeting holding, or representing by Proxy the holder or holders of, common shares carrying, in the aggregate, not less than thirty-three and one-third percent (33 1/3%) of the votes eligible to be cast at the Meeting.

Under the *Yukon Business Corporations Act* (the "YBCA"), a simple majority of the votes cast by shareholders at the Meeting is required to pass an ordinary resolution and a majority of two-thirds of the votes cast at the Meeting is required to pass a special resolution.

At the Meeting, shareholders will be asked to elect twelve (12) directors and to appoint auditors for the ensuing year. Subject as provided below in connection with the separate resolution to conditionally elect one additional director, if there are more nominees for election as directors or appointment as the Corporation's auditors than there are vacancies to fill (i.e. more than twelve (12) nominees for election as directors and one (1) nominee for appointment as the Corporation's auditors), those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

At the Meeting, shareholders will be asked to consider and, if thought advisable, to pass a special resolution, the full text of which is set out in Schedule A-1 hereto (the "Articles Amendment Resolution"), authorizing the Corporation to amend its Articles under section 175 of the YBCA to set the number of directors of the Corporation as not less than three (3), nor more than fourteen (14). The proposed amendment is to accommodate the Corporation's current contractual obligations to Rio Tinto plc and/or its subsidiaries ("Rio Tinto"). For further particulars, see "Particulars of Matters to Be Acted Upon - Amendment to the Corporation's Articles" in this Management Proxy Circular.

Shareholders will also be asked to separately elect one additional director for the ensuing year and to fix the number of directors at fourteen (14), contingent upon the passing of the special resolution to amend the Articles of the Corporation to increase the maximum number of directors to fourteen (14). It is expected that the fourteenth director, an additional nominee of Rio Tinto, will be appointed following the Meeting in accordance with Rio Tinto's contractual rights. See "Conditional Election of One Additional Director" and "Future Size of Board of Directors". At the Meeting, shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution, the full text of which is set out in Schedule B hereto (the "Equity Incentive Plan Resolution"), all as more particularly described in this Management Proxy Circular under "Particulars of Matters to Be Acted Upon - Amended and Restated Equity Incentive Plan," authorizing the Corporation to amend and restate the Employees' and Directors' Equity Incentive Plan (the "Incentive Plan") to: (i) make certain amendments to the amending provisions of the existing Incentive Plan; and (ii) make certain other technical amendments to the Incentive Plan, as outlined in the amended Incentive Plan attached hereto as Schedule C.

Shareholders will also be asked at the Meeting to consider, and, if thought advisable, to pass an ordinary resolution, the full text of which is set out in Schedule D hereto (the "Shareholder Rights Plan Resolution"), approving and ratifying the Shareholder Rights Plan adopted by the Corporation on April 5, 2010, as more particularly described in this Management Proxy Circular under "Particulars of Matters to Be Acted Upon - Shareholder Rights Plan", and as summarized in Schedule E.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Corporation or the persons they appoint as their proxyholder are permitted to vote at the Meeting. Most shareholders of the Corporation are non-registered shareholders (Non-Registered Shareholders) because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a Non-Registered Shareholder are registered either:

- (i) in the name of an intermediary (an Intermediary) that the Non-Registered Shareholder deals with in respect of the shares of the Corporation (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans); or
- (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice of Meeting, this Management Proxy Circular, the Form of Proxy and the request form (collectively, the Meeting Materials) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either be given:

- (a) a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a voting instruction form) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the Form of Proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the Form of Proxy, properly complete and sign the Form of Proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) a Form of Proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the Form of Proxy, this Form of Proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the Form of Proxy and deposit it with the Corporation, c/o CIBC Mellon Trust Company, The Oceanic Plaza, 1600 1066 Hastings Street, Vancouver, British Columbia, V6E 3K9 or 320 Bay Street, Banking Hall Level, Toronto, Ontario, M5H 4A6.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the shares of the Corporation they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the Form of Proxy and insert the Non-Registered Shareholder or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a Form of Proxy or voting instruction form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder's shares of the Corporation are held and following the instructions of the intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS

The Corporation's authorized capital consists of an unlimited number of common shares without par value (Common Shares) and an unlimited number of preferred shares without par value.

As of March 30, 2010, the Corporation had issued 441,146,905 fully paid and non-assessable Common Shares, each carrying the right to one vote. As of such date, no preferred shares were issued or outstanding.

A holder of record of one or more Common Shares on the securities register of the Corporation on the Record Date who either attends the Meeting personally or deposits a Proxy in the manner and subject to the provisions described above will be entitled to vote or to have such share or shares voted at the Meeting, except to the extent that

- (a) the shareholder has transferred the ownership of any such share after the Record Date, and
- (b) the transferee produces a properly endorsed share certificate for, or otherwise establishes ownership of, any of the transferred shares and makes a demand to CIBC Mellon Trust Company no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

To the knowledge of the directors and senior officers of the Corporation, the only persons who beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Corporation, the approximate number of Common Shares so owned, controlled or directed and the percentage of voting shares of the Corporation represented by such shares, and the share ownership by the current directors and senior officers of the Corporation as a group, in each case as at March 30, 2010, are:

Name and Address	Number of Shares Owned, Controlled or Directed	Percentage of Shares Outstanding
Rio Tinto plc	98,638,128 ⁽¹⁾	22.36%
Robert M. Friedland ⁽²⁾ Singapore Directors and Officers as a group ⁽²⁾	96,881,622 97,609,361 ⁽³⁾⁽⁴⁾	21.96% 22.13%

(1) Includes
15,000,000
Common Shares
issued to Rio
Tinto on
March 19, 2010.

(2) Common Shares
are held directly
(as to
19,810,801
shares) and
indirectly
through Newstar
Securities SRL
(as to
30,818,992
shares) and
Goldamere
Holdings SRL
(as to
46,251,829
shares), each
company
beneficially
owned and
controlled as to
100% by
Mr. Friedland.
Common Shares
held directly
and indirectly
by
Mr. Friedland
do not include
1,750,000
unissued
Common Shares
issuable upon
the exercise of
incentive stock

options held by Mr. Friedland, 375,000 of which are currently vested and exercisable.

- (3) Common Shares held by the directors and senior officers as a group do not include 11,013,875 unissued Common Shares issuable upon the exercise of incentive stock options, 4,319,875 of which are currently vested and exercisable.

- (4) Includes 96,881,622 Common Shares held directly and indirectly by Robert M. Friedland.

In addition to the foregoing:

- (a) Rio Tinto also holds the following convertible securities entitling Rio Tinto to acquire additional unissued Common Shares:
- (i) share purchase warrants to purchase up to: (i) 92,053,044 Common Shares at prices between US\$8.38 and US\$9.02 per Common Share, (ii) 35,000,000 Common Shares at US\$10.00 per Common Share, and (iii) 1,440,406 Common Shares at a price of C\$3.15 per Common Share; and
 - (ii) a credit facility convertible into up to an additional 45,800,000 Common Shares at US\$10.00 per Common Share.

If all of the above-described convertible securities are exercised to acquire all of the underlying unissued Common Shares, Rio Tinto would hold approximately 44% of the Corporation's issued and outstanding Common Shares.

Concurrent with the Private Placement Agreement between the Corporation and Rio Tinto entered into in 2006 (the 2006 Rio Tinto Agreement), Rio Tinto and Mr. Friedland entered into a shareholders' agreement, whereby Mr. Friedland has agreed to vote or cause to be voted any Common Shares he controls, directly or indirectly, in favour of any transaction contemplated by the 2006 Rio Tinto Agreement.

- (b)

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Fidelity Management & Research Company (Fidelity), a wholly-owned subsidiary of FMR LLC, of Boston, Massachusetts, owns 32,259,100 (7.31%) of the issued and outstanding Common Shares. Fidelity is an investment adviser to various U.S. investment companies.

- (c) CDP Capital World Markets (CDP), a direct and wholly-owned subsidiary of the Caisse de dépôt et placement du Québec (Caisse de dépôt), of Montreal, Québec, owns 30,488,630 (6.91%) of the issued and outstanding Common Shares. Caisse de dépôt is a global fund manager managing funds deposited primarily by public and private pension funds and insurance plans in the Province of Québec, Canada.

Information relating to Fidelity and CDP and their parent corporations and subsidiaries are not within the knowledge of management of the Corporation and have been derived from filings with the U.S. Securities and Exchange Commission, and represents the number of Common Shares held by Fidelity and CDP as of March 30, 2010.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation at any time since the beginning of its last completed financial year, any proposed nominee for director of the Corporation or any associate or affiliate of the foregoing, has any material interest, direct or indirect, in any matter to be acted upon at the Meeting, except as disclosed in this Information Circular.

ELECTION OF DIRECTORS

Term of Office

The Corporation's Articles currently provide that the number of directors of the Corporation will be a minimum of 3 and a maximum of 12. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is earlier vacated in accordance with the provisions of the YBCA, each director elected will hold office until the conclusion of the next annual meeting of the Corporation or, if no director is then elected, until a successor is elected.

The Corporation is requesting that shareholders consider and, if thought advisable, approve by special resolution at the Meeting an amendment to the Corporation's Articles to set the number of directors as not less than three (3), nor more than fourteen (14), and then to conditionally elect an additional director and fix the number of directors at fourteen (14). For further information, see Particulars of Matters to be Acted Upon Amendment to the Corporation's Articles, and: Conditional Resolution to Fix the Number of Directors at Fourteen (14), Conditional Election of One Additional Director, and Future Size of Board of Directors.

Management Nominees

The following table sets out the names of management's 12 nominees for election as directors, their ages, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation, the number of Common Shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by each as at March 30, 2010, and the number of options to purchase Common Shares of the Corporation and common shares of the Corporation's publicly traded affiliates held by each as at March 30, 2010.

Robert M. Friedland

Singapore

Age: 59

Executive Chairman

Director Since: 1994⁽¹⁵⁾**Director Status:**

Non-Independent

(Management)

Areas of Experience:

CEO/Board

Finance

Mining Industry

Public Capital Markets

Managing/Leading Growth

Mr. Friedland is the founder and Executive Chairman of the Corporation. He has been a member of the Corporation's Executive Committee since its formation in March 2005.

He is Chairman and President of Ivanhoe Capital Corporation, a company based in Singapore and Beijing that specializes in venture capital and project financing for international business enterprises, predominantly in the fields of energy and minerals. He is a co-founder and the Executive Chairman, President and Chief Executive Officer of Ivanhoe Energy Inc., which is implementing projects applying the company's advanced, proprietary technology which converts heavy oil into lighter crude oil.

Mr. Friedland was named 2006 Mining Person of the Year by the Northern Miner publishing group of Canada for his success in negotiating a strategic partnership between the Corporation and Rio Tinto to develop the Corporation's Oyu Tolgoi copper-gold project in Mongolia. Following his earlier role in the discovery and sale of the Voisey's Bay nickel-copper-cobalt deposit in Eastern Canada, he was named Developer of the Year in 1996 by the Prospectors and Developers Association of Canada for his work in establishing and financing companies engaged in mineral exploration and development around the world.

Mr. Friedland graduated from Reed College, Oregon, in 1974 with an undergraduate degree in political science.

Principal Occupation, Business or Employment⁽¹⁾

Chairman of the Corporation (March 1994 – present); President of the Corporation (March 1994 – July 1994; March 2003 – January 2004); Chairman, Ivanhoe Capital Corporation (January 1991 – present); President, Ivanhoe Capital Corporation (July 1988 – present); Executive Chairman, President and Chief Executive Officer, Ivanhoe Energy Inc. (May 2008 – present); Chairman and Non-Executive Director, Ivanhoe Australia Limited (2007 – present), Director and Chairman, Potash One Inc. (2009- present)

Board/Committee Membership:	2009		Other Public Company Board Membership:	
	Attendance:		Company:	Since:
Board of Directors	3 of 8	38%	Ivanhoe Energy Inc. (TSX; NASDAQ)(13)	1995
Executive Committee	0 of 0	N/A	Ivanhoe Australia Limited (ASX)(13)	2007
Total:	3 of 8	38%	Potash One Inc. (TSX) (Chair)	2009

Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾⁽²⁾:

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Company Name	Year	Common Shares	Total Market Value of Common Shares ⁽⁵⁾
Ivanhoe Mines Ltd.	2010	96,881,622	C\$ 1,677,989,693
	2009	96,881,622	C\$ 708,204,657
SouthGobi Energy Resources Ltd.	2010	Nil	Nil
	2009	Nil	Nil
Ivanhoe Australia Limited	2010	2,000,000	A\$ 6,980,000
	2009	Nil	Nil

Options Held: ⁽¹²⁾

Date Granted	Expiry Date	Number Granted	Vested/Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
May 8, 2009	May 8, 2016	1,500,000	375,000 / 1,125,000 ⁽¹⁶⁾	C\$ 8.20	1,500,000	C\$ 13,680,000
Oct. 9, 2009	Oct. 9, 2016	250,000	Nil/250,000 ⁽⁸⁾	C\$ 13.76	250,000	C\$ 890,000
					Total	C\$ 14,570,000

Options Held in Publicly Traded Affiliates of the Corporation:

Name of Affiliate	Date Granted	Expiry Date	Number Granted	Vested/Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
SouthGobi Energy Resources Ltd.	Nov. 27, 2008	Nov. 27, 2013	125,000	41,250 / 83,750	C\$ 5.10	125,000	C\$ 1,405,000
SouthGobi Energy Resources Ltd.	July 9, 2008	July 9, 2013	250,000	82,500 / 167,500	C\$ 18.86	250,000	Nil
Ivanhoe Australia Limited	Aug. 6, 2008	n/a	4,000,000	Nil / 2,000,000	Nil ⁽¹⁴⁾	2,000,000	A\$6,980,000

Value of Equity at Risk:

Year	Common Shares ⁽⁵⁾	Unexercised Options ⁽⁷⁾	Total
2010	C\$ 1,677,989,693	C\$ 14,570,000	C\$ 1,692,559,695
2009	C\$ 708,204,657	Nil	C\$ 708,204,657

Peter G. Meredith

Vancouver,
British Columbia, Canada

Age: 66

Deputy Chairman

Director Since: 2005⁽¹⁵⁾

Director Status:

Non-Independent

(Management)

Areas of Experience:

CEO/Board

Finance

Mining Industry

Financially Literate

Public Capital Markets

Peter Meredith became the Corporation's Deputy Chairman in May 2006 and oversees the Corporation's business development and corporate relations. Mr. Meredith was the Corporation's CFO from May 2004 to May 2006 and from June 1999 to November 2001. He was the CEO of SouthGobi Energy Resources Ltd. from June 2007 until October 2009, at which time he was appointed chairman of SouthGobi.

Prior to joining the Corporation, Mr. Meredith spent 31 years with Deloitte & Touche LLP, Chartered Accountants, and retired as a partner in 1996. Mr. Meredith is a Chartered Accountant, a Certified Management Accountant and a member of the Canadian Institute of Chartered Accountants.

Principal Occupation, Business or Employment⁽¹⁾

Deputy Chairman (May 2006 – present); Chief Financial Officer of the Corporation (June 1999 – November 2001; May 2004 – May 2006); Chairman, SouthGobi Energy Resources Ltd. (October 2009 – present); Chief Financial Officer, Ivanhoe Capital Corporation (1996 – March 2009); Senior Partner, Deloitte & Touche LLP, chartered accountants (1966 – 1996).

Board/Committee Membership:	2009		Other Public Company Board Membership:	
	Attendance:		Company:	Since:
Board of Directors	7 of 8	88%	Ivanhoe Energy Inc. (TSX; NASDAQ) ⁽¹³⁾	2007
Currency Advisory Committee	2 of 2	100%	SouthGobi Energy Resources Ltd. (TSX)(SEHK) ⁽¹³⁾	2003
Executive Committee	0 of 0	N/A	Entrée Gold Inc. (TSX; AMEX) (Audit Committee Chair; Compensation Committee)	2002
Total:	9 of 10	90%	Great Canadian Gaming Corporation	2000

(TSX)
(Compensation
Committee
Chair; Audit &
Risk
Committee)
Ivanhoe
Australia
Limited
(ASX)⁽¹³⁾
(Nomination,
Governance and
Remuneration
Committee)

2007

Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾⁽²⁾:

Company Name	Year	Common Shares	Total Market Value of Common Shares ⁽⁵⁾
Ivanhoe Mines Ltd.	2010	48,500	C\$ 840,020
	2009	45,000	C\$ 328,950
SouthGobi Energy Resources Ltd.	2010	Nil	Nil
	2009	Nil	Nil
Ivanhoe Australia Limited	2010	250,000	A\$ 872,500
	2009	Nil	Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
Oct. 9, 2009	Oct.9, 2016	250,000	Nil/250,000 ⁽⁸⁾	C\$ 13.76	250,000	C\$ 890,000
July 23, 2009	July 23, 2016	200,000	Nil/200,000 ⁽⁹⁾	C\$ 8.77	200,000	C\$ 1,710,000
May 8, 2009	May 8, 2016	750,000	187,500/ 562,500 ⁽¹⁶⁾	C\$ 8.20	750,000	C\$ 6,840,000
Nov 13, 2008	Nov. 13, 2015	420,000	Nil/315,000 ⁽¹¹⁾⁽¹⁷⁾	C\$ 2.82	315,000	C\$ 4,567,500
Sept 22, 2008	Sept. 22, 2013	250,000	Nil/187,500 ⁽¹²⁾⁽¹⁸⁾	C\$ 8.35	187,500	C\$ 1,681,875
Mar. 27, 2006	Mar. 27, 2013	400,000	400,000/Nil	C\$ 9.73	400,000	C\$ 3,036,000
					Total:	C\$ 18,725,375

Options Held in Publicly Traded Affiliates of the Corporation:

Name of Affiliate	Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
SouthGobi Energy Resources Ltd	Aug. 5, 2009	Aug. 5, 2014	75,000	Nil/75,000	C\$ 12.99	75,000	C\$ 251,250
SouthGobi Energy Resources Ltd.	Nov. 27, 2008	Nov. 27, 2013	75,000	24,750/ 50,250	C\$ 5.10	75,000	C\$ 843,000
			100,000	33,000/67,000	C\$ 15.07	100,000	C\$ 127,000

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SouthGobi Energy Resources Ltd.	Aug. 27, 2008	Aug. 27, 2013						
SouthGobi Energy Resources Ltd.	June 22, 2007	June 22, 2012	495,000	415,000/Nil	C\$ 6.00	415,000 ⁽¹⁹⁾	C\$ 4,291,100	
Ivanhoe Australia Limited	Aug. 6, 2008	n/a	500,000	Nil / 250,000	Nil ⁽¹⁴⁾	250,000	A\$ 872,500	

Value of Equity at Risk:

Year	Common Shares ⁽⁵⁾	Unexercised Options ⁽⁷⁾	Total
2010	C\$ 840,020	C\$ 18,725,375	C\$ 19,565,395
2009	C\$ 328,950	C\$ 1,885,800	C\$ 2,214,750

John A. Macken

Somerville, Massachusetts, U.S.A.

Age: 58

President and Chief Executive Officer

Director Since: 2003⁽¹⁵⁾**Director Status:**

Non-Independent

(Management)

Areas of Experience:

CEO/Board

Exploration

Engineering

Mining Industry

Project Development and Management

Managing/Leading Growth

John Macken joined the Corporation in November 2003 and is its President and Chief Executive Officer. He has been a member of the Corporation's Executive Committee since its formation in March 2005. Prior to joining the Corporation, Mr. Macken had spent 19 years with Freeport McMoran Copper and Gold, most recently as Freeport's Senior Vice-President of Strategic Planning and Development. Mr. Macken was the Chairman of SouthGobi Energy Resources Ltd. from June 2007 until October 2009.

Mr. Macken spent a total of 13 years with Freeport's operating unit, P.T. Freeport Indonesia. He culminated his tour of duty as Executive Director PT FI and the General Manager of the Grasberg open pit and underground mining complex in Papua, the world's largest single copper and gold mine, and from 1996 to 2000 he held the position of Senior Vice-President, Strategic Planning and Development at Freeport's corporate office. Between 1996 and 1998, Mr. Macken headed and completed ahead of schedule and under budget an expansion valued at almost US\$1 billion at the Grasberg mining complex. Mr. Macken graduated from Trinity College in Dublin in 1976 with a BA and BAI (Hon) in engineering.

Principal Occupation, Business or Employment⁽¹⁾

Chief Executive Officer of the Corporation (May 2006 – present); President of the Corporation (January 2004 – present)

Board/Committee Membership:	2009		Other Public Company Board	
	Attendance:		Company:	Membership:
			Company:	Since:
Board of Directors	7 of 8	88%	SouthGobi Energy Resources Ltd. (TSX) (Hong Kong) ⁽¹³⁾	2007
Executive Committee	0 of 0	N/A	Western Lithium Corporation (TSX-V)	2008
Total:	7 of 8	88%	Ivanhoe Australia Limited (ASX) (Safety, Health and Environmental	2007

Committee -
Chair)**Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾⁽²⁾:**

Company Name	Year	Common Shares	Total Market Value of Common Shares ⁽⁵⁾
Ivanhoe Mines Ltd.	2010	98,659	C\$ 1,708,774
	2009	87,403	C\$ 638,916
SouthGobi Energy Resources Ltd.	2010	Nil	Nil
	2009	Nil	Nil
Ivanhoe Australia Limited	2010	250,000	A\$ 872,500
	2009	Nil	Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
Oct. 9, 2009	Oct. 9, 2016	250,000	Nil /250,000 ⁽⁸⁾	C\$ 13.76	250,000	C\$ 890,000
May 8, 2009	May 8, 2016	1,500,000	375,000/ 1,125,000 ⁽¹⁰⁾	C\$ 8.20	1,500,000	C\$ 13,680,000
Nov. 13, 2008	Nov. 13, 2015	900,000	225,000/ 675,000 ⁽¹¹⁾	C\$ 2.82	900,000	C\$ 13,050,000
Sept. 22, 2008	Sept. 22, 2013	250,000	62,500/ 187,500 ⁽¹²⁾	C\$ 8.35	250,000	C\$ 2,242,500
Mar. 27, 2006	Mar. 27, 2013	2,000,000	1,000,000/ Nil ⁽²⁰⁾	C\$ 9.73	1,000,000	C\$ 7,590,000
Mar. 30, 2004	Mar. 30, 2014	1,000,000	1,000,000 / Nil	C\$ 7.78	1,000,000	C\$ 9,540,000
Total:						C\$ 46,992,500

Options Held in Publicly Traded Affiliates of the Corporation:

Name of Affiliate	Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
SouthGobi Energy Resources Ltd.	Aug. 5, 2009	Aug. 5, 2014	36,000	Nil/36,000	C\$ 12.99	36,000	C\$ 120,600
SouthGobi Energy Resources Ltd.	Nov. 27, 2008	Nov. 27, 2013	40,000	13,200/26,800	C\$ 5.10	40,000	C\$ 449,600
SouthGobi Energy Resources Ltd.	Aug. 27, 2008	Aug. 27, 2013	50,000	16,500/33,500	C\$ 15.07	50,000	C\$ 63,500
SouthGobi Energy Resources Ltd.	June 22, 2007	June 22, 2012	250,000	250,000/Nil	C\$ 6.00	250,000	C\$ 2,585,500

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Ivanhoe Australia Limited	Aug. 6, 2008	n/a	500,000	Nil/250,000	Nil ⁽¹⁴⁾	250,000	A\$ 872,500
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Value of Equity at Risk:

Year	Common Shares ⁽⁵⁾	Unexercised Options ⁽⁷⁾	Total
2010	C\$ 1,708,774	C\$ 46,992,500	C\$ 48,701,274
2009	C\$ 638,916	C\$ 4,041,000	C\$ 4,679,916

David Huberman

Vancouver, British Columbia

Canada

Age: 75

Lead Director

Director Since: 2003⁽¹⁵⁾**Director Status:**

Independent

Areas of Experience:

Board

Legal

Finance

Governance

Compensation

Mining Industry

David Huberman is the President of Coda Consulting Corp., a law and business consulting firm. He practiced business law from 1972 until 1996 as a senior partner of a Canadian business law firm, specializing in corporate, commercial, banking, securities, regulatory and mining law. From 1997 to 1999, he served as Executive Vice President and General Counsel of Lions Gate Entertainment Corp.

Mr. Huberman received his B.A. and LL.B. from the University of British Columbia and his LL.M. from Harvard Law School. He was called to the British Columbia bar in 1960 and was a full time member of the Faculty of Law at the University of British Columbia from 1960 to 1972, focusing on corporate, securities and administrative law.

Mr. Huberman was appointed to the Corporation's Board of Directors as Lead Independent Director in September, 2003 and as Chairman of the Corporate Governance & Nominating Committee and the Compensation & Benefits Committee in November, 2003. He has been a member of the Corporation's Executive Committee since its formation in March, 2005. Mr. Huberman is a member of the Institute of Corporate Directors.

Principal Occupation, Business or Employment⁽¹⁾

President, Coda Consulting Corp. (1993 - present)

Board/Committee Membership:	2009		Other Public Company Board Membership:	
	Attendance:		Company:	Since:
Board of Directors Lead Director	8 of 8	100%	n/a	n/a
Corporate Governance & Nominating Committee Chairman	4 of 4	100%		
Compensation & Benefits Committee Chairman	5 of 5	100%		
Non-Management Directors	0 of 0	N/A		
Executive Committee	0 of 0	N/A		
Total:	17 of 17	100%		

Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾⁽²⁾:

Company Name	Year	Common Shares	Total Market	
			Value of Common Shares ⁽⁵⁾	Minimum Share Ownership Required ⁽⁴⁾
Ivanhoe Mines Ltd.	2010	70,558	C\$ 1,222,065	C\$ 120,000

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	2009	90,558	C\$	661,979	(meets requirement)
SouthGobi Energy Resources Ltd.	2010	Nil		Nil	
	2009	Nil		Nil	
Ivanhoe Australia Limited	2010	Nil		Nil	
	2009	Nil		Nil	

Options Held:

Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
May 8, 2009	May 8, 2016	50,000	Nil/50,000 ⁽¹⁰⁾	C\$ 8.20	50,000	C\$ 456,000
Nov. 13, 2008	Nov. 13, 2015	22,500	Nil/16,875 ⁽¹¹⁾⁽²¹⁾	C\$ 2.82	16,875	C\$ 244,688
May 9, 2008	May 9, 2013	25,000	8,125/Nil ⁽²²⁾	C\$ 9.64	8,125	C\$ 62,400
May 11, 2007	May 11, 2012	25,000	25,000/Nil	C\$ 13.35	25,000	C\$ 99,250
May 12, 2006	May 12, 2011	25,000	25,000/Nil	C\$ 10.56	25,000	C\$ 169,000
						Total: C\$1,031,338

Value of Equity at Risk:

Year	Common Shares ⁽⁵⁾	Unexercised Options ⁽⁷⁾	Total
2010	C\$ 1,222,065	C\$ 1,031,338	C\$ 2,253,402
2009	C\$ 661,979	C\$ 101,025	C\$ 763,004

David Korbin

West Vancouver, British Columbia, Canada

Age: 68

Director Since: 2006⁽¹⁵⁾**Director Status:**

Independent

Areas of Experience:

Board

Financial

Governance

Compensation

Financially Literate

David Korbin, a management and financial consultant, was appointed to the Corporation's Board of Directors in May 2006. From 2001 to May 2007, he was Director of E-Comm Emergency Communications for Southwest British Columbia Incorporated, serving as Chair of the Board of Directors from 2004 and Chair of their audit committee from 2002 to 2003. From 1992 to 2000, he was a director of the Vancouver General Hospital and the Vancouver Hospital and Health Sciences Centre, serving as Chair of the Audit Committee from 1993 to 1994 and Chair of the Vancouver Hospital and Health Sciences Centre from 1995 to 1998.

Mr. Korbin qualified as a Chartered Accountant in 1966, and prior to 1987 served as managing partner of a number of smaller accounting firms. From 1987 to 1990, he was a managing partner of the Vancouver office of Deloitte Haskins and Sells and from 1990 to 1992 he was managing partner of Deloitte & Touche LLP. Mr. Korbin was also on the national board of both Deloitte Haskins and Sells and Deloitte & Touche during his tenure as managing partner.

Mr. Korbin is a member of the Institute of Corporate Directors.

Principal Occupation, Business or Employment⁽¹⁾

Independent Financial Consultant

Board/Committee Membership:	2010		Other Public Company Board Membership:	
	Attendance:		Company:	Since:
Board of Directors	7 of 8	88%	Ivanhoe Australia Limited (ASX) ⁽¹⁷⁾ (Audit and Finance Committee)	2007
Audit Committee Chairman	4 of 4	100%		
Compensation & Benefits Committee	5 of 5	100%		
Currency Advisory Committee	2 of 2	100%		
Non-Management Directors	0 of 0	N/A		
Total:	18 of 19	95%		

Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾⁽²⁾:

Company Name	Year	Common Shares	Total Market Value of Common Shares ⁽⁵⁾	Minimum Share Ownership Required ⁽⁴⁾
Ivanhoe Mines Ltd.	2010	20,000	C\$ 346,400	C\$ 120,000 (meets requirement)
	2009	20,000	C\$ 146,200	
SouthGobi Energy Resources Ltd.	2010	1,000	C\$ 16,340	
	2009	Nil	Nil	
Ivanhoe Australia Limited	2010	60,000	A\$ 209,400	

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2009 Nil Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
May 8, 2009	May 8, 2016	50,000	Nil/50,000 ⁽¹⁰⁾	C\$ 8.20	50,000	C\$ 456,000
Nov. 13, 2008	Nov. 13, 2015	22,500	Nil/16,875 ⁽¹¹⁾⁽²³⁾	C\$ 2.82	16,875	C\$ 244,688
May 9, 2008	May 9, 2013	25,000	25,000/Nil	C\$ 9.64	25,000	C\$ 192,000
May 11, 2007	May 11, 2012	25,000	25,000/Nil	C\$ 13.35	25,000	C\$ 99,250
May 12, 2006	May 12, 2011	25,000	10,000/Nil ⁽³⁴⁾	C\$ 10.56	10,000	C\$ 67,600
Total:						C\$1,059,538

Options Held in Publicly Traded Affiliates of the Corporation:

Name of Affiliate	Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
Ivanhoe Australia Limited ⁽¹⁴⁾	Aug. 6, 2008	n/a	100,000	Nil / 50,000	Nil ⁽¹⁴⁾	50,000	A\$ 174,500

Value of Equity at Risk:

Year	Common Shares ⁽⁵⁾	Unexercised Options ⁽⁷⁾	Total
2010	C\$ 346,400	C\$ 1,059,538	C\$ 1,405,938
2009	C\$ 146,200	C\$ 101,025	C\$ 247,225

R. Edward Flood

Ketchum, Idaho

United States

Age: 64

Director Since: 1995⁽¹⁵⁾**Director Status:**Non-Independent⁽³⁾**Areas of Experience:**

CEO/Board

Finance

Geology

Exploration

Mining Industry

Financially Literate

Project Development

Public Capital Markets

Ed Flood has been a director of Ivanhoe Mines since its founding in 1994 and was also its founding President until May 1999. He is the Chairman of Western Uranium Corporation, a mineral exploration corporation with a focus on uranium. Mr. Flood served as Deputy Chairman of Ivanhoe Mines Ltd. until February 2007, assisting in developing Ivanhoe's growth and its establishment as a significant presence in Asia's mineral exploration and mining sectors. Prior to joining Ivanhoe, from 1993 to 1995, Mr. Flood was a principal at Robertson Stephens & Co., a U.S. investment bank, and a member of Robertson Stephens' investment team. From 1983 to 1993, he served as Manager, Project Evaluation for NERCO Minerals Corporation. He also held the position of senior mining analyst with Haywood Securities Inc. from 1999 to 2001 and Managing Director, Investment Banking, Haywood Securities (UK) Ltd. from March 2007 to March 2010.

Mr. Flood holds a Master of Science in Geology from the University of Montana and a Bachelor in Science in Geology from the University of Nevada. He is a member of the Institute of Corporate Directors.

Principal Occupation, Business or Employment⁽¹⁾

Chairman of Western Uranium Corporation (March 2007 – present); Managing Director, Investment Banking, Haywood Securities (UK) Ltd. (March 2007 – March 2010); Deputy Chairman of Ivanhoe (May 1999 – February 2007); Senior Mining Analyst, Haywood Securities Inc. (May 1999 – November 2001), President of the Corporation (1995 – 1999)

Board/Committee Membership:	2010		Other Public Company Board Membership:	
	Attendance:		Company:	Since:
Board of Directors	6 of 8	75%	Western Uranium Corporation (TSX-V) Chairman	2007
Non Management Directors	0 of 0	N/A	Western Lithium Canada Corporation (TSX-V)	2008
Total:	6 of 8	75%	SouthGobi Energy Resources Ltd. (TSX) (Hong Kong)	2003

Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾⁽²⁾:

Company Name	Year	Common Shares	Total Market Value of Common Shares ⁽⁵⁾
Ivanhoe Mines Ltd.	2010	102,534	C\$ 1,775,889

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	2009	102,534	C\$	749,524
SouthGobi Energy Resources Ltd.	2010	Nil		Nil
	2009	Nil		Nil
Ivanhoe Australia Limited	2010	Nil		Nil
	2009	Nil		Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
May 8, 2009	May 8, 2016	50,000	Nil/50,000 ⁽¹⁰⁾	C\$ 8.20	50,000	C\$ 456,000
Nov. 13, 2008	Nov. 13, 2015	64,500	16,125/48,375 ⁽¹¹⁾	C\$ 2.82	64,500	C\$ 935,250
May 9, 2008	May 9, 2013	25,000	25,000/Nil	C\$ 9.64	25,000	C\$ 192,000
May 11, 2007	May 11, 2012	25,000	25,000/Nil	C\$ 13.35	25,000	C\$ 99,250
Mar. 27, 2006	Mar. 27, 2013	300,000	165,000/Nil	C\$ 9.73	165,000	C\$ 1,252,350
Total:						C\$2,934,850

Options Held in Publicly Traded Affiliates of the Corporation:

Name of Affiliate	Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
SouthGobi Energy Resources Ltd.	May 6, 2009	May 6, 2014	35,000	Nil/35,000	C\$ 10.21	35,000	C\$ 214,550
SouthGobi Energy Resources Ltd.	Nov. 27, 2008	Nov. 27, 2013	20,000	6,600/13,400	C\$ 5.10	20,000	C\$ 224,800
SouthGobi Energy Resources Ltd.	May 21, 2008	May 21, 2013	25,000	25,000/Nil	C\$ 13.80	25,000	C\$ 63,500
SouthGobi Energy Resources Ltd.	June 22, 2007	June 22, 2012	50,000	33,334/Nil	C\$ 6.00	33,334	C\$ 344,674
SouthGobi Energy Resources Ltd.	Apr. 17, 2007	Apr. 17, 2012	25,000	16,667/Nil	C\$ 4.81	16,667	C\$ 192,171

Value of Equity at Risk:

Year	Common Shares ⁽⁵⁾	Unexercised Options ⁽⁷⁾	Total
2010	C\$ 1,775,889	C\$ 2,934,850	C\$ 4,710,739
2009	C\$ 749,524	C\$ 289,605	C\$ 1,039,129

Kjeld R. Thygesen

London, England

Age: 62

Director Since: 2001⁽¹⁵⁾**Director Status:**

Independent

Areas of Experience:

Finance

Banking

Governance

Compensation

Mining Industry

Financially Literate

Public Capital Markets

Kjeld Thygesen is the Managing Director of Lion Resource Management. He has over 30 years experience as an analyst and fund manager in the resource sector. A graduate of the University of Natal in South Africa, he joined African Selection Trust, a subsidiary of Selection Trust Limited, in 1970, researching and managing a portfolio of South African mining companies.

In 1972, Mr. Thygesen joined James Capel & Co. in London, England and served as a member of their gold and mining research team. In 1979, he joined N.M. Rothschild & Sons Limited as manager of its Commodities and Natural Resources Department with overall responsibility for strategy and management of commodity trusts and precious metal funds. Mr. Thygesen became an executive director of N.M. Rothschild Asset Management Limited in 1984 and N.M. Rothschild International Asset Management Limited in 1987. Mr. Thygesen left the N.M. Rothschild Group in 1989 to co-found Lion Resource Management Limited, an FSA regulated and SEC registered specialist investment manager in the mining and natural resources sector. Mr. Thygesen is a member of the Institute of Corporate Directors.

Principal Occupation, Business or Employment⁽¹⁾

Managing Director of Lion Resource Management (May 1989 – present)

Board/Committee Membership:	2009		Other Public Company Board Membership:	
	Attendance:		Company:	Since:
Board of Directors	7 of 8	88%	Superior Mining International Corporation (TSX-V)	2005
Audit Committee	4 of 4	100%		
Corporate Governance & Nominating Committee	4 of 4	100%		
Non-Management Directors	0 of 0	N/A		
Total:	15 of 16	94%		

Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾⁽²⁾:

Company Name	Year	Common Shares	Total Market Value of Common Shares ⁽⁵⁾		Minimum Share Ownership
			C\$	C\$	Required ⁽⁴⁾
Ivanhoe Mines Ltd.	2010	175,000	C\$ 3,031,000	C\$	120,000

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	2009	150,000	C\$	1,096,500	(meets requirement)
SouthGobi Energy Resources Ltd.	2010	Nil		Nil	
	2009	Nil		Nil	
Ivanhoe Australia Limited	2010	Nil		Nil	
	2009	Nil		Nil	

Options Held:

Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
May 8, 2009	May 8, 2016	50,000	Nil/50,000 ⁽¹⁰⁾	C\$ 8.20	50,000	C\$ 456,000
Nov. 13, 2008	Nov. 13, 2015	30,000	7,500/22,500 ⁽¹¹⁾	C\$ 2.82	30,000	C\$ 435,000
May 9, 2008	May 9, 2013	25,000	25,000/Nil	C\$ 9.64	25,000	C\$ 192,000
May 11, 2007	May 11, 2012	25,000	25,000/Nil	C\$ 13.35	25,000	C\$ 99,250
May 12, 2006	May 12, 2011	25,000	25,000/Nil	C\$ 10.56	25,000	C\$ 169,000
May 10, 2005	May 10, 2010	25,000	25,000/Nil	C\$ 9.37	25,000	C\$ 198,750
						Total: C\$1,550,000

Value of Equity at Risk:

Year	Common Shares ⁽⁵⁾	Unexercised Options ⁽⁷⁾	Total
2010	C\$ 3,031,000	C\$ 1,550,000	C\$ 4,581,000
2009	C\$ 1,096,500	C\$ 142,450	C\$ 1,238,950

The Hon. Robert W. Hanson

London, England

United Kingdom

Age: 49

Director Since: 2001⁽¹⁵⁾

Director Status:

Independent

Areas of Experience:

Board

Finance

Governance

Compensation

Public Capital Markets

Robert Hanson is the Chairman of Strand Hanson Ltd., a boutique investment bank and advisory firm, Hanson Family Holdings Ltd., Hanson Capital Investments Limited and Sinojie Hanson, a specialty chemicals company operating in China. He was formerly an Associate Director of N.M. Rothschild & Sons from 1983 to 1990, serving in Hong Kong, Chile and Spain. From 1990 to 1997, he served on the board of directors of Hanson plc and was responsible for strategy and mergers and acquisition transactions.

Mr. Hanson was educated at Eton and received his MA in English Language & Literature from St Peter's College, Oxford.

Mr. Hanson is a member of the Institute of Corporate Directors.

Principal Occupation, Business or Employment⁽¹⁾

Chairman, Hanson Capital Investments Limited (February 1998 – present); Chairman, Strand Hanson Ltd. (October 2009 – present), Sinojie Hanson (2010-present), and Hanson Family Holdings Ltd. (May 1990 – present).

Board/Committee Membership:	2009		Other Public Company Board Membership:	
	Attendance:		Company:	Since:
Board of Directors	8 of 8	100%	SouthGobi Energy Resources Ltd. (TSX)(SEHK) (Nominating and Corporate Governance Committee Chair, Compensation & Benefits Committee, Environmental, Health & Safety Committee)	2007
Corporate Governance & Nominating Committee	4 of 4	100%		
Compensation & Benefits Committee	5 of 5	100%		
Non-Management Directors	0 of 0	N/A		
Total:	17 of 17	100%		
Common Shares Beneficially Owned, Controlled or Directed^{(1)(2):}				

Company Name	Year	Total Market Value of Common Shares ⁽⁵⁾	Minimum Share Ownership Required ⁽⁴⁾
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		Common Shares			
Ivanhoe Mines Ltd.	2010	50,000	C\$	866,000	C\$ 120,000 (meets requirement)
	2009	50,000	C\$	365,500	
SouthGobi Energy Resources Ltd.	2010	34,000	C\$	555,560	
	2009	44,000	C\$	464,200	
Ivanhoe Australia Limited	2010	Nil		Nil	
	2009	Nil		Nil	

Options Held:

Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
May 8, 2009	May 8, 2016	50,000	Nil/50,000 ⁽¹⁰⁾	C\$ 8.20	50,000	C\$ 456,000
Nov. 13, 2008	Nov. 13, 2015	22,500	5,625/16,875 ⁽¹¹⁾	C\$ 2.82	22,500	C\$ 326,250
May 9, 2008	May 9, 2013	25,000	25,000/Nil	C\$ 9.64	25,000	C\$ 192,000
May 11, 2007	May 11, 2012	25,000	25,000/Nil	C\$ 13.35	25,000	C\$ 99,250
May 12, 2006	May 12, 2011	25,000	25,000/Nil	C\$ 10.56	25,000	C\$ 169,000
						Total: C\$1,242,500

Options Held in Publicly Traded Affiliates of the Corporation:

Name of Affiliate	Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
SouthGobi Energy Resources Ltd.	May 6, 2009	May 6, 2014	35,000	Nil/35,000	C\$ 10.21	35,000	C\$ 214,550
SouthGobi Energy Resources Ltd.	Nov. 27, 2008	Nov. 27, 2013	20,000	6,600/13,400	C\$ 5.10	20,000	C\$ 224,800
SouthGobi Energy Resources Ltd.	May 21, 2008	May 21, 2013	25,000	25,000/Nil	C\$ 13.80	25,000	C\$ 63,500
SouthGobi Energy Resources Ltd.	June 30, 2006	June 30, 2011	150,000	48,000/Nil	C\$ 2.30	48,000	C\$ 673,920

Value of Equity at Risk:

Year	Common Shares ⁽⁵⁾	Unexercised Options ⁽⁷⁾	Total
2010	C\$ 866,000	C\$ 1,242,500	C\$ 2,108,500
2009	C\$ 365,500	C\$ 101,025	C\$ 466,525

Dr. Markus Faber

Hong Kong

Age: 64

Director Since: 2002⁽¹⁵⁾**Director Status:**

Independent

Areas of Experience:

Finance

Commodities

Financially Literate

Emerging Markets

Public Capital Markets

International Currencies

Markus Faber is the Managing Director of Marc Faber Ltd., an investment advisory and fund management firm. Dr. Faber also acts as a director and advisor to a number of private investment funds, publishes a widely read monthly investment newsletter entitled "The Gloom, Boom & Doom Report" and is the author of several books including "Tomorrow's Gold" and "Asia's Age of Discovery". Dr. Faber is a regular contributor to several leading financial publications around the world, including Barron's. Dr. Faber has over 35 years experience in the finance industry, including acting as manager of an investment bank in the U.S. in which he routinely performed financial analysis on a range of companies.

Dr. Faber received his PhD in Economics magna cum laude from the University of Zurich. He is a member of the Institute of Corporate Directors.

Principal Occupation, Business or Employment⁽¹⁾

Managing Director, Marc Faber Ltd. (June 1990 - present)

Board/Committee Membership:	2009 Attendance:		Other Public Company Board Membership:	
			Company:	Since:
Board of Directors	7 of 8	88%	n/a	n/a
Audit Committee	4 of 4	100%		
Currency Advisory Committee	2 of 2	100%		
Non-Management Directors	0 of 0	N/A		
Compensation & Benefits Committee	5 of 5	100%		
Total:	18 of 19	95%		

Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾⁽²⁾:

Company Name	Year	Common Shares	Total Market Value of Common Shares ⁽⁵⁾		Minimum Share Ownership
			C\$	C\$	Required ⁽⁴⁾
Ivanhoe Mines Ltd.	2010	25,000	C\$ 433,000	C\$ 120,000	(meets requirement)
	2009	25,000	C\$ 182,750		
SouthGobi Energy Resources Ltd.	2010	Nil	Nil		
	2009	Nil	Nil		
Ivanhoe Australia Limited	2010	Nil	Nil		
	2009	Nil	Nil		

Options Held:

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Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
May 8, 2009	May 8, 2016 Nov. 13,	50,000	Nil/50,000 ⁽¹⁰⁾	C\$ 8.20	50,000	C\$ 456,000
Nov. 13, 2008	2015	30,000	7,500/22,500 ⁽¹¹⁾	C\$ 2.82	30,000	C\$ 435,000
May 9, 2008	May 9, 2013 May 11,	25,000	25,000/Nil	C\$ 9.64	25,000	C\$ 192,000
May 11, 2007	2012	25,000	25,000/Nil	C\$ 13.35	25,000	C\$ 99,250
May 12, 2006	May 12, 2011	25,000	25,000/Nil	C\$ 10.56	25,000	C\$ 169,000
						Total: C\$1,351,250

Value of Equity at Risk:

Year	Common Shares ⁽⁵⁾	Unexercised Options ⁽⁷⁾	Total
2010	C\$ 433,000	C\$ 1,351,250	C\$ 1,784,250
2009	C\$ 182,750	C\$ 134,700	C\$ 317,450

Howard R. Balloch

Beijing, China

Age: 58

Director Since: 2005⁽¹⁵⁾

Director Status:

Independent

Areas of Experience:

Finance

CEO/Board

Governance

Compensation

International Politics

Public Capital Markets

Howard Balloch is President and founding member of the investment advisory firm, The Balloch Group. He is currently Vice Chairman of the Canada China Business Council. Mr. Balloch was Canada's Ambassador to China from 1996 to 2001.

Mr. Balloch received his BA (Honours) in Political Science and Economics from McGill University in 1971 and his M.A. in International Relations from McGill University in 1972, and was enrolled in further post-graduate studies at the University of Toronto and at the Fondation Nationale de Sciences politiques in Paris from 1973 to 1976.

Mr. Balloch is a member of the Institute of Corporate Directors.

Principal Occupation, Business or Employment⁽¹⁾

President, The Balloch Group (July 2001 – present); Vice Chairman, Canada China Business Council (July 2001 – present); Canadian Ambassador to China, Mongolia and Democratic Republic of Korea (April 1996 – July 2001)

Board/Committee Membership:	2010 Attendance:		Other Public Company Board Membership:	
			Company:	Since:
Board of Directors	6 of 8	75%	Methanex Corporation (TSX; NASDAQ) (Human Resources Committee, Corporate Governance Committee, Public Policy Committee (Chair))	2004
Corporate Governance & Nominating Committee	3 of 3	100%	Tiens Biotech Group (USA) Ltd. (OTCBB) (Audit Committee)	2003
Compensation & Benefits Committee	4 of 5	80%	Ivanhoe Energy Inc. (TSX; NASDAQ) (Audit Committee, Compensation and Benefits Committee (Chair), Nominating and Corporate Governance Committee (Chair))	2002
Non-Management Directors	0 of 0	N/A		
Total:	13 of 17	76%		

Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾⁽²⁾:

Company Name	Year	Common Shares	Total Market Value of Common Shares ⁽⁵⁾		Minimum Share Ownership
			C\$	US\$	Required ⁽⁴⁾
Ivanhoe Mines Ltd.	2010	47,500	C\$ 822,700		C\$ 120,000

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					(meets requirement)
	2009	40,000	C\$	292,400	
SouthGobi Energy Resources Ltd.	2010	Nil		Nil	
	2009	Nil		Nil	
Ivanhoe Australia Limited	2010	Nil		Nil	
	2009	Nil		Nil	

Options Held:

Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
May 8, 2009	May 8, 2016	50,000	Nil/50,000 ⁽¹⁰⁾	C\$ 8.20	50,000	C\$ 456,000
Nov. 13, 2008	Nov. 13, 2015	30,000	Nil/22,500 ⁽¹¹⁾⁽²⁵⁾	C\$ 2.82	22,500	C\$ 326,250
May 9, 2008	May 9, 2013	25,000	25,000/Nil	C\$ 9.64	25,000	C\$ 192,000
May 11, 2007	May 11, 2012	25,000	25,000/Nil	C\$ 13.35	25,000	C\$ 99,250
May 12, 2006	May 12, 2011	25,000	25,000/Nil	C\$ 10.56	25,000	C\$ 169,000
Total:						C\$1,242,500

Value of Equity at Risk:

Year	Common Shares ⁽⁵⁾	Unexercised Options ⁽⁷⁾	Total
2010	C\$ 433,000	C\$ 1,242,500	C\$ 1,675,500
2009	C\$ 292,400	C\$ 134,700	C\$ 427,100

Andrew Harding

Age: 43

Director Since: 2009⁽¹⁵⁾**Director Status:**Non-Independent⁽³⁾**Areas of Experience:**

CEO/Board

Mining Industry

Financially Literate

Project Development

Managing/Leading Growth

Andrew Harding was appointed as Chief Executive of Rio Tinto's Global Copper Product Group on November 1, 2009 and is based in London, England. Prior to his current position, Mr. Harding was President and Chief Executive Officer at Rio Tinto's Kennecott Utah Copper in Salt Lake City.

Mr. Harding has also previously served as Global Practice Leader for Mining in Rio Tinto's Technology and Innovation Group where he focused on leading performance improvement initiatives, and he has held a variety of operations positions throughout his career in Rio Tinto's iron ore, energy and aluminum businesses in Australia. Mr. Harding has been with Rio Tinto for 18 years.

Mr. Harding holds an MBA from Deakin University in Australia and a Bachelor of Mining Engineering degree from University of New South Wales in Australia.

Principal Occupation, Business or Employment⁽¹⁾

Chief Executive, Rio Tinto Global Copper Product Group

Board/Committee Membership:	2009 Attendance:	Other Public Company Board Membership:	
		Company	Since
Board of Directors	n/a ⁽²⁶⁾	n/a	n/a
Total:			

Common Shares Beneficially Owned, Controlled or Directed^{(1)(2):}

Company Name	Year	Common Shares	Total Market Value of Common Shares ⁽⁵⁾
Ivanhoe Mines Ltd.	2010	Nil	Nil
	2009	Nil	Nil
SouthGobi Energy Resources Ltd.	2010	Nil	Nil
	2009	Nil	Nil
Ivanhoe Australia Limited	2010	Nil	Nil
	2009	Nil	Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested/Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
n/a	n/a	Nil	n/a	n/a	n/a	n/a

Value of Equity at Risk:

Unexercised

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Year	Common Shares ⁽⁵⁾	Options ⁽⁷⁾	Total
2010	Nil	Nil	Nil
2009	Nil	Nil	Nil

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Livia Mahler

Vancouver, British Columbia, Canada

Age: 50

Director Since: March 2009⁽¹⁵⁾

Director Status:

Independent

Areas of Experience:

Board

Finance

Public Company

Financially Literate

Public Capital Markets

Finance and International Business

Livia Mahler is a partner and co-founder of Greenstone Venture Partners, a Vancouver based venture capital fund targeting private early-stage technology companies in the area of information technologies. The \$40M fund was formed in 2000 and attracted institutional investors from Canada, USA and Asia. Ms. Mahler's role includes all aspects of fund management such as fundraising, identifying investment opportunities, performing due diligence and ongoing monitoring of portfolio companies.

A venture capitalist since 1994, she has invested broadly across the technology sector. Prior to Greenstone, Ms. Mahler spent 6 years as a Senior Investment Manager for the Business Development Bank of Canada and was a founding General Partner for the Western Technology Seed Investment Fund. Her previous experience also includes 7 years as a medical researcher at the University of British Columbia and a financial analyst position with the City of Vancouver. Her teaching assignments include lecturing for five years at the Financial Institutions for Private Enterprise Development program at Harvard University.

Ms. Mahler received a Bachelor of Science degree from the Hebrew University of Jerusalem in 1981 and an MBA from the University of British Columbia in 1991. Ms. Mahler is a member of the Canadian Venture Capital Association, Institutional Investors Committee. Ms. Mahler is a member of the Institute of Corporate Directors and sits on the Advisory Board of the Maurice Young Entrepreneurship and Venture Capital Research Centre at the University of British Columbia's Sauder School of Business.

Principal Occupation, Business or Employment⁽¹⁾

Partner and co-founder, Greenstone Venture Partners (February 2000 – present)

Board/Committee Membership:	2009 Attendance:		Other Public Company Board Membership:	
			Company	Since
Board of Directors	8 of 8	100%	n/a	n/a
Audit	2 of 2	100%		
Corporate Governance	2 of 2	100%		
Total:	12 of 12	100%		

Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾⁽²⁾:

Company Name	Year	Common Shares	Total Market Value of Common Shares ⁽⁵⁾	Minimum Share Ownership	
				C\$	Required ⁽⁴⁾
Ivanhoe Mines Ltd.	2010	Nil	Nil		120,000 (requirement not yet met)

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	2009	Nil	Nil
SouthGobi Energy Resources Ltd.	2010	Nil	Nil
	2009	Nil	Nil
Ivanhoe Australia Limited	2010	Nil	Nil
	2009	Nil	Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options ⁽⁷⁾
May 8, 2009 ⁽¹⁰⁾	May 8, 2016	50,000	Nil/50,000 ⁽¹⁰⁾	C\$ 8.20	50,000	C\$ 456,000

Value of Equity at Risk:

Year	Common Shares ⁽⁵⁾	Unexercised Options ⁽⁷⁾	Total
2010	n/a	C\$ 456,000	C\$ 456,000
2009	n/a	n/a	n/a

NOTES:

- (1) The information as to principal occupation, business or employment and shares beneficially owned, controlled or directed by a nominee is not within the knowledge of the management of the Corporation and has been furnished by the nominee.
- (2) Does not include unissued Common Shares issuable upon the exercise of incentive stock options.
- (3) Pursuant to the provisions of the 2006 Rio Tinto Agreement (see Voting Shares and Principal Holders), Rio Tinto is entitled, but not obliged, to nominate directors to the Corporation's board of directors in proportion to Rio Tinto's holdings of the issued and outstanding Common Shares. On November 5, 2009, Mr. Harding was appointed as the nominee director for Rio Tinto. He is considered to be non-independent by virtue of the significant investment of Rio Tinto in the Corporation. Except as otherwise agreed, when Rio Tinto is entitled to nominate more than one director, at least half of Rio Tinto's nominees must be independent directors within the meaning of applicable securities laws. Rio Tinto is also entitled to nominate one financially literate and independent director to the Company's audit committee. See Particulars of Matters to Be Acted Upon Amendment to the Corporation's Articles, and: Conditional Resolution to Fix the Number of Directors at Fourteen (14) , Conditional Election of One Additional Director , and Future Size of Board of Directors.
- (4) All non-management directors, with the exception of Mr. Andrew Harding, are required to beneficially own and hold Common Shares having a market value of at least three (3) times his or her annual cash retainer for as long as they are a director of the Corporation. These Common Shares may be held either directly in the name of the director or indirectly in the name of a company controlled by the director. The value of the Common Shares is determined annually at Dec. 31st, based on the preceding six month volume weighted average. All current independent director nominees have met this minimum shareholding requirement except for Ms. Mahler, who joined the board on March 10, 2009, and will be required to meet the requirement by March 10, 2012.
- (5) The Total Market Value of Common Shares is calculated by multiplying the closing price of the Common Shares of the Corporation on the Toronto Stock Exchange on March 30, 2010 (Cdn\$17.32) and March 27, 2009 (Cdn\$7.31), respectively, by the number of Common Shares held by the nominee as at March 30, 2010 and March 27, 2009, respectively.
- (6) The Exercise Price is the Fair Market Value on the date of approval by the Board of Directors, pursuant to the Employees and Directors Equity Incentive Plan.
- (7) In the case of options to acquire Common Shares of the Corporation and options to acquire common shares of the Corporation's affiliate SouthGobi Energy Resources Ltd., Value of Unexercised Options is calculated on the basis of the difference between the closing price of such shares on the Toronto Stock Exchange on March 30, 2010 and the Exercise Price of the options, multiplied by the number of unexercised options on March 30, 2010. In the case of the Corporation's affiliate Ivanhoe Australia Limited, Value of Unexercised Options is calculated similarly but using the closing price of the common shares of Ivanhoe Australia Limited on the ASX on March 30, 2010.
- (8) The October 9, 2009 option grant vests 25% on the first anniversary of the grant, and 25% on each of the three anniversaries thereafter, and will be fully vested on October 9, 2013.
- (9) The July 23, 2009 option grant vests 25% on the first anniversary of the grant, and 25% on each of the following three anniversaries thereafter, and will be fully vested on July 23, 2013.
- (10)

The May 8, 2009 option grant vests 100% on the first anniversary of the grant and will therefore become fully vested on May 8, 2010.

- (11) The November 13, 2008 option grant vests 25% on the first anniversary of the grant, and 25% on each of the three anniversaries thereafter, and will be fully vested on November 13, 2012.
- (12) The September 22, 2008 option grant vests 25% on the first anniversary of the grant, and 25% on each of the three anniversaries thereafter, and will be fully vested on September 22, 2012.
- (13) Each of Messrs. Meredith, Macken, Hanson and Flood currently serve on the board of directors of SouthGobi Energy Resources Ltd.; each of Messrs. Friedland, Meredith and Balloch currently serve on the board of directors of Ivanhoe Energy Inc.; each of Messrs. Friedland, Macken, Meredith and Korbin currently serve on the board of directors of Ivanhoe Australia Limited; and each of Messrs. Friedland, Meredith and Faber currently serve on the board of directors of Ivanhoe Nickel & Platinum Ltd., a non-public company of which the Corporation owned 6.3% of the common equity as of March 30, 2010. In addition, Mr. Friedland is Executive Chairman, President and CEO of Ivanhoe Energy Inc.

- (14) Each of Messrs. Friedland, Meredith, Macken and Korbin received performance rights in Ivanhoe Australia Limited, a subsidiary of the Corporation, concurrent with its initial public offering on the Australian Stock Exchange. Further details of such performance rights are provided in the table entitled Outstanding share-based awards and option-based awards under the heading Summary Compensation Table for the Corporation (inclusive of the Public Subsidiaries) .
- (15) As of December 31, 2009, the average tenure of each member of the board of directors (not including Mr. Harding) is approximately seven (7) years.
- (16) The May 8, 2009 option grant vests 100% on the first anniversary of the grant and will therefore become fully vested on May 8, 2010.
- (17) Mr. Meredith exercised 5,000 options on January 26, 2010 and exercised 100,000 options on November 24, 2009.
- (18) Mr. Meredith exercised 62,500 options on January 26, 2010.
- (19) Mr. Meredith exercised 40,000 stock options on December 3, 2009 and 40,000 on December 10, 2009.
- (20) Each of Messrs. Friedland, Meredith and Macken voluntarily surrendered options in January 2009. On January 19, 2009, Mr. Meredith surrendered 2,000,000 options granted November 7, 2007 with an exercise price of C\$13.19, and 50,000 options granted November 4, 2004 with an exercise price of C\$7.69. On January 26, 2009 Mr. Friedland surrendered 2,000,000 options granted March 27, 2006 with an exercise price of C\$9.73. On January 27, 2009 Mr. Macken surrendered 1,000,000 options granted November 1, 2003 with an exercise price of C\$12.70 and 1,000,000 options granted March 27, 2006 with an exercise price of C\$9.73. The surrendered options have been returned to the Corporation's Equity Incentive Plan and are available for new option grants.
- (21) Mr. Huberman exercised 16,875 options on January 8, 2010.
- (22) Mr. Huberman exercised 5,625 option on January 8, 2010.
- (23) Mr. Korbin exercised 5,635 options on December 2, 2009.
- (24) Mr. Korbin exercised 15,000 options on January 12, 2010.
- (25) Mr. Balloch exercised 7,500 stock options on November 18, 2009.
- (26) Mr. Harding was appointed as a director following the Board meeting on November 5, 2009 and attended the meeting as an observer.

Summary of Board and Committee Meetings Held

The following table summarizes Board and Committee meetings held during the year ended December 31, 2009:

Board of Directors	8
Compensation and Benefits Committee	5
Audit Committee	4
Corporate Governance and Nominating Committee	4
Currency Advisory Committee	2
Non-Management Directors	0
Executive Committee	0

During 2009, there were two meetings of the Board and its committees held by teleconference. There were 21 resolutions passed in writing by the Board, five by the Compensation and Benefits Committee, four by the Corporate Governance and Nominating Committee and five by the Executive Committee. No resolutions in writing were passed by the Audit or Currency Advisory Committees in 2009. Resolutions in writing must be executed by all of the directors entitled to vote on a matter.

CONDITIONAL ELECTION OF ONE ADDITIONAL DIRECTOR

Pursuant to the 2006 Rio Tinto Agreement referred to above under "Voting Shares and Principal Holders", Rio Tinto is entitled to nominate a person or persons for appointment or election to the Board from time to time in proportion to the percentage of the Corporation's issued and outstanding Common Shares it holds. As at the date of this Management Proxy Circular, Rio Tinto is entitled to nominate up to three (3) nominees for appointment or election to the Board. Mr. Andrew Harding, an executive officer of Rio Tinto, has been nominated as one of management's nominees for election as a Director of the Corporation at the Meeting. See "Election of Directors" Management Nominees. To accommodate the Corporation's current contractual obligations to Rio Tinto, shareholders will be asked to consider, and, if thought advisable, to pass the Articles Amendment Resolution at the Meeting to increase the maximum number of directors to 14. Such resolution, if adopted, will become effective on the receipt of Articles of Amendment by the Yukon Registrar of Corporations under the Yukon Business Corporations Act and the issuance of a Certificate of Amendment in connection therewith. The Corporation intends to take such steps forthwith following completion of the Meeting if the Articles Amendment Resolution is adopted.

Rio Tinto has advised the Corporation that it wishes to nominate one additional Director for election to the Board at the Meeting. If the Articles Amendment Resolution is passed and the additional nominee is elected at the Meeting, it is intended that such nominee would join the Board immediately upon the issuance of the Certificate of Amendment forthwith after the Meeting. If the Articles Amendment Resolution is not passed, an existing Director will need to resign to accommodate the Corporation's contractual obligation to appoint such Rio Tinto nominee Director within 30 days of the Meeting.

The following table sets out particulars of the additional nominee for election as a Director at the Meeting, in addition to the twelve management nominees set forth above, conditional upon the adoption of the Articles Amendment Resolution:

Tracy Stevenson

Age: 59

Director Status:

Non-Independent

Areas of Experience:

Executive/Board

Finance

Mining Industry

Financially Literate

Governance

Information Systems

Tracy Stevenson is a senior mining industry executive with international experience in finance, mergers and acquisitions, strategic planning, corporate governance, auditing, administration and information systems and technology. He worked for Rio Tinto plc and related companies for 26 years, where he held a number of senior leadership positions and was involved with many major exploration, development and financing projects.

Mr. Stevenson has served as a director of Quaterra Resources Inc. since July 2007, as its Non-Executive Chairman since February 2008, and as an independent director of Vista Gold Corp since November 2007. Mr. Stevenson is also a founding member of Bedrock Resources, LLC, a private resources financial advisory firm, since 2010, and SOS Investors LLC, a private resources investment firm, since 2008. Prior to his retirement from Rio Tinto in 2007, Mr. Stevenson was the global head of information systems and shared services for Rio Tinto. He previously served for four years as Executive Vice President, CFO and a director of Comalco Ltd., an Australia-based international aluminum company partially owned by Rio Tinto, and a further four years as CFO and a director of Kennecott Corporation, a \$3.5 billion diversified North American mining company owned by Rio Tinto. He also has Big 5 public accounting experience with Coopers & Lybrand (now PriceWaterhouseCoopers).

Mr. Stevenson has a B.S. Accounting Magna Cum Laude from the University of Utah and is a Certified Public Accountant (license inactive).

Principal Occupation, Business or Employment⁽¹⁾

Independent businessman and company director (2007 – present); Global Head of Information Systems & Technology, Rio Tinto plc (2006-2007); Global Head of Business Process Improvement, Rio Tinto plc (2000-2006); Interim CEO, Quadrem International Holdings Limited (2000); Executive Vice President Financial Services & Strategy, CFO and director, Comalco Ltd. (1997-2000); Senior Vice President Finance and Control, CFO and director, Kennecott Corporation (1993-97); various positions, Kennecott Corporation (1980-86; 1987-93)

Board/Committee Membership:	2009 Attendance:	Other Public Company Board Membership:	
		Company	Since
Board of Directors	N/A	Vista Gold Corp. (TSX; AMEX)	2007
Total:		Quaterra Resources Inc. (TSX) (Chairman)	2007

Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾⁽²⁾:

Year	Common Shares	Total market Value of Common Shares
2010	Nil	Nil
2009	Nil	Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁶⁾	Total Unexercised	Value of Unexercised Options
n/a	n/a	Nil	n/a	n/a	n/a	n/a

Value of Equity at Risk:

Year	Common Shares	Unexercised Options	Total
2010	Nil	Nil	Nil
2009	Nil	Nil	Nil

If Mr. Stevenson is elected as a Director, it is expected that he will qualify as an independent Director effective June 1, 2010 and will be appointed at that time as an additional member of the Corporation's Audit Committee in compliance with the Corporation's contractual obligations to Rio Tinto.

FUTURE SIZE OF BOARD OF DIRECTORS

The Corporation and Rio Tinto have agreed that the size of the Board from and after the Meeting will be fourteen (14) Directors, and the shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution fixing the number of directors at fourteen (14), contingent upon the approval of the special resolution to amend the Articles of the Corporation. Rio Tinto has advised the Corporation that it intends to nominate a third director who is independent of the Corporation but has not yet determined such nominee. Pursuant to its contractual obligations to Rio Tinto, the Board is required to appoint such nominee no later than 30 days after the nomination. Rio Tinto and the Corporation expect that such appointment will be effected as soon as possible after the Meeting. Following such appointment, the Board will consist of 14 directors. If Rio Tinto becomes entitled to nominate additional Directors in accordance with its contractual rights, existing Directors will need to resign to accommodate the Corporation's contractual obligation to make such appointments within 30 days of nomination. Although Rio Tinto may exercise its share purchase warrants or convert its convertible debt (all as set forth under Voting Shares and Principal Holders) earlier, the Corporation intends to plan for such resignations and appointments based on the expiry dates of the warrants and maturity date of the convertible debt.

APPOINTMENT OF AUDITORS

Deloitte & Touche LLP, Chartered Accountants, will be nominated at the Meeting for re-appointment as auditors of the Corporation with their remuneration to be fixed by the Board of Directors. Deloitte & Touche LLP have been the Corporation's auditors since January 1995.

Fees billed by Deloitte & Touche LLP and its affiliates during fiscal 2009 and fiscal 2008 were approximately Cdn\$2,403,000 and Cdn\$3,330,000, respectively. The aggregate fees billed by the auditors in fiscal 2009 and fiscal 2008 are detailed below.

<i>(Canadian \$ in 000 \$)</i>	2009	2008
Audit Fees (a)	\$ 873	\$ 1,030
Audit Related Fees (b)	1,469	1,960
Tax Fees (c)	26	43
All Other Fees (d)	35	297
Total	\$ 2,403	\$ 3,330

(a) Fees for audit services billed or expected to be billed relating to fiscal 2009 and 2008 consists of:
audit of the Corporation's annual statutory financial statements; and

audit of its subsidiaries, SouthGobi Energy Resources Ltd.'s and Ivanhoe Australia Limited's annual statutory financial statements.

In addition, in 2009 and 2008, fees were paid for services provided in connection with review pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 and the required attestations relating to internal controls.

- (b) Fees for audit-related services provided during fiscal 2009 and 2008 consisted of:
- translation services;
 - financial accounting and reporting consultations;
 - reviews of the Corporation's quarterly financial statements; and
 - comfort letters, consents, and other services related to SEC, Canadian and other securities regulatory authorities matters.
- (c) Fees for tax services provided during fiscal 2009 and 2008 consisted of income tax compliance and tax planning and advice relating to transactions and proposed transactions of the Corporation and its subsidiaries.
- (d) The Corporation incurred fees of Cdn\$35,000 and Cdn\$297,000 for products and services provided by its principal accountant during fiscal 2009 and 2008 not disclosed in subsections (a), (b) or (c).

Pre-Approval Policies and Procedures

All services to be performed by the Corporation's independent auditor must be approved in advance by the Audit Committee or a designated member of the Audit Committee (Designated Member). The Designated Member is a member of the Audit Committee who has been given the authority to grant pre-approvals of permitted audit and non-audit services.

The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence and has adopted a policy governing the provision of these services. This policy requires the pre-approval by the Audit Committee or the Designated Member of all audit and non-audit services provided by the external auditor, other than any *de minimis* non-audit services allowed by applicable law or regulation. The decisions of the Designated Member to pre-approve a permitted service are reported to the Audit Committee at its regularly scheduled meetings.

Pre-approval from the Audit Committee or Designated Member can be sought for planned engagements based on budgeted or committed fees. No further approval is required to pay pre-approved fees. Additional pre-approval is required for any increase in scope or in final fees.

Pursuant to these procedures, 100% of each of the services provided by the Corporation's external auditors relating to the fees reported as audit, audit-related, tax and all other fees were pre-approved by the Audit Committee or the Designated Member.

PARTICULARS OF MATTERS TO BE ACTED UPON

Amendment to Corporation's Articles

The Corporation is seeking authorization from its shareholders by special resolution at the Meeting to amend its Articles to set the number of directors of the Corporation at a minimum of three (3) and a maximum of fourteen (14). The Articles of the Corporation currently set a minimum of three (3) and a maximum of twelve (12) directors.

Since 2006, Rio Tinto, a major shareholder of the Corporation, has had the right to appoint one director to the Board and has exercised this right consistently. On October 27, 2009, Rio Tinto acquired additional Common Shares by way of private placement and, pursuant to the 2006 Rio Tinto Agreement, currently has the right to appoint two additional directors to the board. The board has considered Rio Tinto's rights and believes that increasing the number of directors to fourteen (14) to add two additional Rio Tinto nominees is in the best interests of the Corporation and its shareholders. Rio Tinto has requested that the Corporation nominate one additional director for election to the Board at the Meeting, and has advised the Corporation that it intends to nominate a further nominee as soon as possible. See [Conditional Election of One Additional Director](#) and [Future Size of Board of Directors](#).

The Corporation proposes to amend Article 4 of its Articles by deleting the existing Article 4 and replacing it with the following: 4. The number of Directors of the Corporation shall be not less than three (3), nor more than fourteen (14). The Articles Amendment Resolution is attached to this Circular as Schedule [A-1](#) .

Conditional Resolution to Fix the Number of Directors at Fourteen (14)

The Corporation and Rio Tinto have agreed that the size of the Board from and after the Meeting will be fourteen (14) Directors. The shareholders will be asked to consider, and, if thought advisable, to pass an ordinary resolution fixing the number of directors at fourteen (14), contingent upon the approval of the special resolution to amend the Articles of the Corporation. See [Future Size of Board of Directors](#) .

The full text of the proposed resolution is attached to this Circular as Schedule [A-2](#) .

Amended and Restated Equity Incentive Plan

Purpose

The Corporation is also seeking authorization from its shareholders at the Meeting to amend and restate the Corporation's existing Employees' and Directors' Equity Incentive Plan (the [Existing Plan](#)) to: (i) make certain amendments to the amending provisions of the Existing Plan; and (ii) make certain other technical amendments to the Existing Plan (the [Equity Incentive Plan Amendment Resolution](#)). The Toronto Stock Exchange ([TSX](#)) has approved the proposed amendments to the Existing Plan (the [Amended Plan](#)), subject to approval by the shareholders at the Meeting.

The Equity Incentive Plan Amendment Resolution is attached to this Management Proxy Circular as Schedule [B](#) and the Amended Plan is attached as Schedule [C](#) .

Summary of Existing Plan

Overview

The Existing Plan has three components: an Option Plan, which provides for the grant to eligible participants of incentive stock options exercisable to purchase Common Shares of the Corporation; a Bonus Plan, which provides for awards of fully paid Common Shares to eligible participants as and when determined to be warranted on the basis of past performance; and a Purchase Plan, under which eligible participants have the opportunity to purchase Common Shares through payroll deductions which are supplemented by Corporation contributions.

The eligible participants in the Existing Plan include directors of the Corporation or any affiliate, any full time and part time employees (including officers) of the Corporation or any affiliate thereof that the Board determines to be employees eligible for participation in the Existing Plan. Persons or companies engaged by the Corporation or an affiliate to provide services for an initial, renewable or extended period of 12 months or more are eligible for participation in the Existing Plan as the Board determines.

The Existing Plan is administered by the Compensation and Benefits Committee (the Committee) appointed by the Board.

Option Plan

Option Grants

The Option Plan authorizes the Board, on the recommendation of the Committee, to grant options to purchase Common Shares. The number of Common Shares, the exercise price per Common Share, the vesting period and any other terms and conditions of options granted pursuant to the Option Plan, from time to time are determined by the Board, on the recommendation of the Committee, at the time of the grant, subject to the defined parameters of the Option Plan.

Exercise Price

The exercise price of any option granted under the Existing Plan cannot be less than the volume weighted average price of the Common Shares on the Toronto Stock Exchange for the five days on which Common Shares were traded immediately preceding the date of grant (the Fair Market Value).

Exercise Period and Vesting

Options are exercisable for seven years unless otherwise determined by the Board. Options may be earlier terminated in the event of death or termination of employment or appointment. Vesting of options is determined by the Board. Failing a specific vesting determination by the Board, options automatically become exercisable incrementally over a period of four years from the date of grant, as to one-quarter of the total number of shares under option after each such year. The right to exercise an option may be accelerated in the event a takeover bid in respect of the Common Shares is made.

Blackout Expiration Term

Under the Corporation's Corporate Disclosure, Confidentiality and Securities Trading Policy, trading of the Corporation's securities, including the exercise by directors, officers, employees and certain others of options to purchase Common Shares of the Corporation, is restricted during certain blackout periods. These blackout periods are imposed from time to time by the Corporation in circumstances where material non-public information exists, including periods where financial statements are being prepared but results have not yet been publicly disclosed. Under the Incentive Plan, the expiration of the terms of Options held by insiders and other plan participants is the later of the original expiry date and a date that is ten business days following the end of such blackout period.

Cashless Exercise

Optionees under the Existing Plan also have a cashless exercise right which effectively allows an optionee to exercise an option on a cashless basis by electing to relinquish, in whole or in part, the right to exercise the option and receive, in lieu thereof, a number of fully paid Common Shares. The number of Common Shares issuable on the exercise of share appreciation rights is equal to the quotient obtained by dividing the difference between the aggregate Fair Market Value and the aggregate option price of all Common Shares subject to the option by the Fair Market Value of one Common Share.

Financial Assistance

The Board may, in its discretion, but subject to applicable law, authorize the Corporation to make loans to employees (excluding any director or executive officer) to assist them in exercising options. The terms of any such loans include security, in favour of the Corporation, in the Common Shares issued upon exercise of the options, which security may be granted on a non-recourse basis. No such loans are currently outstanding.

Termination or Death

If an optionee dies while employed by the Corporation, any option held by him will be exercisable for a period of 12 months or prior to the expiration of the options (whichever is sooner) by the person to whom the rights of the optionee shall pass by will or applicable laws of descent and distribution. If an optionee is terminated for cause, no option will be exercisable unless the Board determines otherwise. If an optionee is terminated for any reason other than cause, then the options will be exercisable for a period of up to 12 months or prior to the expiration of the options (whichever is sooner).

Bonus Plan

The Bonus Plan permits the Board, on the recommendation of the Committee, to authorize the issuance, from time to time, of Common Shares to employees and directors of the Corporation and its affiliates. The criteria for determining if and when such awards should be made and the quantum of such awards is within the discretion of the Board. The Bonus Plan provides for the issuance of a maximum of 4,500,000 Common Shares in respect of bonus awards. Common Shares allocated to the Bonus Plan may be reallocated for issuance under the Option Plan or Purchase Plan and are then no longer available for issuance under the Bonus Plan.

Purchase Plan

Participation Criteria

Participants in the Purchase Plan are full-time employees of the Corporation who have completed at least one year (or less, at the discretion of the Board on the recommendation of the Committee) of continuous service and who elect to participate.

Contribution Limits

The Existing Plan provides that the Board, on the recommendation of the Committee, may determine contribution limits for the Share Purchase Plan, subject to a maximum 10% contribution of plan participants' base salaries. The Share Purchase Plan established by the Board provides that, until an eligible participant withdraws or the Board terminates or suspends the Share Purchase Plan, such eligible employee is entitled to contribute up to seven per cent (7%) of his or her annual basic salary to the Purchase Plan in semi-monthly instalments. The Corporation (at the discretion of the Board) makes a contribution of up to one hundred per cent (100%) of the employee's contribution on a quarterly basis.

Number of Shares

Each participant receives, at the end of each calendar quarter during which he or she participates in the Purchase Plan, a number of Common Shares equal to the quotient obtained by dividing the aggregate amount of all contributions to the Purchase Plan by the participant, and by the Corporation on the participant's behalf, during the preceding quarter by the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange during the quarter.

Termination of Employment

If the participant's employment with the Corporation is terminated for any reason, any portion of the participant's contribution then held in trust for a participant pending a quarterly purchase of Common Shares is returned to him or her or to his or her estate.

Transferability

Benefits, rights and options under the Existing Plan are non-transferable and during the lifetime of an Existing Plan participant, may only be exercised by such participant.

Amendment Procedure

The Board, based on the recommendation of the Committee, has the authority and discretion to amend the Existing Plan and awards granted thereunder without shareholder approval for all matters, including the matters set forth in Section 5.7 of the Existing Plan, except for those matters requiring shareholder approval. Subject to regulatory approval, shareholder approval will only be required for: (i) an amendment to the aggregate number of Shares that may be reserved for issuance under the Share Bonus Plan component of the Existing Plan; (ii) an amendment to the aggregate percentage of Common Shares issuable under the Existing Plan; (iii) an amendment to the limitations on the maximum number of Shares that may be reserved for issuance, or issued, to Insiders under the Existing Plan; (iv) an amendment that would reduce the exercise price, or extend the expiry date, of an outstanding Option granted to an Insider under the Existing Plan; (v) an amendment that would extend the expiry date of the Option Period in respect of any Option granted under the Plan to an Insider; and (vi) an amendment to the amending provisions under the Existing Plan.

Share Issuance Limits

The aggregate number of Common Shares which may be reserved for issuance under the Existing Plan (together with all other securities-based compensation arrangements of the Corporation in effect from time to time) shall not exceed 6.5% of the Common Shares outstanding from time to time. The aggregate number of Common Shares which the Corporation may at any time reserve for issuance under the Existing Plan to any one person may not exceed five per cent (5%), and to Insiders under the Existing Plan may not exceed ten per cent (10%), of the issued and outstanding Common Shares at such time. The aggregate number of Common Shares that may be issued within any one-year period to Insiders under the Existing Plan shall not exceed ten per cent (10%), and to any one Insider and his or her Associates under the Existing Plan may not exceed five per cent (5%), of the issued and outstanding Common Shares at such time.

Securities Issued and Unissued under the Existing Plan

There are 441,146,905 Common Shares of the Corporation issued and outstanding as at March 30, 2010. Since the date of inception of the Existing Plan on June 26, 1996, the Common Shares authorized for issuance under the Existing Plan have been issued or reserved for issuance as follows:

	Number of Common Shares	% of Issued and Outstanding Common Shares
Common Shares reserved for future issuance pursuant to unexercised options under Option Plan	20,344,520	4.6%
Common Shares previously issued pursuant to Purchase Plan	779,043	0.2%
Common Shares previously issued pursuant to Bonus Plan	1,008,861	0.2%
Unissued Common Shares available for future awards under Bonus Plan	3,491,139	0.8%
Unissued Common Shares available for future option grants under Option Plan and purchases under Purchase Plan(1)	3,050,986	0.7%
Maximum number of Common Shares available for issuance	28,674,549	6.5%

- (1) Does not include unissued Common Shares available for future awards under the Bonus Plan which may be used for grants under the Option Plan and Share Purchase Plan.

There are no entitlements to Common Shares under the Existing Plan which are subject to ratification by shareholders. There are no equity incentive plans which have not been approved by shareholders. As of the date of this Circular, the weighted average exercise price of outstanding options under the Existing Plan is C\$8.82.

Proposed Amendments*Amending Provision Amendments*

The Corporation proposes amending the provisions of section 5.7(d) of the Existing Plan such that shareholder approval would be required of any amendment that: (i) would reduce the exercise price or extend the expiry date of any outstanding option (not just to those options held by Insiders); and (ii) would accelerate the vesting of any option held by an optionee, except upon the death, disability or retirement of such optionee, a change in control of the Company, or in the case of a non-material variation of any performance milestone required for the vesting of options.

The proposed amendment to the Amending Provision appears in section 5.7 of the Amended Plan which is attached as Schedule C to this Circular.

Other Amendments

Consequential or other technical amendments to the Existing Plan appear in sections 2.6, 4.3, 5.1 and 5.5 of the Amended Plan which is attached as Schedule C to this Circular.

SHAREHOLDER RIGHTS PLAN

The Corporation adopted and entered into a shareholder rights plan agreement (the Shareholder Rights Plan) with CIBC Mellon Trust Company summarized herein on April 5, 2010. The purpose of the Shareholder Rights Plan is to provide the Board of Directors of the Corporation and holders of the Common Shares of the Corporation with sufficient time to properly consider any take-over bid made for the Corporation and to allow enough time for competing bids and alternative proposals to emerge. The Shareholder Rights Plan also seeks to ensure that all shareholders are treated fairly in any transaction involving a change of control of the Corporation and that all shareholders have an equal opportunity to participate in the benefits of a take-over bid. The Shareholder Rights Plan encourages potential acquirers to negotiate the terms of any offer for Common Shares with the Board of Directors or, alternatively, to make a Permitted Bid (as defined in the Shareholder Rights Plan) without the approval of the Board of Directors.

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass, as an ordinary resolution, the Shareholder Rights Plan Resolution, the full text of which is attached hereto as Schedule D. If the Shareholder Rights Plan Resolution is approved at the Meeting by the shareholder votes described below under Form of Resolution and Vote Required, the Shareholder Rights Plan will continue in effect. If the Shareholder Rights Plan Resolution is not approved, the Shareholder Rights Plan will terminate as of the date of the Meeting.

Background

On January 6, 2010, the Corporation announced that it had retained leading global investment banking firm Citigroup Global Markets Inc. and independent mining sector specialist Hatch Corporate Finance to evaluate and advise the Corporation on a range of strategic options to further enhance shareholder value. Both financial advisors have been involved in the preparation and structuring of the Shareholder Rights Plan and have advised the Board that they view the plan to be consistent with the objective of value enhancement.

The Shareholder Rights Plan was reviewed by the Corporation's Corporate Governance Committee, which held two separate meetings to review and consider the plan with the Corporation's legal and financial advisors as well as independent legal counsel to the committee. In addition to the Corporate Governance Committee (the members of which are all independent of the Corporation's management and its principal shareholders), the other independent directors of the Company participated in these meetings. Beyond these meetings, the Corporation's lead independent director was involved in numerous discussions with financial and legal advisors, including independent counsel to the Corporation's Corporate Governance Committee, respecting the Shareholder Rights Plan.

Purpose of the Shareholder Rights Plan

The purpose of the Shareholder Rights Plan is to provide the Board and shareholders with sufficient time to properly consider any take-over bid made for the Corporation and to allow enough time for competing bids and alternative proposals to emerge. The Shareholder Rights Plan also seeks to ensure that all shareholders are treated fairly in any transaction involving a change of control of the Corporation and that all shareholders have an equal opportunity to participate in the benefits of a take-over bid. The Shareholder Rights Plan encourages potential acquirers to negotiate the terms of any offer for Common Shares with the Board of Directors or, alternatively, to make a Permitted Bid (as defined in the Shareholder Rights Plan) without the approval of the Board. The Shareholder Rights Plan addresses several concerns that are widely believed to be inherent in the provisions of current legislation governing take-over bids in Canada. These concerns are described in greater detail below.

Time to consider bid

Under current securities legislation, the minimum period that a take-over bid must remain open for acceptance is 35 days. The Board of Directors is of the view that 35 days constitutes an insufficient amount of time to permit the directors and shareholders to assess an offer, and to allow the directors to negotiate with the offeror, solicit competing offers, consider alternative transactions, and otherwise attempt to maximize shareholder value. The Shareholder Rights Plan gives the Board and shareholders more time to consider a take-over bid by requiring an offeror to make a Permitted Bid if it wishes to proceed without negotiating with the Board of Directors and without triggering the Shareholder Rights Plan. In order to qualify as a Permitted Bid, the bid must meet certain minimum conditions. A Permitted Bid must, among other things, be open for at least 60 days and must remain open for a further period of 10 business days after the offeror publicly announces that more than 50% of the outstanding Voting Shares (as defined in the Shareholder Rights Plan) held by Independent Shareholders (as defined below) have been deposited or tendered and not withdrawn. Independent Shareholders includes all holders of Voting Shares other than (i) a person (or a group of affiliated or associated persons) who has publicly announced that it has acquired beneficial ownership of 20% or more of the Common Shares (an Acquiring Person) (ii) any offeror making a take-over bid; (iii) any affiliate or associate of an Acquiring Person or offeror; (iv) persons acting jointly or in concert with an Acquiring Person or offeror; and (v) employee benefit, stock purchase or certain other plans or trusts for employees of the Corporation or its wholly-owned subsidiaries unless the beneficiaries of such plans or trusts direct the voting and tendering to a takeover bid of the Voting Shares.

Pressure to tender

A shareholder may feel compelled to tender to a take-over bid that the shareholder considers to be inadequate because, in failing to tender, the shareholder may be left with illiquid or minority discounted shares. This is particularly so in the case of a partial bid where the Acquiring Person or an offeror wishes to obtain a control position but does not wish to acquire all of the Common Shares. The Shareholder Rights Plan contains a shareholder approval mechanism in the Permitted Bid definition, which is that no Voting Shares may be taken up and paid for under the bid unless more than 50% of the outstanding Voting Shares held by Independent Shareholders have been deposited or tendered and not withdrawn. In addition, a Permitted Bid must remain open for acceptance for a further period of 10 business days following public announcement that more than 50% of the outstanding Voting Shares have been deposited. The Shareholder Rights Plan therefore effectively separates a Shareholder's decision to accept a bid from the decision to tender, thereby lessening concern about undue pressure to tender to the bid.

Unequal treatment of shareholders

Under current securities legislation, an offeror may obtain control or effective control of a corporation without paying full value, without obtaining shareholder approval and without treating all shareholders equally. For example, an acquirer could acquire blocks of shares by private agreement from one or a small group of shareholders at a premium to market price, which premium is not shared by the other shareholders. In addition, a person could slowly accumulate shares through stock exchange acquisitions which may result, over time, in an acquisition of control or effective control without paying a control premium or fair sharing of any control premium among shareholders. Under the Shareholder Rights Plan, if it is to qualify as a Permitted Bid, any offer to acquire 20% or more of the Corporation's Voting Shares must be made to all holders of Voting Shares.

How the Shareholder Rights Plan Works and Effect of the Shareholder Rights Plan

One right (a Right) has been issued in respect of each of the outstanding Common Shares to the shareholders as of the close of business on April 5, 2010. One Right will also be issued in respect of each Common Share issued after April 5, 2010 and prior to the Separation Time (as defined below).

Notwithstanding the effectiveness of the Shareholder Rights Plan, the Rights are not exercisable until the Separation Time. Unless waived or deferred by the board of directors in the circumstances permitted by the Shareholder Rights Plan, the Separation Time would generally be the close of business on the tenth trading day after the earliest to occur of:

- (a) a public announcement that a person or a group of affiliated or associated persons has acquired beneficial ownership of 20% or more of the outstanding Common Shares (i.e. become an Acquiring Person) other than as a result of, among other things, (i) a reduction in the number of Common Shares outstanding, (ii) a Permitted Bid or a Competing Permitted Bid (each as defined under the Shareholder Rights Plan), (iii) certain specified Exempt Acquisitions (as defined below), (iv) an acquisition by a person of Voting Shares pursuant to a stock dividend or other Pro Rata Acquisition (as defined in the Shareholder Rights Plan); and (v) an acquisition by a person of Voting Shares upon the exercise, conversion or exchange of a security convertible, exercisable or exchangeable into a Voting Share received by a person pursuant to (ii), (iii) or (iv), above;
- (b) the date of commencement of, or the first public announcement of an intention of any person (other than the Corporation or any of its subsidiaries) to commence a take-over bid (other than a Permitted Bid or a Competing Permitted Bid) where the Voting Shares that are subject to the bid together with the Voting Shares beneficially owned by that person (including affiliates, associates and others acting jointly or in concert therewith) would constitute 20% or more of the outstanding Voting Shares; and
- (c) the date upon which a Permitted Bid or a Competing Permitted Bid ceases to be such.

An Exempt Acquisition would include the acquisition of Voting Shares or securities convertible into Voting Shares (i) in respect of which the Board of Directors has waived the application of the Shareholder Rights Plan, (ii) pursuant to a distribution made under a prospectus or private placement provided that the person does not increase his, her or its ownership percentage (e.g. pursuant to a rights offering), (iii) pursuant to an amalgamation, arrangement or other statutory procedure requiring shareholder approval, (iv) pursuant to certain equity incentive stock options plans of the Corporation, (v) pursuant to contractual arrangements currently in place between Rio Tinto and each of (a) the Corporation, and (b) Robert M. Friedland, (vi) pursuant to other contractual arrangements in respect of a Voting Share acquisition from treasury entered into by the Corporation with one or more Grandfathered Persons after the date of the Shareholder Rights Plan, and (vii) pursuant to the exercise of Rights.

After the Separation Time, each Right entitles the holder thereof to purchase one Common Share at the Exercise Price (as defined under the Shareholder Rights Plan). The initial Exercise Price under each Right is five times the Market Price at the Separation Time. Market Price is generally defined as the average of the daily closing prices per share of such securities on each of the 20 consecutive trading days through and including the trading day immediately preceding the Separation Time.

Following a transaction that results in a person becoming an Acquiring Person (a Flip-in-Event), each Right entitles the holder thereof to receive, upon exercise, such number of Common Shares as have an aggregate market value (as of the date of the Flip-in Event) equal to twice the then Exercise Price of the Rights for an amount in cash equal to the Exercise Price. In such event, however, any Rights beneficially owned by an Acquiring Person (including affiliates, associates and others acting jointly or in concert therewith), or certain transferees of any such person, will be void. A Flip-in Event does not include acquisitions approved by the board of directors (to the extent permitted by the Shareholder Rights Plan) or acquisitions pursuant to a Permitted Bid or Competing Permitted Bid.

By way of example, assume that the Common Shares have a Market Price of \$20.00 at the date relevant for determination. Following the Separation Time but prior to a Flip-in Event, a shareholder who owns one Common Share would be entitled to exercise a Right and acquire one additional Common Share in exchange for a cash payment of \$100.00. Following a Flip-in Event, the same shareholder (unless it has become an Acquiring Person) would be entitled to exercise the Right and acquire 10 additional Common Shares for the Exercise Price of \$100.00, i.e. one-half of the Market Price.

In the event of an unsolicited take-over bid or a bid that is not a Permitted Bid under the Shareholder Rights Plan, the board of directors believes that the effect of the Shareholder Rights Plan will be to enhance shareholder value, ensure equal treatment of shareholders in the context of an acquisition of control, and lessen the pressure on shareholders to tender to a bid.

It is not the intention of the Board of Directors to entrench themselves or avoid a bid for control that is fair and in the best interest of shareholders. For example, shareholders may tender to a bid that meets the Permitted Bid criteria without triggering the Shareholder Rights Plan, regardless of the acceptability of the bid to the Board of Directors.

The Shareholder Rights Plan does not diminish or detract from the duty of the Board to act honestly, in good faith and in the best interests of the Corporation and its shareholders, or to consider on that basis any take-over bid that is made, nor does the Shareholder Rights Plan alter the proxy mechanism to change the Board of Directors, create dilution on the initial issue of the rights, or change the way in which the Corporation's Common Shares trade.

A summary of the principal terms and conditions of the Shareholder Rights Plan is contained in Schedule E attached to this Management Proxy Circular. The complete text of the Shareholder Rights Plan is available for viewing by the public at the System for Electronic Document Analysis and Retrieval (SEDAR) via the Internet at www.sedar.com or upon request from the Corporation. Shareholders wishing to receive a copy of the Shareholder Rights Plan should submit their request to the Corporation.

Form of Resolution and Vote Required

A copy of the full text of the Shareholder Rights Plan Resolution is attached to this Information Circular as Schedule D. In order to be effective, the Shareholder Rights Plan Resolution must be approved by not less than a majority of the votes cast by both (a) all shareholders present or represented by proxy at the Meeting, and (b) all shareholders present or represented by proxy at the Meeting that are not Grandfathered Persons (i.e. shareholders who already beneficially own 20% or more of the outstanding Voting Shares on the effective date) under the Shareholder Rights Plan. As of the date of this Information Circular, the only Grandfathered Persons under the Shareholder Rights Plan are Rio Tinto International Holdings Limited and Robert M. Friedland and their respective affiliates.

Under the Shareholder Rights Plan, the Grandfathered Persons will be permitted, without triggering a Flip-in Event, to acquire additional Common Shares pursuant to any rights to acquire such Common Shares held by them on the effective date of the Shareholder Rights Plan. Otherwise, a Flip-in Event would be triggered upon the Grandfathered Person acquiring any additional Voting Shares (unless such acquisition is completed pursuant to one of the exemptions set out in the Shareholder Rights Plan).

Directors' Recommendation

After careful consideration, including a thorough review of the terms and conditions of the Shareholder Rights Plan by the Corporation's Corporate Governance Committee and by the Board of Directors, in consultation with their financial and legal advisors, on April 5, 2010 the Board of Directors, following the unanimous recommendation of the Corporate Governance Committee, determined that the adoption of the Shareholder Rights Plan is in the best interests of the Corporation, its shareholders and other stakeholders. The Board of Directors therefore recommends that all Shareholders vote FOR the Shareholder Rights Plan Resolution attached as Schedule D to this Management Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below or elsewhere in this Management Proxy Circular, no director, proposed director or executive officer of the Corporation, or person or company who beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding Common Shares, or any director or executive officer of such 10% shareholder, nor any associate or affiliate of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

The Corporation is a party to cost sharing agreements with other companies in which the Corporation's Chairman and significant shareholder, Robert Friedland, has a material direct or indirect beneficial interest. Through these agreements, the Corporation shares, on a cost-recovery basis, office space, furnishings, equipment and communications facilities in Vancouver, Singapore and London, and an aircraft. The Corporation also shares the costs of employing administrative and non-executive management personnel in these offices. During the year ended December 31, 2009, the Corporation's share of these costs was \$15.8 million (2008 \$12.6 million and 2007 \$13.4 million). The companies with which the Corporation is a party to the cost sharing agreements, and Mr. Friedland's ownership interest in each of them, as at December 31, 2009, are as follows:

Company Name	Robert Friedland Ownership Interest
Ivanhoe Energy Inc.	17.5%
Ivanhoe Capital Corporation	100%
Ivanhoe Nickel & Platinum Ltd.	33.7%
SouthGobi Energy Resources Ltd.	(1)
GoviEx Gold Inc.	(1)
GoviEx Uranium Inc.	Nil

(1) As at December 31, 2009, Mr. Friedland owned 22.8% of the Common Shares of the Corporation, which owned 78.6% of the common shares of SouthGobi Energy Resources Ltd. (57.4% as of March 30, 2010) and 1.5% of GoviEx Gold Inc.

As at December 31, 2009, the Corporation held a 10.3% voting equity interest in Ivanhoe Nickel & Platinum Ltd. (Ivanplats), on a fully diluted basis, after having acquired the following Ivanplats securities during 2009:

1.2 million common shares of Ivanplats from two institutional investors at an aggregate acquisition cost of \$1,842,000;

220,000 common shares at a cost of \$1,320,000 and 250,000 special warrants, convertible into 250,000 common shares, at a cost of \$1,500,000 from Kjeld Thygesen and Robert Hanson, respectively, both directors of the Corporation; and

1.1 million units of Ivanplats at a cost of \$9,900,000 pursuant to a private placement. Each unit is comprised of one common share, one liquidity right and one-half of one share purchase warrant.

Each liquidity right is convertible into 0.1 of a common share of Ivanplats for no additional consideration if a liquidity event (an initial public offering (IPO) or other transaction that results in a public listing of Ivanplats common shares) does not occur on or before December 31, 2010. The share purchase warrants vest upon the closing of an IPO. If an IPO occurs prior to December 31, 2010, each share purchase warrant entitles the holder to purchase one Ivanplats common share at the IPO price up until two years after the closing of the IPO. If an IPO occurs after December 31, 2010, each share purchase warrant entitles the holder to purchase 1.1 common shares at the IPO price up until two years after the closing of the IPO.

Rio Tinto is the Corporation's largest shareholder, holding 22.36% of the Corporation's issued and outstanding Common Shares. Within the Corporation's three most recently completed financial years, and within the current financial year, Rio Tinto has been a party to a series of transactions that have materially affected, or could materially affect, the Corporation. During the year ended December 31, 2009, Rio Tinto provided engineering-related services to the Corporation for the Oyu Tolgoi Project on a cost-recovery basis for which the Rio Tinto Group was paid \$8.6 million (2008 \$4.8 million and 2007 \$1.3 million).

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

During 2009, there were no significant changes in the Corporation's compensation policy or in the Corporation's executive management. The Compensation Committee continued in 2009 to benchmark compensation levels for its executive officers against updated compensation levels for the Corporation's peer group of companies while maintaining flexibility in its compensation decisions, which the Compensation Committee has determined is (i) appropriate for this stage in the Corporation's growth; and (ii) necessary to incentivize and retain its executive leadership during a significant time in the Corporation's development of its Oyu Tolgoi project, including the activities leading to the approved Investment Agreement with the Government of Mongolia.

Compensation Committee, Philosophy and Goals

Our Compensation and Benefits Committee (the Compensation Committee) assists the Board in fulfilling its responsibilities relating to compensation issues and human resources. The Compensation Committee is composed solely of independent directors. The Compensation Committee endeavours to ensure that the Corporation has an executive management compensation plan that is both competitive and motivational so that it will help attract, retain and inspire performance of the Corporation's executive management of a quality and nature that will enhance the sustainable growth and success of the Corporation.

The guiding principles for the Corporation's executive compensation philosophy, in approximately an equal level of importance, are as follows:

- to ensure a strong link between compensation levels and performance in relation to our key short-and long-term performance metrics;
- to facilitate the attraction, motivation, and retention of high quality executive talent;
- to provide fair, transparent, and defensible compensation;
- to encourage and reward high performance; and
- to align our executives' interests with those of our shareholders.

In applying these principles during what is still the developmental period of the Corporation's growth, the Compensation Committee maintains a degree of flexibility and subjectivity in making compensation recommendations, rather than applying structural objective compensation processes that are appropriate for a company whose major assets are in production.

Recent Modifications to Executive Compensation Programme

The Compensation Committee engages Mercer (Canada) Limited (Mercer) to assist the Corporation with compensation matters and, in 2007, Mercer assisted the Corporation in preparing a model for executive compensation for the Corporation. Mercer also provides support to the Compensation Committee in determining compensation for the Corporation's senior officers. This model was approved by the Compensation Committee in October 2007 and was formally adopted by the Board of Directors of the Corporation in March 2008. For 2009, the Corporation's named executive officers (NEOs) were Robert Friedland Chairman, Peter Meredith Deputy Chairman, John Macken Chief Executive Officer and President, Tony Giardini Chief Financial Officer and Steve Garcia Executive Vice President. There were no changes in personnel in those positions during 2009.

The Compensation Committee considers market information to determine appropriate salary ranges, target bonus award opportunities, and the target long-term equity incentive award values for each of its five top senior executives positions. Each salary grade is expressed as a range with a minimum, midpoint, and maximum.

For compensation recommendations for 2009, the Compensation Committee set the midpoint for salaries, target bonus award levels, and target annual long-term incentive award values for our executive officer positions (other than the Chief Executive Officer and the Deputy Chairman positions) at roughly the median percentile for the executives in equivalent positions in the Corporation's peer comparator group, while retaining the ability to deliver compensation at a higher percentile of the market when performance warrants, through the annual and long-term incentive programs. The targets for the Chief Executive Officer and the Deputy Chairman positions were set by the Compensation Committee at the 75th percentile, rather than the median percentile, given the high importance of those two positions in terms of the Corporation's strategy and relationships, for competitive and retention considerations, and, in the case of the Chief Executive Officer, for his operational experience. In setting compensation levels, the Compensation Committee takes into account both an executive's past performance and future expectations for performance. At the current stage of the Corporation's growth, the Committee maintains flexibility to allocate a higher percentage of overall targeted compensation in the form of stock options rather than cash compensation. During 2009, Mercer conducted a review of a peer comparator group of companies and such list was updated for 2009. See Peer Comparator Group below.

How We Make Compensation Recommendations

The Compensation Committee reviews and recommends the compensation philosophy and guidelines for the Corporation which includes reviewing, for recommendation to the Board, the compensation of senior executive officers and employees, including annual salary and incentive policies and programs. The Compensation Committee bases its recommendations to the Board on its compensation philosophy and on the performance of the individual and the Corporation. The Compensation Committee seeks compensation advice from its compensation consultants to provide support to the Compensation Committee in determining compensation for the Corporation's officers.

The Compensation Committee periodically reviews the terms of reference for the Corporation's Chief Executive Officer and recommends any changes to the Board for approval. It reviews corporate goals and objectives with respect to the Chief Executive Officer's compensation and leads the Chief Executive Officer review process.

In the fall of each year, the Compensation Committee reviews the total compensation of the President & CEO and the executive officers reporting to the President & CEO, including salaries, target bonus award opportunities, target annual long-term incentive award values, other compensation elements, and other practices related to compensation. The Compensation Committee then sets each executive's compensation target for the following year. Typically, this involves establishing their salary, annual bonus opportunities and granting long-term equity incentive awards. Regular salary adjustments become effective on January 1 of the following year. The Compensation Committee's recommendations are reviewed and, when deemed appropriate, ratified by the Board.

The Compensation Committee works with the President & CEO to evaluate the performance and set the compensation for his position and for other senior executives of the Corporation. The President & CEO presents compensation recommendations for each of the executive officers, including proposed salary adjustments, target bonus awards and long-term incentive award values. The Compensation Committee determines the appropriateness of the recommendations based on the market data and recommended framework provided by Mercer and its own evaluation of the individuals' past and expected future performance.

Ultimately, recommendations made by the Compensation Committee are the responsibility of the Compensation Committee and may reflect factors and considerations other than the information and recommendations provided by Mercer. The Compensation Committee also considers a variety of qualitative factors, including the business environment in which the Corporation operates, as well as the stage of the Corporation's development. Thus, the compensation of our executives is not determined by any specific formula.

Executive compensation (including the salary ranges, target bonuses, and long-term incentive grants) are reviewed on an annual basis and adjusted in accordance with changes in the market and market conditions, while also taking into account the Corporation's stage of development, to ensure that our compensation remains competitive and aligns with the Corporation's compensation philosophy and market conditions.

Compensation Elements

The compensation of the Corporation's senior executives is comprised of three principal components - base salary, annual performance bonuses (in cash or fully paid Common Shares, or a combination thereof) and long term equity incentives. The Corporation does not maintain a pension plan or other long term compensation plan for its senior executives. Eligible employees, including officers, designated by the Board on the recommendation of the Compensation Committee may participate in the Corporation's Share Purchase Plan under the Corporation's Employees and Directors' Incentive Plan.

The following summarizes the primary purpose of each rewards element and its emphasis within the total rewards package:

Base salary Base salary is paid in cash and is the fixed amount of compensation for performing day-to-day responsibilities.

Annual Performance Bonus Annual bonus awards (paid in cash or Common Shares, or a combination thereof) are earned for achieving short-term goals and other strategic objectives measured over the current year. Bonuses are structured to provide competitively based incentives to our executives to drive corporate, business unit, and individual performance.

Long-Term Incentive Awards Long-term incentive awards are granted to retain executives, build executive ownership, and align compensation with achievement of the Corporation's long-term goals, creating shareholder value and achieving strategic objectives as measured over multi-year periods.

In making compensation recommendations in respect of these elements, the Compensation Committee considers both the cumulative compensation being granted to executives from the Corporation as well as internal comparisons amongst the Corporation's executives.

In September 2008, the President & CEO recommended bonus payments for each of the Corporation's senior executive officers for the 2008 fiscal year, as well as salary, target bonus and long term incentive compensation for each of such officers for 2009. The Compensation Committee had Mercer model the proposed levels versus the market. Based on the modeling provided by Mercer, it was determined that the proposed levels were in line with the market and our compensation philosophy. In October 2009 similar determinations were made for 2010.

Salary Compensation

Under the Corporation's compensation plan, salary ranges for executive positions for 2009 were made with reference on the market review of total cash compensation (salary and bonus) levels within the comparator group and a median target pay position (75th percentile of market target for Chief Executive Officer and Deputy Chairman positions). Guidelines for the administration of salaries within the salary ranges are as follows:

New hires would typically be paid a salary between the minimum of the salary range and 90% of the target salary rate.

Employees that consistently meet all job expectations should be paid a salary within 90% and 110% of the target salary rate; and

Employees that consistently demonstrate superior performance should be paid above 110% of the target salary rate.

Under the Corporation's compensation plan, salaries are reviewed on an annual basis in conjunction with the annual performance review, and salary adjustments for the following year are considered based on a variety of factors, including the individual's performance and contributions, improvements in job proficiency, retention risks and concerns, succession requirements, and compensation changes in the market.

The Corporation's Executive Chairman, Robert Friedland, received no salary in 2009.

In the third quarter of 2008, the Compensation Committee recommended, and the Board of Directors approved, salary increases for the year commencing January 1, 2009, which reflect the decision to target base pay for the Corporation's President & CEO, Deputy Chairman and CFO at the 75th percentile of our peer comparator group, the salary of Mr. Macken was increased to US\$714,000, Mr. Meredith to US\$562,000* and Mr. Giardini to US\$338,165 (Cdn\$375,000)* and Mr. Garcia's base salary for 2009 was set at US\$450,000.

The following table sets forth the percentage increase in salary levels in 2009 over the previous year.

Name and Position	Salary 2008	Salary 2009	% increase
	US\$	US\$	
John Macken Chief Executive Officer	\$ 635,000	\$ 714,000	12.5%
Tony Giardini Chief Financial Officer	\$ 281,426 ⁽²⁾	\$ 338,165 ⁽²⁾	20.1%
Peter Meredith Deputy Chairman	\$ 500,000 ⁽¹⁾	\$ 562,000 ⁽¹⁾	12.4%
Robert Friedland Executive Chairman	n/a	n/a	n/a
Steve Garcia Executive Vice President	\$ 400,000	\$ 450,000	12.5%

(1) Mr. Meredith's salary is set by the Corporation but is allocated among the Corporation and certain other related companies. For 2008, a salary of \$211,071 was paid by the Corporation and for 2009 US\$349,389 was paid by the Corporation. The calculation in this table assumes 100% of Mr. Meredith's salary is paid by the Corporation.

(2) Mr. Giardini's salary is payable in Canadian dollars. The US dollar equivalent of Mr. Giardini's salary was obtained by multiplying his Canadian dollar salary in 2009 by

Cdn\$1.1089/US\$1.00,
the Bank of Canada
average noon
exchange rate for
2009; and in 2008 by
Cdn\$1.0660/US\$1.00,
the Bank of Canada
average noon
exchange rate for
2008.

Certain adjustments were made to the salaries of two NEOs to be in effect for January 1, 2010 as follows: Mr. Meredith's salary was increased to US\$714,000, reflecting his important ongoing role leading the Corporation's relationships with the Government of Mongolia and Rio Tinto, as well as his leadership role as Chairman of SouthGobi Energy Resources Ltd. Mr. Giardini's salary was increased to US\$382,190 (Cdn\$400,000)

Bonus Compensation

Executive officers are eligible for annual bonus compensation. Annual bonus awards are earned for achieving short-term goals and other strategic objectives measured over the fiscal year. Among the factors considered are the individual's performance and contributions, improvements in job proficiency and compensation changes in the market, corporate performance, and business unit performance (for certain executives with business unit responsibilities).

Bonuses are structured to provide competitively based incentives to our executives to drive corporate, business unit, and the individual's performance. Corporate performance is assessed relative to overall corporate objectives such as achievement of milestones in

* Mr. Meredith's salary is set by the Corporation but is allocated among the Corporation and certain other related companies. During 2009, the portion of Mr. Meredith's salary paid by the Corporation was US\$349,389.

* Mr. Giardini's salary is payable in Canadian dollars. The US dollar equivalent of Mr. Giardini's salary was obtained by multiplying his Canadian dollar salary by Cdn\$1.0466/US\$1.00, the Bank of Canada noon exchange rate on December 31, 2009.

connection with the Corporation's Oyu Tolgoi project, expansion, through discovery or acquisition, or both, of additional mineral resources and reserves and performance and value of the Corporation's subsidiaries. Business unit performance is assessed on objectives that relate to the primary functions of the business unit and the key activities that support the broader corporate goals. Individual performance is assessed based on how well the individual has carried out his responsibilities and contributed to the operations and success of his business unit and to the achievement of the Corporation's goals for that year.

Under the annual bonus plan, target awards (as a percentage of base salary) are based on relevant market data for the peer comparator group and target pay positioning. Financial and strategic goals are established prior to the beginning of the plan year at the corporate, business unit and individual levels. At or near the end of the year, performance is assessed as follows: target awards will be paid when performance meets expectations, and such awards will be adjusted upwards or downwards where performance exceeds or is less than expectations, respectively. For 2009, these target levels for total cash compensation (salary and bonus) were set at the median target level (75th percentile of market target for Chief Executive Officer and Deputy Chairman positions) for similar positions at the peer group companies.

The process followed by the Compensation Committee in recommending bonus compensation in 2009 was to assess each Named Executive Officer within the context of the peer company target level (for total cash compensation) and allocate bonus compensation based largely on achievement of overall corporate objectives and individual performance related to those corporate objectives, using approximately the percentage allocations in the table below. This allocation for 2009 was necessarily and largely subjective for 2009, given the over-riding focus of the executive team on its Oyu Tolgoi project and activities leading to the Investment Agreement with the Government of Mongolia. Accordingly, bonus decisions were not expressly contingent upon specific objectively measured performance metrics or other goals.

	Position	Proportion of Annual Incentive Award		
		Company Performance	Business Unit Performance	Individual Performance
John Macken	President & CEO	80%		20%
Peter Meredith	Deputy Chairman	80%		20%
Tony Giardini	Chief Financial Officer	50%	20%	30%
Robert Friedland	Executive Chairman	n/a	n/a	n/a
Steve Garcia	Executive VP	30%	40%	30%

For 2009, the senior executive officers of the Corporation were awarded bonuses as follows: each of Messrs. Macken and Meredith received a cash bonus of US\$550,000, Mr. Giardini received a cash bonus of US\$210,158 and Mr. Garcia received a bonus of US\$270,000. Mr. Friedland did not participate in the annual incentive award compensation during 2009. The table below sets forth the percentage increase in total cash compensation in 2009 over the previous year, and the percentage that the NEO's bonus compensation represents as a percentage of salary compensation.

	2009 Bonus US\$	2009 Bonus as % of Salary	2008 Cash Compensation (Salary and Bonus) US\$	2009 Cash Compensation (Salary and Bonus) US\$	% Increase in Cash Compensation (2008-2009)
John Macken Chief Executive Officer	\$ 550,000	77.0%	\$ 1,185,000	\$ 1,264,000	6.7%
Tony Giardini Chief Financial Officer	\$ 210,158	62.1%	\$ 469,043 ⁽²⁾	\$ 548,323 ⁽²⁾	16.9%
Peter Meredith Deputy Chairman	\$ 550,000 ⁽¹⁾	97.8%	\$ 1,050,000	\$ 1,112,000	5.9%
Robert Friedland Executive Chairman	n/a	n/a	n/a	n/a	n/a
Steve Garcia Executive Vice President	\$ 270,000	60.0%	\$ 600,000	\$ 720,000	20.0%

(1) Mr. Meredith's salary is set by the Corporation but is allocated among the Corporation and certain other related companies. For 2008, a salary of \$211,071 was paid by the Corporation and for 2009 US\$349,389 was paid by the Corporation. The calculation in this table assumes 100% of Mr. Meredith's salary is paid by the Corporation.

(2) Mr. Giardini's salary is payable in Canadian dollars. The US dollar equivalent of Mr. Giardini's salary was obtained by multiplying his Canadian dollar salary: in 2009 by Cdn\$1.1089/US\$1.00, the Bank of Canada

average noon
exchange rate for
2009; and in 2008 by
Cdn\$1.0660/US\$1.00,
the Bank of Canada
average noon
exchange rate for
2008.

Mr. Macken was awarded his bonus in recognition of his leadership skills and personal performance, as well as the significant contributions he made to the Corporation in 2009, particularly his services in leading the team responsible for advancing the design, planning and development for the Oyu Tolgoi project facilities and his activities as a key member of the Oyu Tolgoi technical committee.

Mr. Meredith was awarded his bonus in recognition of his personal performance and the significant contributions he made to the Corporation in 2009, particularly his role as one of the principal negotiators and team leaders of the Corporation's working group that led to an Investment Agreement with the Government of Mongolia, his business development efforts in respect of the Corporation itself and his active and ongoing role as Chair of SouthGobi Energy Resources Ltd.

Mr. Giardini was awarded his bonus in recognition of his personal performance and his leadership and supervision of the Corporation's entire financial team, as well as for providing vital support and advice as an integral member of our senior management team.

Mr. Garcia was awarded his bonus in recognition of his personal performance and his contributions in respect of the planning and development of the Oyu Tolgoi facilities.

Long-Term Incentives – Stock Option Awards

An equity incentive component in the form of options is a key part of the executive's overall compensation package, reflecting our belief that stock options offer an effective mechanism for incentivizing management and aligning the interests of our executive officers with those of our shareholders. Since we do not grant incentive stock options at a discount to the prevailing market price of the Corporation's Common Shares, the incentive stock options we grant to our executive officers accrete value only if, and to the extent that, the market price of the Corporation's Common Shares increases, thereby linking equity-based executive compensation to shareholder returns.

Target long-term incentive awards under the Corporation's compensation plan are based on relevant market data for the peer comparator group and target pay positioning at the appropriate market level for total direct compensation (base salary, bonus and annual and long-term incentive compensation). As a benchmark for annual grants of options, market target levels were at the median percentile target level (75th percentile target level for Chief Executive Officer and Deputy Chairman positions). The dollar value of the long-term incentive award is converted to the appropriate number of stock options at the time of the award, using a valuation methodology and the details of the grant.

The Compensation Committee also considers the current total potential dilution under the plan (i.e., the number of stock options issued and unexercised, full-value share grants outstanding, and the number of shares reserved for the future issuance of equity, expressed as a percentage of common shares outstanding) of the Corporation and the peer comparator companies.

The actual award to the executive will be adjusted upwards or downwards, depending on the Compensation Committee's evaluation of each executive officer's ability to influence long-term success of the Corporation, and to provide an incentive to encourage outstanding individual performance and contributions. The Compensation Committee also considers each executive's stock option position, and may, in certain circumstances, grant options with performance-based vesting criteria.

The Compensation Committee accepts in principle the merits of performance related vesting for stock options, and the Corporation has in the past included performance contingent or performance accelerated vesting for many of its stock option grants. The vesting of such options was generally tied to the attainment of various milestones, mainly related to the orderly construction and development at, or in connection with, the Corporation's Oyu Tolgoi project. All of such milestones anticipated, and so were predicated on, the early achievement of an Investment Agreement with the Government of Mongolia. However, in view of the fact that the timetable for reaching such an agreement with the Government of Mongolia and then being able to proceed with the orderly construction and development of operations at Oyu Tolgoi was severely delayed (for several years and for a variety of reasons beyond the control of the Corporation or its personnel), in the recent past the principal focus has been on achieving an Investment Agreement with the Government of Mongolia. As a result of, and in recognition of the impact of, such unforeseen and lengthy delays, the Compensation Committee has determined that the objectives of incentivizing and retaining key personnel through long-term incentive stock option grants are, at the current time, still principally best met using time-related vesting for stock option grants. The Compensation Committee will continue to monitor the appropriateness of reintroducing performance related vesting for stock option grants once the Corporation has reached an appropriate later stage in its development and operations.

Under the Corporation's compensation plan, new stock option grants will normally have terms of seven years and will be made to executive officers on an annual basis. Vesting of the stock options will generally be based on time, with 25% instalments vesting only on each anniversary of the original date of grant.

In May 2009, each of Messrs. Friedland, Macken, Meredith and Giardini were granted the following number of options to purchase common shares of the Corporation: Messrs. Friedland and Macken 1,500,000 each; Mr. Meredith 750,000; and Mr. Giardini 100,000. Each of such options is exercisable at a price of \$8.20. In July 2009, Mr. Meredith was also granted options to purchase a further 200,000 common shares of the Corporation. Each option is exercisable at \$8.77. All of these options were priced based on the five day volume weighted market price at the date of grant and have a term of seven years. The May 2009 options vest as to 25% on the date of grant and an additional 25% each

anniversary thereafter until fully vested. The July 2009 options vest as to 25% on the first anniversary of the date of grant and an additional 25% on each anniversary thereafter until fully vested. The foregoing grants of options were special grants of options. The special grants were based on a review of the overall stock option positions held by a number of key employees and officers, including NEOs with a view to ensuring such optionees were fairly positioned and incentivized given (i) the relative stock option grants held by other employees and officers; and (ii) the voluntary relinquishment for cancellation by Messrs. Friedland, Macken, Giardini and Meredith, amongst other key employees, of stock options at the request of the Corporation in January 2009 to allow room for further incentive grants to be made by the Corporation under the Directors and Officers Equity Incentive Plan (which had reached its limit at that time for available grants) pending the Corporation's shareholders amending such plan to authorize more grants (which authorization was granted in May, 2009). Accordingly, these grants were not made with reference to relevant market dates for the peer comparator group or target pay positioning at the appropriate market level for total direct compensation.

As part of the annual executive compensation review, in October 2009, each of Messrs. Friedland, Macken, Meredith, Giardini and Garcia received the following number of options to purchase common shares of the Corporation. Each of Messrs. Friedland, Macken and Meredith 250,000; and each of Messrs. Giardini and Garcia 150,000. Each option is exercisable at \$13.76, has a term of seven years and vests as to 25% on the first anniversary of the date of grant and an additional 25% on each anniversary thereafter until fully vested.

Peer Comparator Group

A specific comparator group of publicly-traded companies has been developed annually based on research conducted by Mercer and input from the Compensation Committee and management representatives. The selection criteria for the companies included:

Mining companies with significant project development activities underway;

Mining companies with project development and/or operations in complex, international locations; and

Mining companies with a comparable market capitalization.

For 2009 compensation, Mercer conducted a review of market executive compensation levels. At the outset of the review, updated background information on the Corporation, the executives' roles and responsibilities, and current compensation philosophy and programs was provided to Mercer by representatives of the Compensation Committee and management. The peer comparator group of companies was reviewed, to confirm whether or not the companies included were still relevant to the Corporation. Mercer then compiled and analyzed market compensation information about the peer comparator companies.

The list of comparator organizations used for 2009 (and their approximate market capitalizations at September 7, 2009 for purposes of establishing the comparator companies) was comprised of the following companies:

Comparator Company	Approximate Market Capitalization Cdn\$ (in millions)
Kinross Gold Corp.	\$ 16,050
Newcrest Mining Ltd.	\$ 14,395 ⁽²⁾
Cameco Corp.	\$ 11,760
Fortescue Metals Group Ltd.	\$ 11,216 ⁽²⁾
Agnico Eagle Mines Ltd.	\$ 10,920
Yamana Gold	\$ 8,110
First Quantum Minerals Ltd.	\$ 5,750
Imagold Corp.	\$ 5,200
Eldorado Gold Corp.	\$ 4,500
Rangold Resources Ltd.	\$ 3,877 ⁽¹⁾
Peter Hambro Mining	\$ 2,768 ⁽¹⁾
Lundin Mining Corp.	\$ 2,330
Centerra Gold	\$ 1,770

(1) A monthly average exchange rate (up to September 2009) of 1.182 was used by Mercer for converting \$US to \$Cdn for purposes of the study.

(2) A monthly average exchange rate (up to September 2009) of 0.8688 was used by Mercer for converting from \$A to \$Cdn

The Compensation Committee compares our executives to the incumbents in the comparator group that appear to be performing similar job functions. Where market data for the functional roles was not available, data was provided on a ranking basis (for the ranking match, the top five executives in the comparator organizations are ranked in order of their total cash compensation from highest to lowest). Our executives are matched to the comparator group executives on the same basis.

Other Elements of Executive Compensation

The Corporation does not provide a pension plan for its executive officers.

Executive officers, once eligible, are entitled to participate in the Corporation's share purchase plan, pursuant to which the Corporation will contribute a sum equal to 50% of such officers' contributions up to a maximum of 7% of base salary. Each of Messrs. Macken, Giardini, Meredith and Garcia participate in the share purchase plan. Mr. Friedland

does not participate in the plan. See Summary Compensation Table for the Corporation below.

In addition, the Corporation provides a life insurance benefit to each of Messrs. Macken, Meredith, Giardini and Garcia. See Summary Compensation Table for the Corporation below.

As part of Mr. Garcia's contractual arrangements, he receives a housing and living allowance benefit, given his location in Mongolia, which in 2009 was valued at US\$129,495 and car lease payments which in 2009 was valued at US\$26,961. See Summary Compensation Table for the Corporation below.

Compensation in relation to Public Company Subsidiaries

National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) requires inclusion of compensation details in respect of income earned from, or in respect of, subsidiaries of the Corporation. See Summary Compensation Table for the Corporation (Inclusive of Public Subsidiaries) below.

SouthGobi Energy Resources Ltd.

The Corporation owns, directly and indirectly, 105,782,155 common shares of SouthGobi Energy Resources Ltd. (SouthGobi) as at December 31, 2009, representing 78.6% of the issued and outstanding common shares of SouthGobi as at such date. The common shares of SouthGobi are listed on the Toronto Stock Exchange and, since January 29, 2010, on the Hong Kong Stock Exchange. While SouthGobi is managed by its own public company board of directors and has its own compensation policies, certain of the officers and directors of the Corporation also served as officers and/or directors of SouthGobi and accordingly compensation received from SouthGobi is included in this Circular.

Mr. Macken, CEO and President, and a director of the Corporation was Chairman of SouthGobi until October, 2009. Mr. Macken does not receive a salary from SouthGobi.

Mr. Meredith, Deputy Chairman of the Corporation was Chief Executive Officer of SouthGobi until October, 2009 at which time he became Chairman. Mr. Meredith received salary from SouthGobi during 2009 of US\$140,008. In respect of his responsibilities at SouthGobi, Mr. Meredith also received bonus compensation from SouthGobi of US\$50,000 in recognition of his efforts toward raising capital for SouthGobi and his contribution to the public listing of its shares on the Hong Kong Stock Exchange.

In August 2009, options to purchase common shares of SouthGobi were granted with a five year term and an exercise price of Cdn\$12.99 to Mr. Macken (36,000 options), Mr. Meredith (75,000 options) and Mr. Giardini (15,000 options). The grants of options by SouthGobi were made as long term incentives to further encourage retention and/or as an incentive to provide a high level of performance for the benefit of SouthGobi.

Ivanhoe Australia Limited

The Corporation owns 259,536,627 of the issued and outstanding common shares of Ivanhoe Australia Limited (Ivanhoe Australia) as at December 31, 2009, representing 81.5% of the issued and outstanding common shares of Ivanhoe Australia as at such date. None of the Corporation's NEOs received compensation from Ivanhoe Australia during 2009.

Other Corporate Policies

While it has not been a formal requirement of the Corporation, the Corporation's senior executives are encouraged to hold a share ownership position in the Corporation. In light of market prices and as part of its ongoing review of corporate governance practices, this policy is currently under review. The Corporation does not have a policy to recoup or claw back incentive compensation based on achieving performance targets that were later restated as the Corporation at this stage does not base incentive plan compensation on the achievement of objective metrics. The Corporation does not have a policy in place to prohibit executives from hedging the economic risk of their ownership and from pledging shares as collateral for margin loans.

Performance Graph

The following graph and table compares the cumulative shareholder return on a Cdn\$100 investment in Common Shares of the Corporation to a similar investment in companies comprising the S&P/TSX Composite Index, including dividend reinvestment, for the period from December 31, 2004 to December 31, 2009.

The trend in overall compensation paid to the Corporation's executive officers over the past five years has not tracked the performance of the market price of the Corporation's common shares, or the S&P/TSX Composite Index, particularly since 2007. Cash compensation, has increased over this period in response to both competitive and retention demands and market benchmarking. Given the Corporation's stage of development current share price is not a significant factor in cash compensation consideration. The value of long term incentive compensation in the form of stock options is influenced by the Corporation's share price performance.

Summary Compensation Table for the Corporation

The following executive compensation disclosure is provided as at December 31, 2009 and December 31, 2008, in respect of the Chief Executive Officer, Chief Financial Officer and each of the Corporation's three highest paid executive officers in accordance with NI 51-102 in the year ended December 31, 2009 (collectively the Named Executive Officers or NEOs).

Name and Principal Position	Year	Income Source	Salary (US\$)	Share-based awards		Non-equity incentive plan compensation			All Other Compensation (US\$)	Total Compensation (US\$)
				Option-based awards (US\$)	(11) (US\$)	Annual incentive plans (US\$)	Long-term (US\$)	Pension (US\$)		
John Macken (CEO & President)	2009	Ivanhoe Mines Ltd.	\$ 714,000	Nil	\$ 7,460,000	\$ 550,000	Nil	Nil	\$ 32,292 ⁽¹⁾	\$ 8,756,292
		SouthGobi Energy Resources Ltd.	Nil	Nil	\$ 270,000	Nil	Nil	Nil	Nil	\$ 270,000
		Ivanhoe Australia Limited	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		TOTAL 2009:	\$ 714,000	Nil	\$ 7,730,000	\$ 550,000	Nil	Nil	\$ 32,292	\$ 9,026,292⁽⁹⁾
Tony Giardini (CFO)	2008	Ivanhoe Mines Ltd.	\$ 635,000	Nil	\$ 1,784,000	\$ 550,000	Nil	Nil	\$ 30,425 ⁽²⁾	\$ 2,999,425
		SouthGobi Energy Resources Ltd.	Nil	Nil	\$ 488,782	Nil	Nil	Nil	Nil	\$ 488,782
		Ivanhoe Australia Limited	Nil	Nil	\$ 929,400 ⁽¹²⁾	Nil	Nil	Nil	Nil	\$ 929,400
		TOTAL 2008:	\$ 635,000	Nil	\$ 3,202,182	\$ 550,000	Nil	Nil	\$ 30,425	\$ 4,417,607⁽⁹⁾
Tony Giardini (CFO)	2009	Ivanhoe Mines Ltd.	\$ 338,165	Nil	\$ 1,412,000	\$ 210,158	Nil	Nil	\$ 13,354 ⁽³⁾	\$ 1,973,677
		SouthGobi Energy Resources Ltd.	Nil	Nil	\$ 112,500	Nil	Nil	Nil	Nil	\$ 112,500
		Ivanhoe Australia Limited	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	TOTAL								
	2009:	\$ 338,165	Nil	\$ 1,524,500	\$ 210,158	Nil	Nil	\$ 13,354	\$ 2,086,177
2008	Ivanhoe Mines Ltd.	\$ 281,426	Nil	\$ 625,200	\$ 187,617	Nil	Nil	\$ 47,568 ⁽⁴⁾	\$ 1,141,811
	SouthGobi Energy Resources Ltd.	Nil	Nil	\$ 234,356	Nil	Nil	Nil	Nil	\$ 234,356
	Ivanhoe Australia Limited	Nil	Nil	\$ 92,940 ⁽¹²⁾	Nil	Nil	Nil	Nil	\$ 92,940
	TOTAL								
	2008	\$ 281,426	Nil	\$ 952,496	\$ 187,617	Nil	Nil	\$ 47,568	\$ 1,469,107
Peter Meredith (Deputy Chairman)	2009 Ivanhoe Mines Ltd.								
		\$ 349,389 ⁽¹³⁾	Nil	\$ 5,469,500	\$ 550,000	Nil	Nil	\$ 33,018 ⁽⁵⁾	\$ 6,401,907
	SouthGobi Energy Resources Ltd.	\$ 140,008	Nil	\$ 562,500	\$ 50,000	Nil	Nil	Nil	\$ 752,508
	Ivanhoe Australia Limited	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL								
	2009:	\$ 489,397	Nil	\$ 6,032,000	\$ 600,000	Nil	Nil	\$ 33,018	\$ 7,154,415⁽⁹⁾
2008	Ivanhoe Mines Ltd.	\$ 211,071 ⁽¹³⁾	Nil	\$ 1,275,200	\$ 550,000	Nil	Nil	\$ 93,466 ⁽⁶⁾	\$ 2,129,737
	SouthGobi Energy Resources Ltd.	\$ 153,032	Nil	\$ 963,092	\$ 98,357	Nil	Nil	\$ 642	\$ 1,215,123
	Ivanhoe Australia Limited	Nil	Nil	\$ 929,400 ⁽¹²⁾	Nil	Nil	Nil	Nil	\$ 929,400
	TOTAL								
	2008:	\$ 364,103	Nil	\$ 3,167,692	\$ 648,357	Nil	Nil	\$ 94,108	\$ 4,274,260⁽⁹⁾

Name and Principal Position	Year	Income Source	Share-		Non-equity incentive plan compensation			All Other Compensation	Total Compensation	
			based awards	Option-based awards(11)	Annual incentive plans	Long-term plans(10)	None			
			Salary (US\$)	(US\$)	(US\$)	(US\$)	(US\$)	(US\$)	(US\$)	
Robert Friedland (Executive Chairman)	2009	Ivanhoe Mines Ltd.	Nil	Nil	\$ 7,460,000	Nil	Nil	Nil	\$ 7,460,000	
		SouthGobi Energy Resources Ltd.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
		Ivanhoe Australia Limited	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
		TOTAL 2009:	Nil	Nil	\$ 7,460,000	Nil	Nil	Nil	\$ 7,460,000⁽⁹⁾	
	2008	Ivanhoe Mines Ltd.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
		SouthGobi Energy Resources Ltd.	Nil	Nil	\$ 2,567,646	Nil	Nil	Nil	\$ 2,567,646	
		Ivanhoe Australia Limited	Nil	Nil	\$ 7,435,200 ⁽¹²⁾	Nil	Nil	Nil	\$ 7,435,200	
		TOTAL 2008:	Nil	Nil	\$ 10,002,846	Nil	Nil	Nil	\$ 10,002,846⁽⁹⁾	
	Steve Garcia (Executive VP)	2009	Ivanhoe Mines Ltd.	\$ 450,000	Nil	\$ 1,029,000	\$ 270,000	Nil	Nil	\$ 1,924,018 ⁽⁷⁾
			SouthGobi Energy Resources Ltd.	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ivanhoe Australia Limited			Nil	Nil	Nil	Nil	Nil	Nil	Nil	
		TOTAL 2009:	\$ 450,000	Nil	\$ 1,029,000	\$ 270,000	Nil	Nil	\$ 1,924,018	
2008		Ivanhoe Mines Ltd.	\$ 400,000	Nil	\$ 657,000	\$ 200,000	Nil	Nil	\$ 1,396,373 ⁽⁸⁾	

SouthGobi Energy Resources Ltd.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ivanhoe Australia Limited	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL 2008:	\$ 400,000	Nil	\$ 657,000	\$ 200,000	Nil	Nil	\$ 139,373	\$ 1,396,373

- (1) Life insurance premium of \$7,302 and share purchase plan amounts of \$24,990.
- (2) Life insurance premiums of \$8,200 and share purchase plan amounts of \$22,225.
- (3) Life insurance premium of \$1,861 and share purchase plan of \$11,493.
- (4) Life insurance premiums of \$1,993, share purchase plan amounts of \$10,397 and vacation liability payout of \$35,178.
- (5) Life insurance premiums of \$12,636 and share purchase plan amounts of \$20,382.
- (6) Life insurance premiums of \$8,189, share purchase plan

amounts of
\$16,646 and
vacation liability
payout of
\$68,631.

(7) Life insurance
premiums of
\$2,812, share
purchase plan
amounts of
\$15,750, housing
allowance
amounts of
\$129,495 and car
lease payments
of \$26,961.

(8) Share purchase
plan amounts of
\$13,998, housing
allowance
amounts of
\$98,276 and car
lease payments
of \$27,099.

(9) Mr. Macken,
Mr. Friedland
and
Mr. Meredith are
also directors of
the Corporation.
Pursuant to the
Corporation's
policies
regarding
non-independent
directors, none of
Mr. Macken, Mr.
Friedland or
Mr. Meredith
received
compensation
from the
Corporation for
acting as a
director, and no
portion of the
Total
Compensation

disclosed above
was received by
Mr. Macken, Mr.
Friedland or
Mr. Meredith as
compensation for
acting as a
director.

(10) The Corporation
does not
presently have a
pension incentive
plan for any of
its executive
officers,
including its
Named
Executive
Officers.

(11) The Corporation
uses the
Black-Scholes
option-pricing
model for
determining fair
value of stock
options issued as
at the grant date.
The practice of
the Corporation
is to grant all
option based
awards in
Canadian
currency
(although the
grants of
performance
rights of its
subsidiary,
Ivanhoe
Australia
Limited in 2008,
were awarded in
Australian
currency see
option table
under the
heading

Outstanding share-based awards and option-based awards (for more information), then convert the grant date fair value amount to U.S. currency for reporting the value of the grants in the Corporation's financials. The conversion rate for each grant is the rate quoted by the Bank of Canada as its noon spot rate (BOC Rate) on the date the grant is made for each grant in Canadian currency (or the rate quoted by the Reserve Bank of Australia as its daily rate (Australian Rate) on the date of the grant is made for each grant in Australian currency). The conversion rates for the purpose of the grants to the NEOs in the Summary Compensation Chart are presented below and are based on the applicable BOC Rate or Australian Rate on the date of grant, each as

supplied by
Bloomberg. See
2009 Options
Granted and
2008 Options
Granted charts
below.

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(12) These values represent the Black-Scholes valuations in accordance with Note 11 in respect of performance rights in Ivanhoe Australia Limited, a subsidiary of the Corporation, which were granted concurrent with its initial public offering on the Australian Stock Exchange in 2008. Further details of such performance rights are provided in the table entitled Outstanding share-based awards and option-based awards .

(13) Mr. Meredith's salary is set by the Corporation but is allocated among the Corporation and certain other related companies. For 2009, Mr. Meredith's salary was US\$562,000 of which US\$349,389

was paid by the Corporation.
For 2008,
Mr. Meredith's salary was US\$500,000 of which US\$211,071 was paid by the Corporation.

2009 Options Granted

Name	Company that Granted Options	Date of Grant	Option Granted	Exchange Rates to
				USD ⁽¹⁾
John Macken	Ivanhoe Mines Ltd	5/8/2009	1,500,000 Cdn.	\$1.1488/US\$1
John Macken	Ivanhoe Mines Ltd	10/9/2009	250,000 Cdn.	\$1.0408/US\$1
John Macken	SouthGobi Energy Resources Ltd.	8/5/2009	36,000 Cdn.	\$1.0720/US\$1
Tony Giardini	Ivanhoe Mines Ltd	5/8/2009	100,000 Cdn.	\$1.1488/US\$1
Tony Giardini	Ivanhoe Mines Ltd	10/9/2009	150,000 Cdn.	\$1.0408/US\$1
Tony Giardini	SouthGobi Energy Resources Ltd.	8/5/2009	15,000 Cdn.	\$1.0720/US\$1
Robert Friedland	Ivanhoe Mines Ltd	5/8/2009	1,500,000 Cdn.	\$1.1488/US\$1
Robert Friedland	Ivanhoe Mines Ltd	10/9/2009	250,000 Cdn.	\$1.0408/US\$1
Peter Meredith	Ivanhoe Mines Ltd	5/8/2009	750,000 Cdn.	\$1.1488/US\$1
Peter Meredith	Ivanhoe Mines Ltd	7/23/2009	200,000 Cdn.	\$1.0884/US\$1
Peter Meredith	Ivanhoe Mines Ltd	10/9/2009	250,000 Cdn.	\$1.0408/US\$1
Peter Meredith	SouthGobi Energy Resources Ltd.	8/5/2009	75,000 Cdn.	\$1.0720/US\$1
Steve Garcia	Ivanhoe Mines Ltd	10/9/2009	150,000 Cdn.	\$1.0408/US\$1

2008 Options Granted

Name	Company that Granted Options	Date of Grant	Option Granted	Exchange Rates to
				USD ⁽¹⁾
John Macken	Ivanhoe Mines Ltd.	9/22/2008	250,000 Cdn.	\$1.0370/US\$1
John Macken	Ivanhoe Mines Ltd.	11/13/2008	900,000 Cdn.	\$1.2075/US\$1
John Macken	SouthGobi Energy Resources Ltd.	8/27/2008	50,000 Cdn.	\$1.0485/US\$1
John Macken	SouthGobi Energy Resources Ltd.	11/27/2008	40,000 Cdn.	\$1.2329/US\$1
John Macken	Ivanhoe Australia Limited	8/6/2008	500,000 A\$	\$1.0760/US\$1
Tony Giardini	Ivanhoe Mines Ltd.	9/22/2008	150,000 Cdn.	\$1.0370/US\$1
Tony Giardini	Ivanhoe Mines Ltd.	11/13/2008	120,000 Cdn.	\$1.2075/US\$1
Tony Giardini	SouthGobi Energy Resources Ltd.	7/9/2008	20,000 Cdn.	\$1.0108/US\$1
Tony Giardini	SouthGobi Energy Resources Ltd.	11/27/2008	20,000 Cdn.	\$1.2329/US\$1
Tony Giardini	Ivanhoe Australia Limited	8/6/2008	50,000 A\$	\$1.0760/US\$1
Robert Friedland	SouthGobi Energy Resources Ltd.	7/9/2008	250,000 Cdn.	\$1.0108/US\$1
Robert Friedland	SouthGobi Energy Resources Ltd.	11/28/2008	125,000 Cdn.	\$1.2329/US\$1
Robert Friedland	Ivanhoe Australia Limited	8/6/2008	4,000,000 A\$	\$1.0760/US\$1
Peter Meredith	Ivanhoe Mines Ltd.	9/22/2008	250,000 Cdn.	\$1.0370/US\$1
Peter Meredith	Ivanhoe Mines Ltd.	11/13/2008	420,000 Cdn.	\$1.2075/US\$1
Peter Meredith	SouthGobi Energy Resources Ltd.	8/27/2008	100,000 Cdn.	\$1.0485/US\$1

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Peter Meredith	SouthGobi Energy Resources Ltd.	11/27/2008	75,000Cdn.\$1.2329/US\$1
Peter Meredith	Ivanhoe Australia Limited	8/6/2008	500,000 A\$1.0760/US\$1
Steve Garcia	Ivanhoe Mines Ltd.	9/22/2008	150,000Cdn.\$1.0370/US\$1
Steve Garcia	Ivanhoe Mines Ltd.	11/13/2008	150,000Cdn.\$1.2075/US\$1

(1) Where other compensation is in currency other than USD it has been translated at the average 2009 and 2008 Bank of Canada noon exchange rate, where applicable.

Outstanding share-based awards and option-based awards as at December 31, 2009

Name	Award	Option-based Awards			Market Value of Unexercised Options in-the-Money (US\$)(1)	Share-based Awards		
		Number of Securities	Option Exercise Price (Cdn\$/Option)	Option Expiration Date		Number of Shares or Units of Share-based Awards that have not Vested	Market or Payout Value of Share-based Awards that have not Vested (Cdn\$)	
John Macken	Ivanhoe Mines Ltd.	1,000,000	\$ 9.73	3/27/2013	\$ 5,488,036	Nil	Nil	
	Ivanhoe Mines Ltd.	250,000	\$ 8.35	9/22/2013	\$ 1,699,582	Nil	Nil	
	Ivanhoe Mines Ltd.	1,000,000	\$ 7.78	3/30/2014	\$ 7,339,537	Nil	Nil	
	Ivanhoe Mines Ltd.	900,000	\$ 2.82	11/13/2015	\$ 10,844,094	Nil	Nil	
	Ivanhoe Mines Ltd.	1,500,000	\$ 8.20	5/8/2016	\$ 10,411,128	Nil	Nil	
	Ivanhoe Mines Ltd.	250,000	\$ 13.76	10/9/2016	\$ 415,401	Nil	Nil	
	SouthGobi Energy Resources Ltd.	250,000	\$ 6.00	6/22/2012	\$ 2,634,827	Nil	Nil	
	SouthGobi Energy Resources Ltd.	50,000	\$ 15.07	8/27/2013	\$ 96,373	Nil	Nil	
	SouthGobi Energy Resources Ltd.	40,000	\$ 5.10	11/27/2013	\$ 455,754	Nil	Nil	
	SouthGobi Energy Resources Ltd.	36,000	\$ 12.99	8/5/2014	\$ 140,486	Nil	Nil	
	Ivanhoe Australia Limited	250,000	Nil(3)	n/a(2)	\$ 821,396	Nil	Nil	
	Tony Giardini	Ivanhoe Mines Ltd.	250,000	\$ 9.73	3/27/2013	\$ 1,372,009	Nil	Nil
		Ivanhoe Mines Ltd.	150,000	\$ 8.35	9/22/2013	\$ 1,019,749	Nil	Nil
Ivanhoe Mines Ltd.		120,000	\$ 2.82	11/13/2015	\$ 1,445,879	Nil	Nil	
Ivanhoe Mines Ltd.		100,000	\$ 8.20	5/8/2016	\$ 694,075	Nil	Nil	
Ivanhoe Mines Ltd.		150,000	\$ 13.76	10/9/2016	\$ 249,240	Nil	Nil	
SouthGobi Energy Resources Ltd.		20,000	\$ 18.86	7/9/2013	Nil	Nil	Nil	
SouthGobi Energy Resources Ltd.		20,000	\$ 5.10	11/27/2013	\$ 227,877	Nil	Nil	
SouthGobi Energy Resources Ltd.		15,000	\$ 12.99	8/5/2014	\$ 58,536	Nil	Nil	
Ivanhoe Australia Limited		25,000	Nil(3)	n/a(2)	\$ 82,140	Nil	Nil	
Ivanhoe Mines Ltd.		400,000	\$ 9.73	3/27/2013	\$ 2,195,215	Nil	Nil	

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**Peter
Meredith**

Ivanhoe Mines Ltd.	250,000	\$	8.35	9/22/2013	\$	1,699,582	Nil	Nil
Ivanhoe Mines Ltd.	320,000	\$	2.82	11/13/2015	\$	3,855,678	Nil	Nil
Ivanhoe Mines Ltd.	750,000	\$	8.20	5/8/2016	\$	5,205,564	Nil	Nil
Ivanhoe Mines Ltd.	200,000	\$	8.77	7/23/2016	\$	1,279,909	Nil	Nil
Ivanhoe Mines Ltd.	250,000	\$	13.76	10/9/2016	\$	415,401	Nil	Nil
SouthGobi Energy Resources Ltd.	415,000	\$	6.00	6/22/2012	\$	4,373,813	Nil	Nil
SouthGobi Energy Resources Ltd.	100,000	\$	15.07	8/27/2013	\$	192,746	Nil	Nil
SouthGobi Energy Resources Ltd.	75,000	\$	5.10	11/27/2013	\$	854,539	Nil	Nil
SouthGobi Energy Resources Ltd.	75,000	\$	12.99	8/5/2014	\$	292,679	Nil	Nil
Ivanhoe Australia Limited	250,000		Nil ⁽³⁾	n/a ⁽²⁾	\$	821,396	Nil	Nil

**Robert
Friedland**

Ivanhoe Mines Ltd.	1,500,000	\$	8.20	5/8/2016	\$	10,411,128	Nil	Nil
Ivanhoe Mines Ltd.	250,000	\$	13.76	10/9/2016				