

IVANHOE MINES LTD  
Form F-10/A  
December 17, 2010

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**As filed with the Securities and Exchange Commission on December 16, 2010.**

**Registration No. 333-169984**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**AMENDMENT NO. 1  
TO  
FORM F-10  
REGISTRATION STATEMENT UNDER  
THE SECURITIES ACT OF 1933**

**IVANHOE MINES LTD.**

*(Exact name of Registrant as specified in its charter)*

<b>Yukon, Canada</b> <i>(Province or other Jurisdiction of Incorporation or Organization)</i>	<b>1000</b> <i>(Primary Standard Industrial Classification Code Number)</i>	<b>Not Applicable</b> <i>(I.R.S. Employer Identification Number, if applicable)</i>
<b>Suite 654, 999 Canada Place, Vancouver, British Columbia, Canada V6C 3E1, (604) 688-5755</b> <i>(Address and telephone number of Registrant's principal executive offices)</i>		
<b>CT Corporation System</b> <b>111 Eighth Avenue, New York, NY 10011, (212) 894-8700</b> <i>(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)</i>		

**Copies to:**

**Beverly A. Bartlett  
Ivanhoe Mines Ltd.  
654-999 Canada Place  
Vancouver, B.C.  
Canada V6C 3E1  
(604) 688-5755**

**Paul L. Goldman  
Goodmans LLP  
355 Burrard Street  
Suite 1900  
Vancouver, B.C.  
V6C 2G8  
(604) 682-7737**

**Edwin S. Maynard  
Paul, Weiss, Rifkind,  
Wharton & Garrison LLP  
1285 Avenue of the  
Americas  
New York, New York  
10019-6064  
(212) 373-3000**

**Approximate date of commencement of proposed sale of the securities to the public:**

As soon as practicable after this Registration Statement becomes effective

**Province of British Columbia, Canada**

*(Principal jurisdiction regulating this offering)*

It is proposed that this filing shall become effective (check appropriate box below):

- A.  upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).
- B.  at some future date (check the appropriate box below)

1.  pursuant to Rule 467(b) on ( ) at ( ) (designate a time not sooner than 7 calendar days after filing).
2.  pursuant to Rule 467(b) on ( ) at ( ) (designate a time 7 calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on ( ).
3.  pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the Registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.
4.  after the filing of the next amendment to this Form (if preliminary material is being filed).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box.

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price <sup>(1)</sup>	Amount of registration fee <sup>(2)</sup>
Rights Common Shares			U.S. \$1,200,000,000	U.S. \$85,560

(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457 of the Securities Act of 1933.

(2) U.S. \$71,300 of such fee was previously paid upon the initial filing of this registration statement. The additional registration fee of U.S. \$14,260 is paid herewith.

If, as a result of stock splits, stock dividends or similar transactions, the number of securities purported to be registered on this registration statement changes, the provisions of Rule 416 shall apply to this registration statement.

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**PART I**

**INFORMATION REQUIRED TO BE DELIVERED TO OFFEREEES OR PURCHASERS**

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**IF YOU ARE A REGISTERED SHAREHOLDER AND RESIDENT IN A PROSPECTUS JURISDICTION, YOUR RIGHTS CERTIFICATE IS ENCLOSED.**

**PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 5:00 P.M. (TORONTO TIME) ON JANUARY 26, 2011.**

*This short form prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.*

*Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Ivanhoe Mines Ltd. at 654 999 Canada Place, Vancouver, British Columbia, V6C 3E1 (telephone (604) 681-6799), and are also available electronically at [www.sedar.com](http://www.sedar.com).*

**Final Short Form Prospectus**

**Rights Offering**

**December 16, 2010**

**IVANHOE MINES LTD.**

**Rights to Subscribe for Common Shares**

**at a Price of US\$13.88 per Common Share or Cdn\$13.93  
per Common Share**

Ivanhoe Mines Ltd. ( IVN , Ivanhoe , we , us , our , or the Company ) is issuing to all holders ( Shareholders ) of outstanding common shares ( Common Shares ) as at 5:00 p.m. (Toronto time) on December 31, 2010 (the Record Date ) rights ( Rights ) to subscribe for Common Shares (the Rights Offering ). A Shareholder is entitled to receive one Right for each Common Share held on the Record Date. As of the date of this Prospectus, there are 566,245,476 Common Shares outstanding. If all Rights issued based on the number of Common Shares outstanding as of the date of this Prospectus are exercised, an additional 84,936,821 Common Shares will be issued following the Expiry Date (as defined below). Additional Rights will be issued, and additional Common Shares will become issuable pursuant to the exercise of such Rights, if the number of Common Shares outstanding on the Record Date is greater than the number of Common Shares outstanding on the date of this Prospectus. The Rights are transferable and will be represented by rights certificates ( Rights Certificates ). Except as described below, only a holder of Rights with an address of record in any province or territory of Canada or the United States (a Prospectus Holder ) or a Qualified Holder (as defined below) is entitled to exercise Rights. For every 100 Rights held, a Prospectus Holder or a Qualified Holder will be entitled to subscribe for 15 Common Shares from January 5, 2011 (the Commencement Date ) until 5:00 p.m. (Toronto time) (the Expiry Time ) on January 26, 2011 (the Expiry Date ), at a price of, at the holder's choice, subject to any restrictions a Participant (as defined below) may impose, either US\$13.88 per Common Share or Cdn\$13.93 per Common Share (whether in United States dollars or Canadian dollars, the Subscription Price ). The United States dollar denominated Subscription Price was determined by reference to the 20 day volume weighted closing price of the Common Shares on the New York Stock Exchange (the NYSE ), and such a price is equal to approximately a 43% discount to the weighted average closing price per Common Share on the NYSE over the 5 trading days prior to December 16, 2010, and the Canadian dollar denominated Subscription Price is a price equal to the Canadian dollar equivalent of the United States dollar Subscription Price based on the Bank of Canada noon

buying rate (the Noon Buying Rate ) on December 15, 2010. No fractional Common Shares or cash in lieu thereof will be issued. Where the exercise of Rights would otherwise entitle a holder thereof (each, a Subscriber and, collectively, Subscribers ) to fractional Common Shares, the Subscriber s entitlement will be reduced to the next lowest whole number of Common Shares.

*The Lead Dealer Manager for the Rights Offering is:*

**Citi**

*The Co-Dealer Managers for the Rights Offering are:*

**BMO Capital Markets**

**CIBC**

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**If the Rights Offering does not proceed, the aggregate Subscription Price paid for the Rights exercised (the Subscription Payments and, with respect to each Subscriber, the Subscription Payment ) will be returned promptly to the Subscribers by the Subscription Agent without interest or deduction.**

**There is no standby commitment or additional subscription privilege with respect to Common Shares underlying unsubscribed Rights as part of this Rights Offering.**

**The Rights Offering is not subject to any minimum subscription level.**

Rights not exercised by the Expiry Time on the Expiry Date will be void, of no value and no longer exercisable for any Common Shares. If the Rights Offering is completed, a Shareholder's percentage interest in IVN will be substantially diluted upon the exercise of Rights by other Shareholders unless such Shareholder exercises its Rights. See RISK FACTORS Risks Related to the Rights Offering Dilution. Any subscription for Common Shares will be irrevocable once submitted, subject to Canadian statutory withdrawal rights arising in certain limited circumstances, such as the filing of an amendment to the Prospectus.

The Company has received conditional approval from the Toronto Stock Exchange (the TSX) for the listing on the TSX of the Rights and the Common Shares issuable upon the exercise of the Rights. Similar approvals have been received from the NYSE and the Nasdaq Stock Market (NASDAQ) to admit the Rights for trading and list the Common Shares issuable upon the exercise of Rights. Listing of the Rights and the Common Shares underlying the Rights on the TSX, NYSE and NASDAQ is subject to IVN fulfilling all of the listing requirements of the TSX, NYSE and NASDAQ, respectively. Provided IVN fulfills all such requirements, the Rights will be listed or admitted for trading, as applicable, on the TSX on January 4, 2011, and on the NYSE and NASDAQ on January 6, 2011. The Rights will cease trading on the TSX at noon (Toronto time) on the Expiry Date, and on the NYSE and NASDAQ at the close of trading (New York time) on the day immediately preceding the Expiry Date.

*Under applicable Canadian securities laws, the Company may be considered a connected issuer of the Lead Dealer manager.* The Lead Dealer Manager and certain of its affiliates have provided, currently are providing and may in the future provide various investment banking, financial advisory, commercial lending and other services to the Company and/or its affiliates. These include certain loans to and related transactions with Mr. Robert Friedland under the Friedland Agreements (as defined herein) and certain advisory services to the Company for which Citigroup Global Markets Inc. will receive an amount equal to a minimum of 1.5% and a maximum of 2.0%, subject to the aggregate level of participation of Prospectus Holders and Qualified Holders in the Rights Offering, of the Subscription Payments received by the Company pursuant to the Rights Offering (payable in U.S. dollars), less the US\$3,000,000 Lead Dealer Manager Fee. See PLAN OF DISTRIBUTION and RELATIONSHIPS BETWEEN THE COMPANY AND THE DEALER MANAGERS for more details on the relationship between the Lead Dealer Manager and the Company.

This Prospectus qualifies the distribution of the Rights and the Common Shares issuable upon the exercise of the Rights (together, the Offered Securities). This Prospectus also covers the offer and sale of the Offered Securities within the United States under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act).

**Subscription Price: US\$13.88 per Common Share or Cdn\$13.93 per Common Share**

**Dealer Manager      Proceeds to**

	<b>Subscription Price</b>	<b>Fees(1)(2)(3)</b>	<b>IVN(3)(4)</b>
Per Common Share	US\$13.88/Cdn\$13.93	US\$0.0412	US\$13.8388
Maximum Subscription Proceeds(5)	US\$1,178,923,075 (Cdn\$1,183,169,917)	US\$3,500,000	US\$1,175,423,075

- (1) IVN has engaged Citigroup Global Markets Inc. as lead dealer manager (the **Lead Dealer Manager**) and each of BMO Nesbitt Burns Inc. and CIBC World Markets Inc. as co-dealer managers (each, a **Co-Dealer Manager**, and together with the Lead Dealer Manager, the **Dealer Managers**) to organize and participate in the solicitation in certain jurisdictions of the exercise of Rights. Affiliates of the Lead Dealer Manager, including Citigroup Global Markets Canada Inc., will solicit the exercise of Rights in certain jurisdictions. IVN has agreed to pay the Lead Dealer Manager a fee of US\$3,000,000 for acting as Lead Dealer Manager (the **Lead Dealer Manager Fee**) and each of the Co-Dealer Managers a fee of US\$250,000 for acting as Co-Dealer Managers (in the aggregate, the **Co-Dealer Manager Fee**, and together with the Lead Dealer Manager Fee, the **Dealer Manager Fees**).
- (2) As further described in **PLAN OF DISTRIBUTION** and **RELATIONSHIPS BETWEEN THE COMPANY AND THE DEALER MANAGERS**, the Lead Dealer Manager and certain of its affiliates have provided, currently are providing and may in the future provide various investment banking, financial advisory, commercial lending and other services to the Company and/or its affiliates, including certain loans and related transactions to Mr. Robert Friedland under the Friedland Agreements (as defined herein) and certain advisory services for which Citigroup Global Markets Inc. will receive an amount equal to a minimum of 1.5% and a maximum of 2.0%, subject to the aggregate level of participation of Prospectus Holders and Qualified Holders in the Rights Offering, of the Subscription Payments received by the Company pursuant to the Rights Offering (payable in U.S. dollars), less the US\$3,000,000 Lead Dealer Manager Fee. This amount is not reflected in this table.
- (3) The Dealer Manager Fee per Common Share has been calculated with reference to the number of Common Shares outstanding on the date of this Prospectus; these fees are subject to adjustment in the event that the number of Common Shares outstanding on the Record Date is greater than the number of Common Shares outstanding as of this date.
- (4) Assuming the exercise of all the Rights and the payment of the US\$3,500,000 Dealer Manager Fees to the Dealer Managers, but before deducting expenses and fees payable relating to the Rights Offering, estimated to be approximately US\$21,100,000, which is payable by the Company. See **PLAN OF DISTRIBUTION**.
- (5) The proceeds were calculated using the United States dollar Subscription Price and the number of Common Shares outstanding as of the date of this Prospectus. Actual proceeds to IVN will vary depending upon the relative amounts of Subscription Payments received by IVN in United States dollars and Canadian dollars and upon the exchange rate between United States dollars and Canadian dollars, as well as the actual number of Common Shares outstanding on the Record Date.
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IVN's head office is located at 654 999 Canada Place, Vancouver, British Columbia, Canada, V6C 3E1 and its registered office is located at 300 204 Black Street, Whitehorse, Yukon, Canada, Y1A 2M9.

**If the Rights are listed on the TSX and admitted for trading on the NYSE and NASDAQ, there can be no assurance that an active trading market will develop in the Rights. To the extent an active trading market does not develop, the pricing of the Rights in the secondary market, the transparency and availability of trading prices and the liquidity of the Rights may be adversely affected. See RISK FACTORS Risks Related to the Rights Offering No prior trading market for Rights .** The outstanding Common Shares are listed on the TSX, NYSE and NASDAQ, under the symbol IVN . The closing price for the Common Shares on the TSX on December 15, 2010 was Cdn\$24.62 per Common Share (US\$24.53, based on the Noon Buying Rate on December 15, 2010), and the closing price for the Common Shares on the NYSE and NASDAQ on December 15, 2010 was US\$24.36 per Common Share (Cdn\$24.45, based on the Noon Buying Rate on December 15, 2010).

IVN has been informed by Mr. Robert Friedland that he and entities controlled by him, who collectively hold 86,881,622 Common Shares representing 15.34% of the issued and outstanding Common Shares, intend to fully exercise all of the Rights issued to each of them, subject to financing and an absence of any material adverse change to the Company. Mr. Robert Friedland has entered into a loan agreement (the Loan Agreement ), subject to certain conditions precedent, with Citibank, N.A. ( Citibank ), an affiliate of the Lead Dealer Manager. Concurrently with entering into the Loan Agreement, Mr. Friedland has entered into a cash-settled contract (the Cash-Settled Contract ) with Citibank which provides a collar with reference to approximately 12 million Common Shares, subject to certain adjustments pursuant to the Cash-Settled Contract (together, the Loan Agreement and the Cash-Settled Contract are hereinafter referred to as the Friedland Agreements ). Each of the Friedland Agreements is a separate transaction from the Rights Offering, entered into by Citibank and Mr. Friedland. The Friedland Agreements will facilitate the participation of Mr. Friedland in the Rights Offering. See RISK FACTORS Risks Related to this Offering Hedging transactions undertaken by Citibank in connection with the Cash-Settled Contract may affect the trading price of our Common Shares .

The Company, after reasonable inquiry, believes that certain insiders of the Company, other than Mr. Robert Friedland and Rio Tinto International Holdings Limited ( Rio Tinto ), intend to exercise Rights to purchase an aggregate of approximately 576,188 Common Shares. See INTENTION OF INSIDERS TO EXERCISE RIGHTS .

CIBC Mellon Trust Company (the Subscription Agent ), an affiliate of one of the Co-Dealer Managers, at its principal office in the City of Toronto (the Subscription Office ), is the subscription agent and depository for this Rights Offering. See DETAILS OF THE RIGHTS OFFERING Subscription Agent and Depository .

The Company will mail or cause to be mailed to each Shareholder holding Common Shares in registered form (a Registered Shareholder and, collectively, the Registered Shareholders ) that resides in any province or territory of Canada or the United States (collectively referred to as Prospectus Jurisdictions ) a Rights Certificate evidencing the number of Rights issued to the holder thereof, together with a copy of this Prospectus. Registered Shareholders will be presumed to be resident in the place of their address of record, unless the contrary is shown to the Company's satisfaction. In order to exercise the Rights represented by the Rights Certificate, a Prospectus Holder or a Qualified Holder must complete and deliver Form 1 of the Rights Certificate to the Subscription Agent in the manner and upon the terms set out in this Prospectus. See DETAILS OF THE RIGHTS OFFERING Common Shares Held in Registered Form . For Registered Shareholders that reside in any jurisdiction other than the Prospectus Jurisdictions (each other jurisdiction, a Non-Prospectus Jurisdiction ), the Company will mail or cause to be mailed a copy of this Prospectus together with a letter advising them that their Rights Certificates will be held by the Subscription Agent as agent for the benefit of all such Registered Shareholders. Registered Shareholders that wish to be recognized as Qualified Holders (as such term is defined below) must contact the Subscription Agent at the earliest possible time,

but in no event after 4:30 p.m. (Toronto time) on January 14, 2011, in order to satisfy the Company that such holders are Qualified Holders. From and after January 17, 2011, the Subscription Agent will attempt to sell the Rights of registered Non-Prospectus Holders that have not demonstrated that they are Qualified Holders, on such date or dates and at such price or prices and in such markets as the Subscription

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Agent determines in its sole discretion. See **DETAILS OF THE RIGHTS OFFERING – Non-Prospectus Holders** .

For Common Shares held through a securities broker or dealer, bank or trust company or other custodian (each, a Participant ) that participates directly or indirectly in the book-based system administered by CDS Clearing and Depository Services Inc. ( CDS ) or in the book-based system administered by the Depository Trust Company ( DTC ), a Prospectus Holder or a Qualified Holder may exercise the Rights issued in respect of such Common Shares by:

- (a) instructing the Participant holding such Rights to exercise all or a specified number of such Rights, and
- (b) forwarding to such Participant the Subscription Price for each Common Share that such holder wishes to subscribe for in accordance with the terms of this Rights Offering. We refer to Participants in CDS as CDS Participants and to Participants in DTC as DTC Participants .

Holders that wish to exercise Rights issued in respect of Common Shares held through a Participant should contact such Participant to determine how Rights may be exercised. The entire Subscription Price for any Rights exercised must be paid at the time of subscription and must be received by the Subscription Agent at the Subscription Office prior to the Expiry Time on the Expiry Date. **Accordingly, Subscribers must provide the Participant holding their Rights with instructions and the required payment sufficiently in advance of the Expiry Date to permit proper exercise of their Rights.** Participants will have an earlier deadline for receipt of instructions and payment. See **DETAILS OF THE RIGHTS OFFERING – Common Shares Held In Book-Entry Form** .

If your Rights are held of record through DTC, you may exercise these Rights through the DTC's PSOP function by instructing DTC to charge your applicable DTC account for the Subscription Payment for the Common Shares and deliver such amount to the Subscription Agent. We note, however, that if Rights are held through a DTC Participant, the holder of such Rights may not be able to exercise such Rights in Canadian dollars and such holder should contact its DTC Participant if it wishes to submit any Subscription Payment in Canadian dollars. The Subscription Agent must receive the required subscription documents, including the Subscription Payment for the Common Shares sufficiently in advance of the Expiry Time on the Expiry Date to permit proper exercise of Rights. See **DETAILS OF THE RIGHTS OFFERING – Common Shares Held In Book-Entry Form – DTC** .

The Offered Securities are not qualified under the securities laws of any Non-Prospectus Jurisdiction and Rights may not be exercised by or on behalf of a holder of Rights resident in a Non-Prospectus Jurisdiction (a Non-Prospectus Holder ), except under the circumstances where the Company determines, in its sole discretion, that the offering to and subscription by such person (each, a Qualified Holder ) is lawful and in compliance with all securities and other laws applicable in the Non-Prospectus Jurisdiction where such person is resident. See **DETAILS OF THE RIGHTS OFFERING – Non-Prospectus Holders** .

As a condition to a purchase of any Common Shares in the Rights Offering, each Subscriber other than a Qualified Holder will be deemed to have represented and warranted that it is resident in a Prospectus Jurisdiction, and this representation and warranty will be relied upon by us, the Lead Dealer Manager and its affiliates, the Co-Dealer Managers and the Subscription Agent.

We reserve the right to treat as invalid any exercise or purported exercise of any Rights in the Rights Offering that appears to us to have been exercised, effected or dispatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if we believe, or our agents believe, that the same may violate or be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representation and warranty that a holder exercising its Rights is resident in a Prospectus Jurisdiction, as described herein.

Holders of Rights that reside outside of Canada or the United States and any persons (including any Participants) that have a contractual or legal obligation to forward this document to a jurisdiction outside a Prospectus Jurisdiction should read the section entitled **DETAILS OF THE RIGHTS OFFERING – Non-Prospectus Holders** .

**This Rights Offering is made by a Canadian issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare this Prospectus in accordance with the disclosure requirements of Canada. Prospective investors should be aware that those requirements are different from those of the United States.**

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**The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is organized under the laws of the Yukon Territory, Canada, that many of our directors and officers, and some or all of the experts named in this Prospectus, are residents of Canada or otherwise reside outside the United States, and that a substantial portion of the assets of the Company and of said persons are located outside the United States. See Enforcement of Civil Liabilities .**

**THE OFFERED SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE SEC ) OR ANY STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

**Prospective investors should be aware that the acquisition or disposition of the securities described in this Prospectus and the expiry of an unexercised Right may have tax consequences in Canada, the United States, or elsewhere, depending on each particular prospective investor's specific circumstances. Such consequences for investors that are resident in, or citizens of, the United States may not be described fully herein. Prospective investors should consult their own tax advisors with respect to such tax considerations.**

Certain legal matters relating to Canadian law in connection with the Rights Offering will be passed upon on our behalf by Goodmans, Vancouver, British Columbia and Goodmans LLP, Toronto, Ontario, and on behalf of the Dealer Managers by McMillan LLP, and certain legal matters relating to United States law will be passed upon on our behalf by Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York and on behalf of the Dealer Managers by Cleary Gottlieb Steen & Hamilton LLP, New York, New York.

**Investments in Rights and Common Shares underlying such Rights are subject to a number of risks. The risk factors outlined herein and incorporated by reference in this Prospectus should be carefully reviewed and considered by prospective purchasers in connection with an investment in Rights or the Common Shares underlying such Rights. See RISK FACTORS .**

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**WHERE YOU CAN FIND MORE INFORMATION**

We have filed with the SEC under the U.S. Securities Act a registration statement on Form F-10 relating to the Offered Securities being offered hereunder and of which this Prospectus forms a part. This Prospectus, which constitutes part of the registration statement, does not contain all of the information set forth in such registration statement, certain items of which are contained in the exhibits to the registration statement as permitted or required by the rules and regulations of the SEC. Items of information omitted from this Prospectus but contained in the registration statement will be available on the SEC's website at [www.sec.gov](http://www.sec.gov).

We file with the securities commissions or similar authorities in each of the provinces and territories of Canada (the Canadian Securities Authorities) material change, annual and quarterly reports and other information. We are subject to the informational requirements of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act), and,

in accordance with the Exchange Act, we also file certain reports with and furnish other information to the SEC. You may read any document we file with or furnish to the SEC at the SEC's public reference room at Room 1580, 100 F Street N.E., Washington, D.C. 20549. You may also obtain copies of the same documents from the public reference room of the SEC at 100 F Street, N.E., Washington, D.C. 20549 by paying a fee. Please call the SEC at 1-800-SEC-0330 or contact them at [www.sec.gov](http://www.sec.gov) for further information on the public reference rooms.

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You may also access our disclosure documents and any reports, statements or other information that we file with the Canadian Securities Authorities through the Internet on the Canadian System for Electronic Document Analysis and Retrieval, which is commonly known by the acronym SEDAR and which may be accessed at [www.sedar.com](http://www.sedar.com). SEDAR is the Canadian equivalent of the SEC's Electronic Document Gathering Analysis and Retrieval System, which is commonly known by the acronym EDGAR and which may be accessed at [www.sec.gov](http://www.sec.gov).

## **ENFORCEABILITY OF CIVIL LIABILITIES**

The Company is a corporation existing under the Business Corporations Act (Yukon). Many of the Company's directors and officers, and some of the experts named in this Prospectus, are residents of Canada or otherwise reside outside the United States and all or a substantial portion of their assets, as well as a substantial portion of the Company's assets, are located outside the United States. The Company will appoint an agent for service of process in the United States, but it may be difficult for holders of Common Shares that reside in the United States to effect service within the United States upon those directors, officers and experts that are not residents of the United States. It may also be difficult for holders of Common Shares that reside in the United States to realize in the United States upon judgments of courts of the United States predicated upon the Company's civil liability and the civil liability of its directors, officers and experts under the U.S. federal securities laws. The Company has been advised by its Canadian counsel, Goodmans, that a judgment of a U.S. court predicated solely upon civil liability under U.S. federal securities laws or the securities or blue sky laws of any state within the United States, would probably be enforceable in Canada if the U.S. court in which the judgment was obtained assumed jurisdiction on the same basis that a court in Canada would assume jurisdiction. The Company has also been advised by Goodmans, however, that there is substantial doubt whether an action could be maintained in Canada in the first instance on the basis of liability predicated solely upon U.S. federal securities laws.

The Company has filed with the SEC, concurrently with its registration statement on Form F-10 of which this Prospectus is a part, an appointment of agent for service of process on Form F-X. Under the Form F-X, the Company has appointed CT Corporation System as its agent for service of process in the United States in connection with any investigation or administrative proceeding conducted by the SEC, and any civil suit or action brought against or involving the Company in a U.S. court arising out of or related to or concerning the offering of the securities under this Prospectus.

## **CAUTIONARY NOTE TO UNITED STATES INVESTORS**

This Prospectus has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Unless otherwise indicated, all reserve and resource estimates included or incorporated by reference in this Prospectus have been prepared in accordance with Canadian National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ( NI 43-101 ), and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves ( CIM Definition Standards ). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 permits the disclosure of a historical estimate made prior to the adoption of NI 43-101 that does not comply with NI 43-101 using the historical terminology if the disclosure: (a) identifies the source and date of the historical estimate; (b) comments on the relevance and reliability of the historical estimate; (c) states whether the historical estimate uses categories other than those prescribed by NI 43-101 and, if so, includes an explanation of the differences; and (d) includes any more recent estimates or data available.

Canadian standards, including NI 43-101, differ significantly from the requirements of the SEC, and reserve and resource information contained or incorporated by reference in this Prospectus may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term



resource does not equate to the term reserves . Under U.S. standards, mineralization may not be classified as a reserve unless the determination has been made that the

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mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning measured mineral resources, indicated mineral resources or inferred mineral resources or other descriptions of the amount of mineralization in mineral deposits that do not constitute reserves by U.S. standards in documents filed with the SEC. U.S. investors should also understand that inferred mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimated inferred mineral resources may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of contained ounces in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute reserves by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of reserves are also not the same as those of the SEC, and reserves reported by Ivanhoe in compliance with NI 43-101 may not qualify as reserves under SEC standards. Accordingly, information concerning mineral deposits set forth herein and in the documents incorporated herein by reference may not be comparable with information made public by companies that report in accordance with U.S. standards.

See pages 5 to 8 of the Company's AIF (as defined herein) for the year ended December 31, 2009 filed on SEDAR at www.sedar.com and filed on EDGAR at www.sec.com for a description of certain mining terms used in this Prospectus and the documents incorporated by reference herein.

**CURRENCY AND EXCHANGE RATE INFORMATION**

In this Prospectus, all funds are quoted in United States dollars unless otherwise indicated. References to \$ and US\$ are to United States dollars and references to Cdn\$ are to Canadian dollars. The Noon Buying Rate for the purchase of one United States dollar using Canadian dollars was as follows during the indicated periods:

	Quarter Ended			Year Ended December 31		
	Sept. 30, 2010	June 30, 2010	Mar. 31, 2010	2009	2008	2007
	(Stated in Canadian dollars)					
End of period	1.0298	1.0606	1.0156	1.0466	1.2246	0.9881
High for the period	1.0660	1.0778	1.0734	1.3000	1.2969	1.1853
Low for the period	1.0158	0.9961	1.0113	1.0292	0.9719	0.9170
Average for the period	1.0391	1.0276	1.0401	1.1420	1.0660	1.0748

The Noon Buying Rate on December 15, 2010 for the purchase of one United States dollar using Canadian dollars was Cdn\$1.0035 (one Canadian dollar on that date equalled US\$0.9965).

**DOCUMENTS INCORPORATED BY REFERENCE**

**You should read this Prospectus along with the documents incorporated by reference herein. We have prepared the information contained in this Prospectus, any free writing prospectus and the documents incorporated by reference herein. Neither we, the Lead Dealer Manager, any of its affiliates nor the Co-Dealer Managers have authorized anyone to provide you with any other information and we take no responsibility for other information others may give you. Neither we, the Lead Dealer Manager, any of its affiliates nor the Co-Dealer Managers are making an offer to sell the Offered Securities in any jurisdiction where the offer or**

**sale is not permitted. You should not assume that the information contained in this Prospectus, any free writing prospectus or the documents incorporated by reference herein is accurate as of any date other than their respective dates.**

**Information has been incorporated by reference in this Prospectus from documents filed with the Canadian Securities Administrators.** Under the multijurisdictional disclosure system adopted by the

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United States and Canada, the SEC and the Canadian Securities Authorities allow us to incorporate by reference certain information we file with them, which means that we can disclose important information to you by referring you to those documents. Information that is incorporated by reference is an important part of this Prospectus. We incorporate by reference the documents listed below, which were filed with the Canadian Securities Authorities under applicable Canadian securities laws and, subject to certain exceptions, with the SEC.

The following documents are specifically incorporated by reference in and form an integral part of this Prospectus:

- (a) our annual information form for the year ended December 31, 2009, dated March 31, 2010 (the "AIF");
- (b) our audited comparative consolidated financial statements for the years ended December 31, 2009 and 2008, together with the notes thereto and the auditor's reports thereon (the "Annual Financial Statements");
- (c) our unaudited interim comparative consolidated financial statements for the nine-month period ended September 30, 2010, together with the notes thereto (the "Interim Financial Statements");
- (d) management's discussion and analysis of financial condition and operations of IVN for the year ended December 31, 2009;
- (e) management's discussion and analysis of financial condition and operations of IVN for the nine-month period ended September 30, 2010;
- (f) our management information circular dated September 21, 2009 prepared in connection with a special meeting of Shareholders scheduled to be held on October 20, 2009, which was subsequently cancelled;
- (g) our management information circular dated April 5, 2010 prepared in connection with the annual and special meeting of Shareholders held on May 7, 2010;
- (h) our material change report dated April 6, 2010 respecting our adoption of a shareholders' rights plan, as filed on SEDAR on April 6, 2010;
- (i) our material change report dated April 9, 2010 respecting the fulfillment of all conditions precedent under the Investment Agreement (as defined therein), as filed on SEDAR on April 9, 2010;
- (j) our material change report dated April 22, 2010 respecting the amendment and restatement of the shareholders' rights plan, as filed on SEDAR on April 23, 2010;
- (k) our material change report dated May 21, 2010 respecting the development of a new Integrated Development Plan for the Company's copper and gold exploration and development project at Oyu Tolgoi in Mongolia (the "Oyu Tolgoi Project"), as filed on SEDAR on May 21, 2010;
- (l) our material change report dated October 22, 2010 respecting the announcement of the Rights Offering, as filed on SEDAR on October 22, 2010;
- (m) our material change report dated December 13, 2010 respecting the announcement of a heads of agreement (the "Heads of Agreement") with Rio Tinto dated December 8, 2010 providing for, inter alia, Rio Tinto's support of the Rights Offering and a comprehensive series of transactions intended to, among other things, provide funding for the Oyu Tolgoi Project, as filed on SEDAR on December 13, 2010; and

(n) our material change report dated December 14, 2010 respecting the announcement of the 2011 capital budget for the Oyu Tolgoi Project, as filed on SEDAR on December 14, 2010.

Any document of the types referred to above (excluding confidential material change reports) filed by us with a securities commission or similar authority in Canada after the date of this Prospectus and prior to the closing of the Rights Offering hereunder, and any other document required to be incorporated by reference pursuant to Item 11.2 of Form 44-101F1 *Short Form Prospectus*, will be deemed to be incorporated by

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reference in this Prospectus. In addition, to the extent that any document or information incorporated by reference in this Prospectus is included in any report on Form 6-K, Form 40-F, Form 20-F, Form 10-K, Form 10-Q or Form 8-K (or any respective successor form) that is filed with or furnished to the SEC after the date of this Prospectus, such document or information shall be deemed to be incorporated by reference as an exhibit to the registration statement of which this Prospectus forms a part. In addition, we may incorporate by reference into this Prospectus information from documents that we file with or furnish to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act.

**Any statement contained in this Prospectus or in a document incorporated, or deemed to be incorporated, by reference in this Prospectus shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained in the Prospectus or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference in this Prospectus modifies, replaces or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus.**

Copies of the documents incorporated in this Prospectus by reference may be obtained on request without charge from the Vice President and Corporate Secretary of Ivanhoe at Suite 654, 999 Canada Place, Vancouver, British Columbia, V6C 3E1, Telephone: (604) 331-9803.

## **FORWARD-LOOKING STATEMENTS**

Certain statements made in this Prospectus and in the documents incorporated herein by reference, including statements relating to matters that are not historical facts and statements of our beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute forward-looking information within the meaning of applicable Canadian securities legislation and forward-looking statements within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking information and statements are typically identified by words such as anticipate , could , should , expect , seek , may intend , likely , plan , estimate , will , believe and similar expressions suggesting future outcomes or statements of an outlook. These include, but are not limited to, statements respecting:

anticipated business activities;

planned expenditures;

corporate strategies;

proposed acquisitions and dispositions of assets;

discussions with third parties respecting material agreements;

mining plans for the Oyu Tolgoi Project and the schedule for carrying out and completing construction of the Oyu Tolgoi Project;

the estimated schedule and cost of bringing the Oyu Tolgoi Project into commercial production;

the ability of IVN to arrange acceptable financing commitments for the Oyu Tolgoi Project, including the OT Project Financing (as defined in the section entitled HEADS OF AGREEMENT WITH RIO TINTO );

implementation of the transactions contemplated by the Heads of Agreement;

anticipated future production and cash flows;

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target milling rates, mining plans and production forecasts for the coal mine at Ovoot Tolgoi, Mongolia (the Ovoot Tolgoi Coal Project );

the schedule for carrying out and completing an expansion of the production capability of the Ovoot Tolgoi Coal Project;

anticipated outcomes with respect to the ongoing marketing of coal products from the Ovoot Tolgoi Coal Project;

the anticipated timing of payback of capital invested in the Ovoot Tolgoi Coal Project;

the impact of arbitration proceedings with Rio Tinto;

the impact of amendments to the laws of Mongolia and other countries in which IVN carries on business, particularly with respect to taxation;

the anticipated timing, cost and outcome of plans to continue the development or disposal of non-core projects; and

other statements that are not historical facts.

All such forward-looking information and statements are based on certain assumptions and analyses made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements are included in the section "RISK FACTORS" of this Prospectus.

The reader is cautioned not to place undue reliance on forward-looking information or statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predicted outcomes will not occur. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. You should carefully consider the matters discussed under "RISK FACTORS" included and incorporated by reference in this Prospectus.

This Prospectus also contains references to estimates of mineral reserves and mineral resources. The estimation of reserves and resources is inherently uncertain and involves subjective judgments about many relevant factors. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable. There can be no assurance that these estimates will be accurate or that such mineral reserves and mineral resources can be mined or processed profitably. Mineral resources that are not mineral reserves do not have demonstrated economic viability.