IVANHOE MINES LTD Form 6-K April 04, 2007

SECURITIES AND EXCHANGE COMMISSION Washington, DC 20549 FORM 6-K REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO DULE 130, 16 OP 15d, 16 OF

PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934

From: March 30, 2007 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- o Form 40-F- b

(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: o No: b

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

Enclosed:

Management proxy circular and Notice of Meeting

Proxy

Supplemental return card

Electronic consent

December 31, 2006 financial statements, notes and MD & A

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IVANHOE MINES LTD.

Date: March 30, 2007 By: /s/ Beverly A. Bartlett

BEVERLY A. BARTLETT

Vice President & Corporate Secretary

Notice of Annual Meeting of the Shareholders and Management Proxy Circular of IVANHOE MINES LTD. DATED: March 22, 2007

IVANHOE MINES LTD. Notice of Annual General Meeting of Shareholders May 11, 2007

NOTICE IS HEREBY GIVEN that an Annual General Meeting of shareholders of Ivanhoe Mines Ltd. (the Corporation) will be held on Friday, May 11, 2007, at 9:00 a.m. local time, in Terraces A & B 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, 2006 and the auditors report thereon;
- 3. to elect 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 an ordinary resolution authorizing the Corporation to amend and restate the Employees and Directors Equity Incentive Plan (the Incentive Plan) to: (i) increase the maximum number of Common Shares of the Corporation which may be allocated for issuance from 32,000,000 under the Corporation s existing Incentive Plan to 37,000,000 Common Shares under the proposed amended and restated plan; (ii) increase the maximum number of Common Shares of the Corporation issuable under the Bonus Plan component of the Incentive Plan from 2,000,000 Common Shares to 3,500,000 Common Shares; (iii) amend the existing Incentive Plan s general amendment provisions to comply with recent amendments to the rules and policies of the Toronto Stock Exchange; and (iv) make other technical amendments to the existing Incentive Plan;
- 6. to consider, and if thought advisable, to confirm revisions to the By-Laws of the Corporation to allow for shares to be issued electronically, without a certificate, as will be required for shares listed on a U.S. stock exchange beginning in 2008; and
- 7. to transact such other business as may properly come before the meeting or any adjournment thereof. The Board of Directors has fixed March 21, 2007 as the Record Date for the determination of shareholders entitled to notice of, and to vote at, this Annual General 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, 2006 and 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 22nd day of March, 2007.

BY ORDER OF THE BOARD

Beverly A. Bartlett

Vice President and Corporate Secretary

- 3 -

IVANHOE MINES LTD.

World Trade Centre Suite 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 General Meeting (the Meeting) of the shareholders to be held at 9:00 a.m., local time, on May 11, 2007 in Terraces A & B 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 21, 2007 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 22, 2007. All dollar amounts are expressed in Canadian dollars (Cdn.\$) or United States dollars (U.S.\$) 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 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 proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space 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, (a Proxy) is deposited with CIBC Mellon Trust Company, by facsimile to (416) 368-3976 or 1-866-781-3111, by

mail to P.O. Box 1900, Vancouver, British Columbia, V6E 3X1 or 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 in the Notice of Meeting 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 other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

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 form of 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 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.

Shareholders will also be asked to elect directors and appoint auditors for the ensuing year. If there are more nominees for election as directors or appointment as the Corporation s auditors than there are vacancies to fill, 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 deemed warranted, to pass an ordinary resolution, the full text of which is set out as 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: (i) increase the maximum number of Common Shares of the Corporation which may be allocated for issuance from 32,000,000 under the Corporation s existing Incentive Plan to 37,000,000 Common Shares under the proposed amended and restated plan; (ii) increase the maximum number of Common Shares of the Corporation issuable under the Bonus Plan component of the Incentive Plan from 2,000,000 Common Shares to 3,500,000 Common Shares; (iii) amend the existing Incentive Plan s general amendment provisions to comply with recent amendments to the rules and policies of the Toronto Stock Exchange; and (iv) make other technical amendments to the existing Incentive Plan. The Equity Incentive Plan Resolution is an ordinary resolution and, as such, requires approval by a majority of the votes cast by shareholders at the Meeting. Shareholders will also be asked to consider at the Meeting and, if deemed warranted, to pass an ordinary resolution, the full text of which is set out under Particulars of Matters to be Acted Upon By-Law Amendment Resolution in this Management Proxy Circular (the By-Law Amendment Resolution) confirming revisions to the By-Laws of the Corporation enacted by the Board on March 9, 2007 to allow for shares to be issued electronically, without a certificate, as will be required for shares listed on a U.S. stock exchange beginning in 2008. The By-Law Amendment Resolution is an ordinary resolution and, as such, requires approval by a majority of the votes cast by shareholders at the Meeting.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Corporation or the persons they appoint as their proxies 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 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 common 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 and an unlimited number of Preferred Shares without par value.

As of March 22, 2007, the Corporation had issued 373,917,043 fully paid and non-assessable Common Shares without par value, 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, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to the 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 are:

	Number of Shares Owned,	Percentage of Shares
Name and Address	Controlled or Directed	Outstanding
Robert M. Friedland		
Singapore	$100,942,325_{(1)}$	27.0%
Tradewinds Global Investors LLC		
California, U.S.A. (2)(3)	41,329,001(4)	11.05%
Directors and Officers as a group ⁽⁵⁾	101,772,370(6)	27.12%

Common Shares are held directly (as to 19,810,801 shares) and indirectly through Newstar Securities SRL (as to 30,808,992 shares), a company beneficially owned and controlled by Mr. Friedland, and Goldamere Holdings SRL

(as to

50,322,533

shares), a

company

beneficially

owned and

controlled as to

91.91% by

Mr. Friedland.

Common Shares

held directly

and indirectly

by

Mr. Friedland

do not include

2,000,000

unissued

Common Shares

issuable upon

the exercise of

incentive stock

options.

(2) Tradewinds

Global Investors

LLC

(Tradewinds) is

an advisory and

investment

management

subsidiary of

Nuveen

Investments Inc.

(NYSE: JNC)

(Nuveen)

focused on

international

and global

equity investing.

Nuveen is a

provider of

investment

advisory

services and a

distributor of

open-end,

closed-end and

managed

account

products to

affluent,

high-net-worth and institutional investors. See note 3 below.

- (3) Information relating to Tradewinds is not within the knowledge of management of the Corporation and has been derived from filings with the U.S. Securities and Exchange Commission.
- (4) Represents the number of Common Shares held by Tradewinds as of March 19, 2007.

-8-

- (5) Common Shares held by the directors and senior officers as a group do not include 8,993,100 unissued Common Shares issuable upon the exercise of incentive stock options.
- (6) Includes
 100,942,325
 Common Shares
 held directly
 and indirectly
 by Robert M.
 Friedland.

In addition to the foregoing, Rio Tinto International Holdings Ltd., of London, England (Rio Tinto) owns 37,089,883 shares (being 9.92% of the issued and outstanding Common Shares). Pursuant to an agreement dated October 18, 2006 (the Rio Tinto Agreement), Rio Tinto is obligated to subscribe for an additional 46,304,473 shares upon the completion of certain conditions precedent, including the completion of an investment contract with the Government of Mongolia in connection with the Corporation s Oyu Tolgoi project (the Investment Contract). If such investment is completed, Rio Tinto would hold approximately 19.9% of the Corporation s issued and outstanding Common Shares. Rio Tinto also holds warrants to purchase up to 92,053,044 shares at prices between U.S.\$8.38 and U.S.\$9.02 per share until two years after the earlier of completion of the Investment Contract and October 27, 2009. If, in addition to completing the second tranche investment, the warrants are fully exercised, Rio Tinto would hold approximately 34.25% of the Corporation s issued and outstanding Common Shares.

Pursuant to the Rio Tinto Agreement, 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 shares it holds. Mr. Bret Clayton, 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. Concurrent with the Rio Tinto Agreement, Rio Tinto and Robert M. 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 Rio Tinto Agreement.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or 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 provide that the number of directors of the Corporation will be a minimum of three 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

Management Nominees

The following table sets out the names of management s 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 by each, directly or indirectly, or over which each exercised control or direction, as at March 22, 2007, and the number of options to purchase Common Shares of the Corporation held by each as at March 22, 2007.

- 10 -

Robert M. Friedland

Singapore Age: 56

Executive Chairman Director Since: 1994 **Director Status:** Non-Independent (Management)

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 resource sector. He also is a co-founder and Deputy Chairman, Capital Markets, for Ivanhoe Energy, which is developing advanced, proprietary technology that 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 Ivanhoe Mines 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); Chief Executive Officer of the Corporation (March 1994 2006); Chairman and President, Ivanhoe Capital Corporation (1998 to Present).

	2006 Attendance:		Other Public Company Board Membership:			
Board/Committee Membership:			Company:	Since:		
Board of Directors	5 of 7	71%	Ivanhoe Energy Inc. (TSX; NASDAQ)	1995		
Executive Committee	2 of 2	100%	TitloDIIQ)			

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

Year	Common Shares	Total Market Value of Common Shares ⁽⁸⁾
2006	100,942,326	\$1,372,815,633
2005	100,834,334	\$916,584,096

Options Held:

Date Granted	Expiry Date	Number	Vested/	Exercise	Total	Value of
		Granted	Unvested	Price ⁽⁹⁾	Unexercised	Unexercised Options ⁽¹⁰⁾
Mar. 27, 2006	Mar. 27, 2013	2,000,000	900,000/	\$9.73	2,000,000	\$7,740,000
			$1,100,000^{(11)}$			

Peter Meredith

North Vancouver, British Columbia, Canada

Age: 63

Deputy Chairman Director Since: 2005 **Director Status:** Non-Independent (Management)

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.

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); Chief Financial Officer, Ivanhoe Capital Corporation (1996 present); Senior Partner, Deloitte & Touche, chartered accountants (1966 1996)

Board/Committee Membership:	2006 Attendance:		Other Public Company Board Members Company: Sin		
Board of Directors	7 of 7	100%	Jinshan Gold Mines Inc. (TSX)	2004	
Executive Committee	2 of 2 100%		Olympus Pacific Minerals Inc. (TSX)	2004	
			Asia Gold Corp. (TSX-V)	2003	
			Entrée Gold Inc. (TSX; AMEX)	2002	
			Great Canadian Gaming Corporation (TSX)	2000	

Year	Common S	Shares	Total Market Valu	ue of Common	Shares ⁽⁸⁾	
2006	68,19	5	\$927,452			
2005	87,452		\$794,938.68			
Options Held:						
Date Granted	Expiry Date	Number		Exercise	Total	Value of
		Granted	Unvested	Price ⁽⁹⁾	Unexercised	Unexercised Options ⁽¹⁰⁾

Edgar Filing: IVANHOE MINES LTD - Form 6-K

Mar. 27, 2006	Mar. 27, 2013	400,000	180,000/	\$9.73	400,000	\$1,548,000
			$220,000^{(12)}$			
May 14, 2004	May 14, 2009	200,000	120,000/	\$8.20	200,000	\$1,080,000
			80,000(13)			
Feb. 4, 2004	Feb. 4, 2009	50,000	40,000/	\$7.69	50,000	\$295,000
			$10,000^{(14)}$			

John Macken

Co. Louth, Ireland

Age: 55

President and Chief Executive Officer Director Since: 2004 **Director Status:** Non-Independent (Management)

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 spent a total of 13 years with Freeport s operating unit, P.T. Freeport Indonesia, and from 1996 to 2000 he held the position of Senior Vice-President, Strategic Planning and Development at Freeport s Grasberg open pit and underground mining complex in Papua, the world s largest single copper and gold mine. Between 1996 and 1998, Mr. Macken headed and completed ahead of schedule and under budget an expansion valued at almost U.S.\$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); Consultant (2000 January, 2004); Senior Vice President of Freeport McMoran Copper & Gold (1996 2000)

	2006 Attendance:		Other Public Company Board Membership:			
Board/Committee Membership:			Company:	Since:		
Board of Directors	7 of 7	100%	N/A	N/A		
Executive Committee	2 of 2	100%				

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

Year	Common Shares	Total Market Value of Common Shares ⁽⁸⁾
2006	6,214	\$84,510
2005	NIL	NIL

Options Held:

Date Granted	Expiry Date	Number	Vested/	Exercise	Total	Value of
		Granted	Unvested	Price ⁽⁹⁾	Unexercised	Unexercised Options ⁽¹⁰⁾
Mar. 27, 2006	Mar. 27, 2013	2,000,000	900,000/	\$9.73	2,000,000	\$7,740,000
			$1,100,000^{(11)}$			
Mar. 30, 2004	Mar. 30, 2014	1,000,000	1,000,000/	\$7.78	1,000,000	\$5,820,000
			NIL			
Nov. 1, 2003	Nov. 1, 2013	1,000,000	1,000,000/	\$12.70	1,000,000	\$900,000
			NIL			

David Huberman

Vancouver, British Columbia

Canada Age: 72 Lead Director

Director Since: 2003 **Director Status:** Independent

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 corporation, 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.

Principal Occupation, Business or Employment⁽¹⁾

President, Coda Consulting Corp. (1993 present)

Board/Committee Membership:	2000 Attenda	-	Other Public Company Board Mem Company:	bership: Since:
Board of Directors	7 of 7	100%	N/A	N/A
Executive Committee	2 of 2	100%		
Corporate Governance & Nominating Committee Chairman	4 of 4	100%		
Compensation & Benefits Committee Chairman	5 of 5	100%		
Non-Management Directors	5 of 5	100%		

Year	Common Shares		al Market Value o common Shares ⁽⁸⁾	_	Minimum Share C	Ownership Required ⁽⁷⁾
2006 2005	20,000 20,000		\$272,000 \$181,800		20	0,000
Options Held:	,		• ,			
Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁹⁾	Total Unexercised	Value of Unexercised Options ⁽¹⁰⁾

Edgar Filing: IVANHOE MINES LTD - Form 6-K

May 12, 2011	25,000	NIL/	\$10.56	25,000	\$76,000
		*			
May 10, 2010	25,000	25,000/	\$9.37	25,000	\$105,750
		NIL			
Sept. 3, 2009	25,000	25,000/	\$7.00	25,000	\$165,000
•		NIL			
Sept. 16, 2008	210.000	160,000/	\$6.75	210.000	\$1,438,500
1	,	,		,	. , ,
	May 10, 2010	May 10, 2010 25,000 Sept. 3, 2009 25,000	May 10, 2010 25,000 25,000/ NIL Sept. 3, 2009 25,000 25,000/ NIL	25,000 ⁽¹⁵⁾ May 10, 2010 25,000 25,000/ \$9.37 NIL Sept. 3, 2009 25,000 25,000/ \$7.00 NIL Sept. 16, 2008 210,000 160,000/ \$6.75	25,000 ⁽¹⁵⁾ May 10, 2010 25,000 25,000/ \$9.37 25,000 NIL Sept. 3, 2009 25,000 25,000/ \$7.00 25,000 NIL Sept. 16, 2008 210,000 160,000/ \$6.75 210,000

R. Edward Flood

Reno, Nevada, United States

Age: 61

Director Since: 1995 **Director Status:** Non-Independent⁽³⁾

Ed Flood is the Chairman of Western Uranium Corporation, a mineral exploration company with a focus on uranium. He is also Managing Director, Investment Banking, for Haywood Securities (UK) Ltd., a subsidiary of one of Canada's leading independent investment dealers. He served as Deputy Chairman of the Corporation until February, 2007, assisting in developing the Corporation's growth and its establishment as a significant presence in Asia's mineral exploration and mining sectors. Mr. Flood was the Corporation's founding President.

Prior to joining the Corporation, 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 Company. He has also held the position of senior mining analyst with Haywood Securities Inc from 1999 to 2001.

Mr. Flood holds a Masters of Science (Geology) degree from the University of Montana and a BSc (Geology) degree from the University of Nevada.

Principal Occupation, Business or Employment⁽¹⁾

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

Board/Committee Membership:	2006 Attendance:		Other Public Company Board Mem Company:	bership: Since:
Board of Directors	7 of 7 100%		Western Uranium Corporation (TSX-V) Chairman	2007
			Asia Gold Corp. (TSX-V)	2003
			Jinshan Gold Mines Inc. (TSX)	2002
			Ivanhoe Energy Inc. (TSX; NASDAQ) (will cease as a director of Ivanhoe Energy Inc. at the conclusion of the next annual meeting of shareholders, scheduled for May 3, 2007)	1999

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

Year Common Shares Total Market Value of Common Shares⁽⁸⁾

2006	313,585	\$4,264,756
2005	145,192	\$1,319,795

Options Held:

Date Granted	Expiry Date	Number	Vested/	Exercise	Total	Value of
		Granted	Unvested	Price ⁽⁹⁾	Unexercised	Unexercised Options ⁽¹⁰⁾
Mar. 27, 2006	Mar. 27, 2013	300,000	135,000/	\$9.73	300,000	\$1,161,000
			$165,000^{(17)}$			

John Weatherall

Kingston, Ontario

Canada Age: 74

Director Since: 1996 **Director Status:** Independent

John Weatherall is the President of Scarthingmoor Asset Management Inc. Mr. Weatherall was Chairman of TD Asset Management, the investment unit of a Canadian chartered bank, and earlier head of Institutional Equity with responsibility for investment research at Wood Gundy Inc., and Greenshields Inc. He has served as a director on the Board of Slocan Forest Products, Greenshields Inc., and Wood Gundy Inc., and was for many years Chairman of Okanagan Skeena Group Ltd.

Mr. Weatherall has previously served on the audit committees of five publicly traded companies.

Principal Occupation, Business or Employment(1)

President, Scarthingmoor Asset Management Inc. (April 1996 present)

Board/Committee Membership:	2006 Attendance:		Other Public Company Board Membersh Company: Since		
Board of Directors	7 of 7	100%			
Audit Committee Chairman	3 of 4	75%	IFL Investment Foundation (Canada) Limited (TSX-V) (member of Audit Committee)	2006	
Corporate Governance & Nominating Committee	4 of 4	100%	(· · · · · · · · · · · · · · · · · · ·		
Non-Management Directors	3 of 5	60%	Stratic Energy Corporation (TSX)	2004	

Year 2006 2005 Options Held:	Common Share 74,500 74,500		tal Market Value o Common Shares ⁽⁸⁾ \$1,013,200 \$677,205	_		Ownership Required ⁽⁷⁾
Date Granted	Expiry Date	Number	Vested/	Exercise	Total	Value of
		Granted	Unvested	Price ⁽⁹⁾	Unexercised	Unexercised Options ⁽¹⁰⁾
May 12, 2006	May 12, 2011	25,000	NIL/ 25,000 ⁽¹⁵⁾	\$10.56	25,000	\$76,000
May 10, 2005	May 10, 2010	25,000	25,000/ NIL	\$9.37	25,000	\$105,750
Sept. 3, 2004	Sept. 3, 2009	25,000	25,000/ NIL	\$7.00	25,000	\$165,000
June 12, 2003	June 12, 2008	50,000	40,000/ 10,000 ⁽¹⁸⁾	\$3.25	50,000	\$517,500

Kjeld Thygesen

London, England United Kingdom

Age: 60

Director Since: 2001 **Director Status:** Independent

Kjeld Thygesen is the Managing Director of Lion Resource Management.

Kjeld Thygesen 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.

Principal Occupation, Business or Employment⁽¹⁾

Managing Director of Lion Resource Management (May 1989 present)

Board/Committee Membership:	2006 Attendance:		Other Public Company Board Me Company:	embership: Since:
Board of Directors	6 of 7	86%	Superior Mining Corporation (TSX-V)	2005
Audit Committee	4 of 4	100%	(15/4-4)	
Corporate Governance & Nominating Committee	4 of 4	100%		
Compensation & Benefits Committee	5 of 5	100%		
Non-Management Directors	5 of 5	100%		

Year 2006 2005 Options Held:	Common Shares 150,000 150,000	Total Market Value of Common Shares ⁽⁸⁾ \$2,040,000 \$1,363,500			Minimum Share Ownership Required ⁽⁷⁾ 20,000		
Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁹⁾	Total Unexercised	Value of Unexercised Options ⁽¹⁰⁾	
May 12, 2006	May 12, 2011	25,000	NIL/ 25,000 ⁽¹⁵⁾	\$10.56	25,000	\$76,000	

May 10, 2005	May 10, 2010	25,000	25,000/ NIL	\$9.37	25,000	\$105,750
Sept. 3, 2004	Sept. 3, 2009	25,000	25,000/	\$7.00	25,000	\$165,000
			NIL			

The Hon. Robert Hanson

London, England United Kingdom

Age: 46

Director Since: 2001 **Director Status:** Independent

Robert Hanson is the Chairman of Hanson Westhouse Limited and Hanson Capital Investments Limited and the Hanson Transport Group Limited, and he is also Managing Partner of Millennium Hanson Internet Partners. Mr. Hanson 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 responsible for strategy, mergers and acquisition transactions.

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

Principal Occupation, Business or Employment⁽¹⁾

Chairman of: Hanson Capital Investments Limited (February 1998 present); Hanson Transport Group (May 1990 present); and Hanson Westhouse (city of London merchant bank) (2006 present)

Board/Committee Membership:	2006 Attendance:		Other Public Company Board Mer Company:	mbership: Since:
Board of Directors	6 of 7	86%	N/A	
Corporate Governance & Nominating Committee	3 of 4	75%		
Compensation & Benefits Committee	3 of 5	60%		
Non-Management Directors	4 of 5	80%		

Year 2006 2005 Options Held:	Common Shares 85,000 85,000		tal Market Value of Common Shares ⁽⁸⁾ \$1,156,000 \$772,650			ownership Required ⁽⁷⁾
Date Granted	Expiry Date	Number	Vested/	Exercise	Total	Value of
10 0000	3.6 4.0 0044	Granted	Unvested	Price ⁽⁹⁾	Unexercised	Unexercised Options ⁽¹⁰⁾
May 12, 2006	May 12, 2011	25,000	NIL/ 25,000 ⁽¹⁵⁾	\$10.56	25,000	\$76,000
May 10, 2005	May 10, 2010	25,000	25,000/ NIL	\$9.37	25,000	\$105,750
Sept. 3, 2004	Sept. 3, 2009	25,000	25,000/ NIL	\$7.00	25,000	\$165,000

Dr. Markus Faber

Chiang Mai, Thailand

Age: 61

Director Since: 2002 **Director Status:** Independent

Markus Faber is the Managing Director of Marc Faber Ltd., an investment advisory and fund management firm. In addition.

Dr. Faber acts as an director and advisor to a number of private investment funds, and publishes a widely read monthly investment newsletter entitled The Gloom, Boom & Doom Report and is the author of several books including Tomorrow s Gold - Asia s Age of Discovery . He is a regular contributor to several leading financial publications around the world, including Forbes and Barron s. He 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 different companies.

Dr. Faber received his PhD in Economics magna cum laude from the University of Zurich.

Principal Occupation, Business or Employment⁽¹⁾

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

Board/Committee Membership:	2006 Attendance:		Other Public Company Board Membership Company: Since:			
Board of Directors	7 of 7	100%	N/A	N/A		
Audit Committee	4 of 4	100%				
Corporate Governance & Nominating Committee	3 of 4	75%				
Non-Management Directors	4 of 5	80%				

Year 2006 2005 Options Held:	Common Shares 30,000 20,000	Total Market Value of Common Shares ⁽⁸⁾ \$408,000 \$181,800		Minimum Share Ownership Required ⁽⁷⁾ 20,000		
Date Granted	Expiry Date	Number	Vested/	Exercise	Total	Value of
10 2006	3.6 10 0011	Granted	Unvested	Price ⁽⁹⁾	Unexercised	Unexercised Options ⁽¹⁰⁾
May 12, 2006	May 12, 2011	25,000	NIL/ 25,000 ⁽¹⁵⁾	\$10.56	25,000	\$76,000
May 10, 2005	May 10, 2010	25,000	25,000/ NIL	\$9.37	25,000	\$105,750
Sept. 3, 2004	Sept. 3, 2009	25,000	25,000/ NIL	\$7.00	25,000	\$165,000

Howard R. Balloch

Beijing, China Age: 55

Director Since: 2005 **Director Status:** Independent⁽⁴⁾

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) Political Science and Economics from McGill University in 1971 and his M.A. 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.

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: (4)	2006 Attendance:		Other Public Company Board Mer Company:	mbership: Since:
Board of Directors	7 of 7	100%	East Energy Corp. (TSX-V)	2006
Corporate Governance & Nominating Committee	N/A ⁽⁴⁾	N/A ⁽⁴⁾	Methanex Corporation (TSX; NASDAQ)	2004
Compensation & Benefits Committee	N/A ⁽⁴⁾	N/A ⁽⁴⁾	Tiens Biotech Group (USA) Ltd. (OTCBB)	2003
Non-Management Directors	4 of 5	80%	Ivanhoe Energy Inc. (TSX; NASDAQ)	2002

Year 2006 2005	Common Shares 50,000 7,000		Total Market Value of Common Shares ⁽⁸⁾ \$680,000 \$63,630		Minimum Share Ownership Required ⁽⁷⁾ 20,000		
Options Held:							
Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁹⁾	Total Unexercised	Value of Unexercised Options ⁽¹⁰⁾	
May 12, 2006	May 12, 2011	25,000	NIL/ 25,000 ⁽¹⁵⁾	\$10.56	25,000	\$76,000	
Mar. 11, 2005	Mar. 11, 2010	25,000	25,000/ NIL	\$10.51	25,000	\$77,250	

David Korbin

West Vancouver, British Columbia, Canada

Age: 65

Director Since: 2006 **Director Status:** Independent

David Korbin, a management and financial consultant, was appointed to the Corporation s Board of Directors in May, 2006. He is a director of E-Comm Emergency Communications for Southwest British Columbia Incorporated, and acted as Chairman of

E-Comm s board of directors from 2003 to 2006 and as Chair of their audit committee from 2001 to 2004. From 1992 to 2000, he was a director of the Vancouver General Hospital (Audit Committee Chair: 1993-4) and the Vancouver Hospital and Health Sciences Centre (Chair: 1995-8).

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 1990 to 1992 he was a managing partner of the Vancouver office of Deloitte & Touche LLP.

Principal Occupation, Business or Employment⁽¹⁾

Independent Financial Consultant

Board/Committee Membership: (5)	2006 Attendance:		Other Public Company Board M Company:	Iembership: Since:
Board of Directors	4 of 4	100%	Seaspan Corporation (NYSE) (Chair of Audit Committee	2005
Audit Committee	2 of 2	100%	since 2005)	
Corporate Governance & Nominating Committee	1 of 1	100%	2003)	
Compensation & Benefits Committee	2 of 2	100%		
Non-Management Directors	2 of 2	100%		

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

Year 2006 Options Held:	Common Shares 5,000	_	Cotal Market Value of Common Shares (8) \$68,000			Ownership Required ⁽⁷⁾ 0,000
Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price ⁽⁹⁾	Total Unexercised	Value of Unexercised Options ⁽¹⁰⁾
May 12, 2006	May 12, 2011	25,000	NIL/ 25,000 ⁽¹⁵⁾	\$10.56	25,000	\$76,000

Bret K. Clayton⁽⁶⁾

London, England, United

Kingdom Age: 45

Director Since: nominee

Director Status: Non-Independent⁽⁶⁾

Bret Clayton is Chief Executive of Rio Tinto Copper based in London. Mr. Clayton provides management oversight to the Copper group, which comprises Kennecott Utah Copper and Kennecott Minerals Company in the United States, and interests in the copper mines of Escondida in Chile, Grasberg in Indonesia, Northparkes in Australia, Palabora in South Africa, as well as the Oyu Tolgoi copper project in Mongolia, the Resolution copper project in the United States and the La Granja copper project in Peru.

During his career with Rio Tinto group, Mr. Clayton has held numerous senior management positions, including President and CEO of Rio Tinto Energy America, Head of Financial Planning and Reporting for Rio Tinto plc in London and General Manager Commercial and Chief Financial Officer for Hamersley Iron and Rio Tinto Iron Ore in Perth, Australia.

Mr. Clayton holds a Bachelor of Arts Degree in Accounting from the University of Utah in Salt Lake City and is a graduate of the International Executive Management Program of INSEAD in Fontainebleau, France.

Principal Occupation, Business or Employment

Chief Executive, Rio Tinto Copper (July 2006-present); prior thereto, President and CEO of Rio Tinto America (October 2002 to July 2006)

Board/Committee Other Public Company Board Membership:
Membership: Attendance: Company Since

N/A N/A N/A

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

Common Shares

Total Market Value of Common Shares⁽⁸⁾

NIL

NIL

Options Held:

Vested/ Exercise Total Value of Date Granted **Expiry Date** Number Unvested Price⁽⁹⁾ Unexercised Options(10) Granted Unexercised N/A N/A N/A N/A N/A N/A N/A

(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) Mr. Flood served as Deputy
 Chairman of the
 Corporation and a member of
 management until
 February 15,
 2007 and is
 accordingly
 considered to be
 non-independent.
- (4) On January 2, 2007, Mr. Balloch qualified as an independent director under the applicable standards of the **CSA** Corporate Governance Guidelines, the **NYSE** Corporate Governance Rules and the **NASDAQ** Corporate Governance Rules. He became a member of each of the Corporate Governance & **Nominating** Committee and

the Compensation & Benefits Committee on January 12, 2007.

- (5) Mr. Korbin joined the Board of Directors and the Audit Committee on May 12, 2006. He became a member of each of the Corporate Governance & Nominating Committee and the Compensation & Benefits Committee on August 11, 2006.
- (6) Mr. Clayton has been nominated for election as a Director by Rio Tinto pursuant to the provisions of the Rio Tinto Agreement (see **Voting Shares** and Principal Holders), and is considered to be non-independent by virtue of the significant investment of Rio Tinto in the Corporation. From November 10, 2006 until the date of the Meeting, Mr. Tom Albanese, the Director, Group Resources, and CEO designate of

Rio Tinto, has served as a

member of the Board pursuant to the provisions of the Rio Tinto Agreement.

(7) All independent Directors are required to beneficially own and hold a minimum of 20,000 Common Shares 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. All current independent Director nominees, except Mr. Korbin, have met this minimum shareholding requirement. Mr. Korbin, first elected in 2006, has until May 12, 2009 to meet the share ownership requirement.

(8) 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 22, 2007 (\$13.60) and March 22, 2006 (\$9.09), respectively, by the number of common shares held by the nominee as at the end of the prior year.

- (9) The Exercise
 Price is the
 closing price of
 the Common
 Shares on the
 Toronto Stock
 Exchange on the
 day prior to the
 grant date.
- (10) The Value of Unexercised Options is calculated on the basis of the difference between the closing price of the common shares on the Toronto Stock Exchange on March 22, 2007 and the Exercise Price of the options multiplied by the number of unexercised options on March 22, 2007.
- (11) The 1,100,000 unvested options will vest as follows: 300,000

will vest on the earlier of December 31, 2007 or achievement of each of four additional defined development criteria for Oyu Tolgoi currently planned for 2007; 300,000 will vest on the earlier of December 31, 2008 or achievement of one of two additional defined development criteria currently planned for Oyu Tolgoi for 2008; and the remaining 500,000 will vest on the earlier of December 31, 2009 and achievement of each of two additional defined development criteria planned for Oyu Tolgoi for 2009.

(12) The 220,000 unvested options will vest as follows: 60,000 to vest on the earlier of December 31, 2007 or achievement of each of four additional defined development criteria for Oyu Tolgoi currently planned for 2007;

60,000 will vest on the earlier of December 31, 2008 or achievement of one of two additional defined development criteria currently planned for Oyu Tolgoi for 2008; and the remaining 100,000 will vest on the earlier of December 31, 2009 and achievement of each of two additional defined development criteria planned for Oyu Tolgoi for 2009.

- (13) 40,000 unvested options will vest on May 14, 2007 and the remaining 40,000 unvested options will vest on May 14, 2008.
- (14) 10,000 unvested options will vest on February 4, 2008.
- (15) 25,000 unvested options will vest on May 12, 2007.

(16)

50,000 unvested options will vest on September 16, 2007.

(17) The 165,000 unvested options will vest as follows: 45,000 will vest on the earlier of December 31, 2007 or achievement of each of four additional defined development criteria for Oyu Tolgoi currently planned for 2007; 45,000 will vest on the earlier of December 31, 2008 or achievement of one of two additional defined development criteria currently planned for Oyu Tolgoi for 2008; and the remaining 75,000 will vest on the earlier of December 31, 2009 and achievement of each of two additional defined development criteria planned for Oyu Tolgoi for 2009.

10,000 unvested options will vest on June 12, 2007.

- 23 -

Summary of Board and Committee Meetings Held

The following table summarizes Board and Committee meetings held during the year ended December 31, 2006:

Board of Directors	7
Audit Committee	4
Compensation and Benefits Committee	5
Corporate Governance and Nominating Committee	4
Executive Committee	2

During 2006, three meetings of the Board, two meetings of the Compensation and Benefits Committee, one meeting of the Audit Committee and one meeting of the Corporate Governance and Nominating Committee were held by teleconference. In addition, there were 26 resolutions passed in writing by the Board, seven by the Compensation and Benefits Committee, two by the Corporate Governance and Nominating Committee, and three by the Executive Committee. No resolutions in writing were passed by the Audit Committee in 2006. Resolutions in writing must be executed by all of the directors entitled to vote on a matter.

APPOINTMENT OF AUDITORS

Deloitte & Touche LLP, Chartered Accountants, will be nominated at the Meeting for re-appointment as auditors of the Corporation at 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 2006 and fiscal 2005 were approximately Cdn\$2,534,000 and Cdn\$1,343,000, respectively. The aggregate fees billed by the auditors in fiscal 2006 and fiscal 2005 are detailed below.

(Canadian \$ in 000 s)	2006	2005
Audit Fees (a)	\$1,588	\$ 936
Audit Related Fees (b)	\$ 246	\$ 208
Tax Fees (c)	\$ 700	\$ 200
All Other Fees		
Total	\$2,534	\$1,343

(a) Fees for audit services billed or expected to be billed relating to fiscal 2006 and 2005 consisted of: audit of the Corporation s annual statutory financial statements;

reviews of the Corporation s quarterly financial statements; and

comfort letters, consents, and other services related to SEC and Canadian securities regulatory authorities matters

In addition, in 2006 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 2006 and 2005 consisted of financial accounting and reporting consultations and audit of annual statutory financial statements of the Corporation s subsidiaries.
- (c) Fees for tax services provided during fiscal 2006 and 2005 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 did not incur fees for products and services provided by its principal accountant during fiscal 2006 and 2005 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 needs to be 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

Amended and Restated Equity Incentive Plan

Purpose

The Corporation is seeking authorization from its shareholders at the Meeting to amend and restate the Corporation s existing Employees and Directors Equity Incentive Plan (the Incentive Plan) to: (i) increase the maximum number of Common Shares of the Corporation which may be allocated for issuance from 32,000,000 under the Corporation s existing Incentive Plan (the Existing Plan) to 37,000,000 Common Shares under the proposed amended and restated plan (the Amended Plan); (ii) increase the maximum number of Common Shares of the Corporation which may be allocated for issuance under the Bonus Plan component of the Existing Plan from 2,000,000 Common Shares to 3,500,000 Common Shares; (iii) to amend the Existing Plan s general amendment provisions to comply with recent amendments to the rules and policies of The Toronto Stock Exchange (TSX); and (iv) to make other technical amendments to the Existing Plan (the Incentive Plan Amendment Resolution). The TSX has approved the proposed amendments to the Existing Plan, subject to approval by the shareholders at the Meeting.

The Incentive Plan Amendment Resolution is attached to this Circular as Schedule B and the Amended Plan is attached as Schedule C to this Circular.

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 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.

Exercise Period and Vesting

Options are exercisable for a period of time determined by the Board not exceeding five years from the date the option is granted. 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 five years from the date of grant, as to one-fifth of the total number of shares under option in 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.

Cashless Exercise

Share appreciation rights may also be granted, at the discretion of the Board on the recommendation of the Committee, to an Optionee in conjunction with, or at any time following the grant of, an option. Share appreciation rights under the Existing Plan effectively allow 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 (1) 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 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 2,000,000 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

Eligible employees are entitled to contribute up to seven per cent (7%) of their annual basic salary to the Share Purchase Plan in semi-monthly installments. 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 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 has the right to amend, modify or terminate the Existing Plan, in whole or in part, at any time if and when deemed advisable in the absolute discretion of the Board of Directors. However, any amendment to the Existing Plan which would materially increase the benefits under the Existing Plan, materially modify the requirements as to eligibility for participation in the Existing Plan or materially increase the number of Common Shares that may be issued or reserved for issuance under the Existing Plan will be effective only upon the approval of the shareholders of the Corporation, and, if required, the approval of any regulatory body having jurisdiction over the securities of the Corporation and the approval of any stock exchange on which the Common Shares are then listed for trading.

Share Issuance Limits

The aggregate maximum number of Common Shares which the Corporation may, from time to time, issue or reserve for issuance under the Existing Plan is 32,000,000 Common Shares. 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 currently 373,917,043 Common Shares of the Corporation issued and outstanding. Since the date of inception of the Existing Plan on June 26, 1996, the 32,000,000 Common Shares authorized for issuance under the Existing Plan have been issued or reserved for issuance as follows:

		% of Issued and Outstanding Common
	Number of Common	G)
	Shares	Shares
Common Shares previously issued upon exercise of options	14 410 010	2.00
under Option Plan	14,418,918	3.9%
Common Shares reserved for future issuance pursuant to	10.010.501	2 7 1 2
unexercised options under Option Plan	13,243,734	3.54%
Common Shares previously issued pursuant to Purchase		
Plan	601,426	0.16%
Common Shares previously issued pursuant to Bonus Plan	826,120	0.22%
Unissued Common Shares available for future awards under		
Bonus Plan	572,454	0.15%
Unissued Common Shares available for future option grants		
under Option Plan and purchases under Purchase Plan	2,337,348	0.63%
Maximum number of Common Shares available for		
issuance	32,000,000	8.56%
- 29 -	•	

There are no entitlements to Common Shares under the Existing Plan which are subject to ratification by shareholders.

Proposed Amendments

Maximum Number of Shares Under the Incentive Plan and the Bonus Plan

The Existing Plan currently provides that the aggregate number of Common Shares that may be issued or reserved for issuance may not exceed 32,000,000 Common Shares. There is currently a balance available of 2,337,348 Common Shares available for future grants under the Option Plan and purchases under the Purchase Plan.

The Corporation believes that incentive stock options are a valuable mechanism for incentivizing the Corporation s existing employees, attracting new employees and aligning their interests with those of the Corporation s shareholders. To provide the Corporation with the continued flexibility of granting incentive stock options under the Option Plan, the Corporation is seeking approval from the shareholders at the Meeting, as part of the Incentive Plan Amendment Resolution, to increase the number of Common Shares of the Corporation issuable under the Existing Plan to a maximum of 37,000,000 Common Shares, which would represent 9.895% of the Common Shares currently issued and outstanding.

The Existing Plan currently provides for the issuance of a maximum of 2,000,000 Common Shares (within the overall maximum number of Common Shares issuable under the Incentive Plan) in respect of bonus awards. Bonus awards are an integral part of the Corporation s compensation policy to reward extraordinary efforts of the Corporation s officers and employees. To date, 826,120 bonus shares have been issued under the Bonus Plan. To provide the Corporation with the flexibility of granting incentive bonus shares, the Corporation is seeking approval, as part of the Incentive Plan Amendment Resolution, to increase the maximum number of Common Shares of the Corporation issuable under the Bonus Plan component of the Existing Plan to 3,500,000 Common Shares under the Amended Plan. The proposed new share issuance limits appear as sections 3.2 and 5.1 of the Amended Plan attached as Schedule C to this Circular.

Detailed Amendment Procedure

In light of recent amendments to the rules of the TSX (the TSX Rules), the Corporation is seeking authorization from its shareholders to replace the general amendment provision contained in the Existing Plan with a more detailed amendment provision that is compliant with TSX Rules. The TSX Rules now require equity incentive plans to outline more specifically which amendments may be made with, and without, the approval of the Corporation s shareholders. In the absence of a revised amendment procedure that complies with the TSX Rules, the TSX requires shareholder approval for all amendments to an equity incentive plan.

The Corporation believes that in order to properly administer the Incentive Plan, the Board should continue to carry out certain amendments to the Incentive Plan and awards thereunder without having to seek shareholder approval for each such amendment. The Board has no current intention to make any amendments to the Plan, or any Options or awards thereunder, except as provided for in the Incentive Plan

Amendment Resolution. However, in order to adhere to the TSX Rules and to provide the Corporation with the flexibility to carry out certain amendments to the Incentive Plan without shareholder approval, the Corporation is seeking approval from the shareholders at the Meeting, as part of the Incentive Plan Amendment Resolution, to replace the general amendment provision in the Existing Plan with the more detailed amending provision in Section 5.7 of the Amended Plan which is attached as Schedule C to this Circular.

If the Amended Plan is adopted, the Board, based on the recommendation of the Compensation and Benefits Committee, will have the authority and discretion to amend the Incentive Plan and awards granted thereunder without shareholder approval for all matters, including the matters set forth in the proposed Section 5.7 of the Amended Plan, except for those matters requiring shareholder approval. Accordingly, under the Amended Plan, the Board will have the power to amend, suspend or terminate the Incentive Plan, and awards thereunder, including changes of a clerical or grammatical nature, changes regarding persons eligible to participate in the Incentive Plan, changes to the exercise price, vesting, terms and termination provisions of options, changes to the share appreciation right provisions, changes to the share bonus provisions (other than the maximum number of bonus shares issuable under the Incentive Plan), changes to the authority and role of the Compensation and Benefits Committee under the Incentive Plan, changes to the acceleration and vesting of options in the event of a take-over bid and other matters relating to the Option Plan and the awards granted thereunder. Subject to regulatory approval, shareholder approval will only be required for the following amendments:

- (i) an amendment to the aggregate number of Shares that may be reserved for issuance under the Incentive Plan;
- (ii) an amendment to the aggregate maximum number of Common Shares issuable under the Share Bonus Plan component of the Incentive 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 Incentive 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 Incentive Plan; or
- (v) an amendment to the amending provisions under the Incentive Plan.

The proposed new amending provision appears as Section 5.7 of the Amended Plan which is attached as Schedule C to the Circular.

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. Amendments to the TSX Rules now contemplate that equity incentive plans may provide for the expiration of the terms of options held by insiders and other plan participants to

be extended to a date shortly after the expiry date of an option, if such expiry occurs during, or shortly following, a blackout period under an issuer s insider trading or similar policy.

In light of these amendments and so that optionees whose Options expire during or within ten days following an expiry of blackout periods are treated equally with other optionees under the Plan, the Corporation proposes amending the provisions of the Existing Plan that deal with the terms of Options to provide for the expiration of the terms of Options held by Insiders and other plan participants to be the later of the original expiry date and a date that is ten business days following the end of such blackout period. This provision would apply to all outstanding options held by insiders and other participants under the Existing Plan and under the Amended Plan.

The proposed amendment to the terms of Options provision appears in Subsection 1.2(d) and Subsection 2.5 of the Amended Plan which is attached as Schedule C to this Circular.

Other Amendments

Under the terms of the Incentive Plan, the Board, on the recommendation of the Compensation and Benefits Committee, authorizes grants of options to eligible participants under the Incentive Plan. The Corporation proposes a technical amendment to the provisions in respect of the grant of options to clarify that the date of grant of options will be the date that the Compensation and Benefits Committee approves such grant for recommendation to the Board, provided the Board approves such grant, or for a grant of options not approved by the Compensation and Benefits Committee for recommendation to the Board, the date such grant was approved by the Board.

Also included as technical amendments to the Existing Plan to comply with applicable TSX policies are amendments to the definitions of Insider and Affiliate in Section 1.2 of the Incentive Plan, to Section 2.6 (Share Appreciation Right) of the Incentive Plan, as well as to Section 5.1 (a) and (b).

The proposed amendment to the grant of options provisions appears in Subsection 2.4 of the Amended Plan which is attached as Schedule C to this Circular.

CONFIRMATION OF REVISIONS TO THE BY-LAWS

On March 9, 2007, the Board enacted revisions to Section 7.1 of the By-Laws, which revisions will cease to be effective unless they are confirmed by resolution passed by a simple majority of the votes cast by shareholders at the Meeting.

The revisions to Section 7.1 of the By-Laws allow for shares to be issued electronically, without a certificate, as will be required for shares listed on a U.S. stock exchange beginning in 2008.

A copy of the revised By-Laws is available on request to the Corporate Secretary, 654 999 Canada Place, Vancouver, British Columbia V6C 3E1, telephone (604) 688-5755, and is available on the Corporation s website at www.ivanhoe-mines.com.

The proposed resolution being put forward for consideration by shareholders is as follows:

RESOLVED as an ordinary resolution, that revisions to Section 7.1 of the By-Laws of the Corporation, being revisions to allow for shares to be

issued electronically, without a certificate, that were enacted by the Board on March 9, 2007, are hereby confirmed without amendment.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below or elsewhere in this Management Proxy Circular, no insider, director nominee or associate or affiliate of any such insider or director nominee, has any material interest, direct or indirect, in any material transaction since the commencement of the Corporation s last financial year or in any proposed transaction. which, in either case, has materially affected or would materially affect the Corporation.

At the end of 2006 and 2005 subsidiaries of the Corporation holding the Savage River iron ore project owed approximately U.S.\$5.1 million to Mr. Robert Friedland, Chairman of the Corporation, which indebtedness originated as a result of the December 2000 acquisition by the Corporation of the Savage River project. Following the sale of the Savage River operations in February 2005, repayment of this balance is contingent upon the Corporation receiving proceeds in excess of approximately U.S.\$111 million from the sale of the Savage River operations. To date, U.S.\$49.7 million has been received from the sale with an additional U.S.\$21 million expected to be received on Match 31, 2007.

The Corporation is a party to cost sharing agreements with other companies in which Mr. 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, Beijing 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, 2006, the Corporation s share of these costs was U.S.\$11.7 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, are as follows:

Robert Friedland Corporation Name Ownership Interest Ivanhoe Energy Inc. Ivanhoe Capital Corporation Ivanhoe Nickel & Platinum Ltd. Jinshan Gold Mines Inc. Asia Gold Corp.

Mr. Friedland owns 27.03% of the Common Shares of the Corporation, which owns 46.26 % of the common shares of Jinshan Gold Mines Inc. and 44.5% of the common shares of Asia Gold Corp. as at December 31, 2006.

- 33 -

20.24%

100%

50%

(1)

(1)

EXECUTIVE COMPENSATION

In accordance with the requirements of applicable securities legislation in Canada, the following executive compensation disclosure is provided as at December 31, 2006, in respect of the Chief Executive Officer, Chief Financial Officer and each of the Corporation s three executive officers whose annual compensation exceeded Cdn.\$150,000 in the year ended December 31, 2006 (collectively, the Named Executive Officers). During the year ended December 31, 2006, the aggregate compensation paid to all officers of the Corporation who received more than Cdn.\$40,000 in aggregate compensation during such period was U.S.\$5,800,000 (Cdn.\$6,578,360).

Summary Compensation Table

The following table sets forth a summary of all compensation paid during the years ending December 31, 2004, 2005 and 2006 to each of the Named Executive Officers (NEO).

		Long	Long-Term Compensation		Awards Securities		Payouts	
NEO Name and				Other Annual	Under Options/	Shares or Units Subject to		All Other
Principal	• •	Salary	Bonus	Compensation	SARs			ompensation
Position	Year	(U.S.\$)	(U.S.\$)	$(U.S.\$)^{(1)}$		Restriction	Pa youts	(U.S.\$)
John Macken ⁽⁴⁾ (CEO & President)	2006 2005	578,875 457,400	500,000		2,000,000			24,473 ₍₃₎ 8,200 ₍₂₎
(CEO & Fresident)	2004	370,022			1,000,000			8,200(2)
Tony Giardini ⁽⁵⁾	2006	156,092	25,000		250,000			2,980(3)
(CFO)	2005	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2004	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Robert Friedland ⁽⁶⁾ (Chairman and	2006 2005		1,000,000(7)		2,000,000			
former CEO)	2004							549(2)
Peter Meredith ⁽⁸⁾	2006	262,592	1,000,000		400,000			13,481(3)
(Deputy Chairman	2005	216,402						11,315(3)
& former CFO)	2004	243,053			250,000			10,602(3)
R. Edward Flood	2006	275,000	150,000		300,000			4,215(2)
(former Deputy	2005	226,000						$3,690_{(2)}$
Chairman)	2004	179,100						3,690(2)
Steve Garcia ⁽⁹⁾	2006	300,000	100,000		250,000			
(Executive VP)	2005	194,318			250,000			
•	2004	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Doug Kirwin	2006	209,230		74,635(10)	100,000			9,211(3)
(Executive VP,	2005	180,360		94,918(11)				7,837 ₍₃₎
Exploration)	2004	180,136		73,119 ₍₁₂₎	50,000			$7,765_{(3)}$

Perquisites and benefits do not exceed the lesser of Cdn.\$50,000 and 10% of the total of the annual salary and bonus for any of the Named Executive Officers except where numbers are disclosed in this column.

- (2) Includes life insurance premiums.
- (3) Includes life insurance premiums and share purchase plan.
- (4) Mr. Macken became the Corporation s Chief Executive Officer on May 12, 2006.
- (5) Mr. Giardini commenced employment in May 2006.
- (6) Mr. Friedland ceased being Chief Executive Officer of the Corporation on May 12, 2006.
- (7) Non-cash bonus paid by the issuance of 107,991 Common

Shares.

- (8) Mr. Meredith
 was the
 Corporation s
 Chief Financial
 Officer from
 May 20, 2004 to
 May 12, 2006.
- (9) Mr. Garcia commenced employment in May, 2005.
- (10) Represents housing allowance of \$36,000 and children s school fees of \$41,035.

- 34 -

- (11) Represents housing allowance of \$36,000 and children s school fees of \$58,918.
- (12) Represents
 housing
 allowance of
 \$36,000 and
 children s school
 fees of \$37,119.

- 35 -

Long Term Incentive Plan

The Corporation does not presently have a long-term incentive plan for its executive officers.

Options/SAR Grants During The Most Recently Completed Financial Year

Other than as described below, there were no options or SAR grants made to the Named Executive Officers during the most recently completed financial year.

	Securities Under Options/SARs Granted	Percent of Total Options/SARs Granted to Employees in Financial	Exercise or Base Price		Market Value of Securities Underlying Options/SARs on the Date of Grant		Expiration
Name	(#) ⁽¹⁾	Year	(Cdn.	\$/Security)	(Cdn.	S/Security)	Date
							March 27,
Robert Friedland	$2,000,000_{(2)}$	23.4%	\$	9.73	\$	9.73	2013
John Moolean	2 000 000	22.40/	¢	0.72	\$	0.72	March 27,
John Macken	$2,000,000_{(2)}$	23.4%	\$	9.73	Ф	9.73	2013 March 27,
Peter Meredith	400,000(2)	4.68%	\$	9.73	\$	9.73	2013
i etci ivicieditii	400,000(2)	4.00 /6	Ψ	7.13	Ψ	7.13	March 27,
Tony Giardini	250,000(2)	2.92%	\$	9.73	\$	9.73	2013
Tony Clarani	200,000(2)	2,5276	4	<i>,,,,</i>	Ψ	<i>,,,,</i>	March 27,
R. Edward Flood	300,000(2)	3.0%	\$	9.73	\$	9.73	2013
	. ,						March 27,
Steve Garcia	250,000(3)	2.92%	\$	9.73	\$	9.73	2013
Douglas Kirwin	100,000(4)	1.17%	\$	7.93	\$	7.93	May 23, 2011

- (1) The securities issued upon exercise of the options are common shares of the Corporation.
- (2) 20% vested on the earlier of December 31, 2006 or achievement of each of four defined development criteria for Oyu Tolgoi currently planned for

2006, 15% to vest on the earlier of December 31, 2007 or achievement of each of four additional defined development criteria for Oyu Tolgoi currently planned for 2007, 15% to vest on the earlier of December 31, 2008 or achievement of one of two additional defined development criteria currently planned for Oyu Tolgoi for 2008 and the remaining 25% to vest on the earlier of December 31, 2009 and achievement of each of two additional defined development criteria planned for Oyu Tolgoi

(3) 10,000 vested with the partial release of the Oyu Tolgoi project, 20,000 to vest upon the completion of a definitive estimate, 20,000 to vest when

for 2009.

engineering 90% complete, 20,000 to vest when Shaft #1 complete, 40,000 to vest when overall project 75% complete, 20,000 to vest with first ore, 100,000 to vest with nameplate production, and 20,000 to vest with Hugo North feasibility.

(4) At any time from the date of grant until the first anniversary of the date of grant, 20% of the options may be exercised. At any time during each of the next four years on anniversary of the date of grant an additional 20% of the securities may be vested per year until, in the fifth year of the option, 100% of the options will

Aggregated Option Exercises

be exercisable.

Other than as described below, no options or stock appreciation rights were exercised during the year ended December 31, 2006 by the Named Executive Officers.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (Cdn.\$)	Unexercised Options at December 31, 2006 ⁽¹⁾ (Exercisable/ Unexercisable) (#)	Value of Unexercised in the Money Options at December 31, 2006 ⁽¹⁾ (Exercisable/Unexercisable) (Cdn.\$)
Robert Friedland	NIL	NIL	900,000/1,100,000	\$1,593,000/\$1,947,000
John Macken	NIL	NIL	1,000,000/NIL 700,000/300,000 900,000/1,100,000	NIL/NIL \$2,640,000/\$1,116,000 \$1,593,000/\$1,947,000
Peter Meredith	NIL	NIL	30,000/20,000 120,000/80,000 180,000/220,000	\$114,300/\$76,200 \$396,000/\$264,000 \$318,600/\$389,400
Tony Giardini	NIL	NIL	112,500/137,500	\$199,125/\$243,375
R. Edward Flood	123,393(2)	\$937,786.80	NIL/NIL	NIL/NIL
Steve Garcia	NIL	NIL	100,000/150,000 10,000/240,000	\$309,000/\$463,500 \$17,700/\$424,800
Douglas Kirwin	30,000 20,000	\$58,600 \$81,400	NIL/10,000 NIL/80,000	NIL/\$38,100 NIL/\$285,600

- (1) The figures representing Exercisable/Unexercisable options do not include options that have vested since December 31, 2006 and the date of this Management Proxy Circular.
- (2) Mr. Flood exercised 150,000 stock options by way of the Corporation s Share Appreciation Right and received 123,393 common shares. 26,607 common shares were returned to the Corporation s treasury as payment.

Option and SAR Repricings

No options or stock appreciation rights were re-priced during the year ended December 31, 2006.

Defined Benefit and Pension Plans

The Corporation does not presently provide any defined benefit or pension plan to its directors, executive officers or employees.

Indemnity Insurance

During 2006, the Corporation purchased director and officer liability insurance with a U.S.\$100,000,000 limit. The total premiums paid by the Corporation in respect of this insurance coverage for the twelve month term were U.S.\$1,550,395.

Employment Contracts

The Corporation has an employment contract with John Macken respecting his employment as President of the Corporation. The term of the agreement commenced on January 1, 2004 and provides for an initial base salary, a housing benefit and the same benefit entitlements available to the Corporation s other executive officers. The Corporation may terminate Mr. Macken s employment for cause, or, on payment of 12 month s base salary, without cause. In the event of a change of control of the Corporation and if the contract is terminated by the Corporation within twelve months thereafter, Mr. Macken would be entitled to receive payment of 12 month s base salary and a vesting of all unexercised stock options which will thereafter remain exercisable for six months. Under the terms of the contract, Mr. Macken was granted an initial incentive stock option effective January 1, 2004 to acquire 1,000,000 common shares which vested over three years and expires on November 1, 2013. Mr. Macken was

granted a further option on March 30, 2004 to acquire an additional 1,000,000 common shares, which options vested as to 20% in March, 2004 and, as to the balance, 20% in March, 2005, 30% in March 2006 and 30% in March 2007, subject in each case to earlier vesting upon specified corporate goals identified by the Board of Directors being met. Mr. Macken was also granted a further option on March 27, 2006 which options expire on March 27, 2013 and which vested as to 25% on grant, as to 20% on December 31, 2006, as to 15% on December 31, 2007, as to 15% on December 31, 2008, and as to the balance on December 31, 2009, subject to earlier vesting upon specific corporate goals being met by the Corporation.

Mr. Giardini was employed by the Corporation on May 1, 2006 as Chief Financial Officer. Under his contract, the Corporation may terminate Mr. Giardini for cause and if this were to happen, Mr. Giardini would have no entitlement to claim any compensation with respect to the termination. If Mr. Giardini is terminated without cause, he is entitled to receive twelve months salary and benefits in lieu of notice. Should he wish to resign, Mr. Giardini must give the Corporation not less than eight weeks notice of his resignation. In the event of a change of control and should the contract be terminated by the Corporation, Mr. Giardini will be entitled to received a lump sum payment in an amount equal to twelve months salary.

The Corporation has also had employment contracts with Douglas Kirwin respecting his employment with the Corporation since 1995. His current contract for services as the Corporation sexual Executive Vice President, Exploration was originally entered into in November 1998 and was renewed in May 2003. Under the contract, the Corporation may terminate Mr. Kirwin semployment for death, disability or cause, or, on payment of one month sexual salary multiplied by the number of whole years Mr. Kirwin has been employed by the Corporation, without cause. In the event of a change of control of the Corporation which has not been approved by the then existing Board, Mr. Kirwin is entitled to terminate his employment within three months of the date of such change of control and to receive a payment equal to three times his annual salary.

Steve Garcia was appointed Executive Vice President of the Corporation on June 21, 2006. Mr. Garcia, through a consulting company, NES Overseas Ltd. (the Consultant), provides services to the Corporation, including oversight of the development of the Oyu Tolgoi Project, pursuant to a consulting agreement. The Consultant is paid a monthly basic wage of U.S.\$25,000 plus accommodation, food and support expenses. The term of the agreement is for one year and in the event of early termination by the Corporation without cause, the Consultant shall be entitled to receive a lump sum payment equal to the salary that would otherwise be payable to him during the contract term. The agreement does not contain any change of control provisions and may be terminated by either party upon one month s written notice.

The Corporation does not have employment contracts with any other of its Named Executive Officers.

Composition of the Compensation and Benefits Committee

During the year ended December 31, 2006, the Compensation and Benefits Committee was comprised of Messrs. David Huberman (Chair), Kjeld Thygesen, Robert Hanson and David Korbin.

Since the beginning of the most recently completed financial year, which ended on December 31, 2006, none of Messrs. Huberman, Thygesen, Hanson or Korbin was indebted to the Corporation or any of its subsidiaries or had any material interest in any transaction or proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries. None of the Corporation s executive

officers serve as a member of the Compensation and Benefits Committee or Board of Directors of any entity that has an executive officer serving as a member of the Compensation and Benefits Committee or Board of Directors of the Corporation.

Report on Executive Compensation

Compensation and Benefits Committee and Approach to Executive Compensation

The Compensation and Benefits Committee is established by the Board to assist the Board in fulfilling its responsibilities relating to compensation issues and human resources. The members of the Compensation and Benefits Committee are all independent directors. The Compensation and Benefits Committee ensures that the Corporation has an executive management compensation plan that is both competitive and motivational so that it will attract, retain and inspire performance of its executive management of a quality and nature that will enhance the sustainable growth and success of the Corporation.

The Compensation and Benefits Committee reviews and recommends the compensation philosophy and guidelines for the Corporation which include reviewing, for recommendation to the Board, the compensation philosophy and guidelines, both for executive officers and relating to all employees, including annual salary and incentive policies and programs, and material changes to the Corporation s benefit programs. The Compensation Committee bases its recommendations on its compensation principles and on the performance of the individual and the Corporation. The Compensation and Benefits Committee annually reviews the cash compensation, performance and overall compensation package for each of the Corporation s executive officers. It makes recommendations to the Board concerning the base salary, bonus and equity incentive arrangements for the executive and senior officers. The basic philosophy underlying the Corporation s executive compensation program is that the interests of the Corporation s executive officers should be aligned as closely as possible with the interests of the Corporation and its shareholders as a whole. The approach to compensation policy reflects the Corporation s desire to provide a strong incentive to management to work as a team to achieve the Corporation s long term and short term goals. At the same time, the Corporation recognizes that, because competition in the mining industry for experienced and highly skilled employees is intense, the levels of compensation we offer must be comparable to those offered by our competitors in order to attract, retain and motivate executive personnel of the highest caliber.

The compensation of the Corporation s executive officers is comprised of three principal components - base salary, performance bonuses in cash or fully paid shares, and long term equity incentives. The Corporation does not maintain a pension plan or other long term compensation plan for its executive and senior officers. Executive and senior officers are eligible to participate in the Share Purchase Plan under the Corporation s Incentive Plan. At present, although the Corporation s executives are encouraged to do so, the Corporation does not formally maintain a share ownership expectation for executive officers.

Compensation for executives is established with reference to the disclosed compensation practices of companies in the Corporation s peer comparison group which is comprised of international industry-leading global mining companies. Annual salaries, performance bonuses and long-term incentives are established with reference to the fiftieth to seventy-fifth percentile compensation level of the Corporation s peer comparison group.

A number of the principles of executive compensation currently in practice by the Compensation and Benefits Committee were developed following (i) the engagement during 2005 of outside consultants who were retained to develop a justifiable compensation strategy for the Corporation's executives that supports business objectives and rewards experience and impact on organizational success; and (ii) an internal review by the Compensation and Benefits Committee during the past year. Consequently, the Compensation and Benefits Committee has determined that a more formalized approach to implementing the foregoing principles is required and expects to make further progress on this, with the assistance of outside consultants during 2007.

Base Salary

In determining the base salary for its executive officers, the Compensation and Benefits Committee places equal weight on the following factors: (i) the executive s overall performance; (ii) the experience level of the executive officer; (iii) the particular responsibilities related to the executive officer s position; and (iv) salaries paid by the Corporation s peer compensation group. Until recently, base salaries generally and bonuses in particular have been at the relatively low end of the scale compared to industry peers with a greater emphasis placed on options. Annual salaries are now targeted at the fiftieth to seventy-fifth percentile compensation level of the Corporation s peer comparison group. To ensure the Corporation continues to attract and retain qualified and experienced executive management, the Compensation and Benefits Committee reviews and adjusts salaries periodically. During 2006, as set out under Executive Compensation Summary Compensation Table above, a number of executives received such salary adjustments during 2006.

Bonus Payments

Executive officers are eligible for annual cash bonuses, after taking into account and giving equal weight to performance of the executive officer relative to individual performance objectives and the Corporation s performance and success in achieving its goals during the year. The performance criteria considered in determining performance bonus awards varies in accordance with the position and responsibilities of the executive being evaluated. The significant considerations in determining performance bonuses for executive officers include corporate development and organizational indicators as well as individual achievements that demonstrate an extraordinary contribution to corporate growth and success.

During 2006, the Compensation and Benefits Committee recognized the performance of individual executives, senior management and key employees in light of the foregoing compensation principles, and, in particular, the significant role played by certain key executives and employees in connection with the successful negotiations leading to Rio Tinto Mining and Exploration Limited s investment in, and strategic partnership with, the Corporation which was announced on October 18, 2006. Executives receiving awards by the Corporation on the recommendation of the Compensation and Benefits Committee in recognition of their extraordinary contributions made to the success of the Rio Tinto transactions, and/or for overall individual and corporate performance included Robert Friedland, the Corporation s Chairman and, until May 2006 the Chief Executive Officer, and Peter Meredith, the Corporation s Deputy Chairman and, until May 2006 the Chief Financial Officer, who each were awarded special bonuses of U.S.\$1 million. Mr. Friedland s bonus was paid by the issue of 107,991 Common Shares of the Corporation and Mr. Meredith received his bonus in cash. John Macken, CEO and President received a bonus of U.S.\$500,000. At the recommendation of the Compensation and Benefits Committee, the Board also awarded during 2006 an aggregate of U.S.\$1,000,000 in further bonuses to employees and executive officers, including cash

bonuses to Edward Flood, Deputy Chairman (until February 15, 2007) (U.S.\$150,000), Steve Garcia, Executive Vice President (U.S.\$100,000) and Tony Giardini, Chief Financial Officer (U.S.\$25,000).

Long Term Incentives

Under the Corporation s compensation philosophy, an equity incentive component in the form of options is a key part of the executives 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.

Equity based incentives awarded to our executive officers are based on the Compensation and Benefit Committee s evaluation of each executive officer s ability to influence our long-term success and to reward outstanding individual performance and contributions. The Compensation and Benefits Committee takes into account each executive s stock option position, peer comparison group benchmark and individual performance when determining how many new stock option grants will be made to an executive officer. Where appropriate, the Corporation includes performance-based criteria as a key component of stock option grants and during 2006 a number of stock option grants to key employees included vesting schedules that were based on the achievement of key milestones for the Corporation s development on which such key employee had the potential to positively impact. During 2006, the Corporation granted incentive stock options to employees, officers and directors exercisable to purchase a total of 8,549,000 Common Shares, representing approximately 2.3 per cent of the total number of Common Shares currently issued and outstanding on December 31, 2006. Included in these grants were stock options expiring on March 27, 2013 granted to John Macken in respect of 2,000,000 Common Shares, Robert M. Friedland in respect of 2,000,000 Common Shares, Peter Meredith in respect of 400,000 Common Shares, Edward Flood in respect of 300,000 Common Shares and Douglas Kirwin, Executive Vice-President Exploration, in respect of 100,000 Common Shares. The stock options issued to Messrs. Macken, Friedland, Meredith and Flood each vest as to 25% on grant, 20% on December 31, 2006, 15% on December 31, 2007, 15% on December 31, 2008 and the balance on December 31, 2009, subject to earlier vesting upon specific corporate goals being met by the Corporation. The stock options issued to Mr. Kirwin expire on May 23, 2011 and vest as to 20% on grant and thereafter as to 20% each over the following four years.

Chief Executive Officer Compensation

The Compensation and Benefits Committee periodically review 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. Based on the results of the Chief Executive Officer s evaluation, the committee recommends the Chief Executive Officer s overall compensation package to the Board.