
UNDERWRITING

UNDERWRITERS

Hong Kong Underwriters

Citigroup Global Markets Asia Limited
Macquarie Capital Securities Limited
CLSA Limited
ICBC International Securities Limited
Platinum Securities Company Limited

International Underwriters

Citigroup Global Markets Limited
Macquarie Capital Securities Limited
CLSA Limited
ICBC International Securities Limited
Platinum Securities Company Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 2,700,000 Hong Kong Offer Shares (subject to adjustment) for subscription by way of Hong Kong Public Offering at the Offer Price on and subject to the terms and conditions of this prospectus and the Application Forms.

Subject to the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the International Offering and the Canadian Offering as mentioned herein and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have severally agreed to subscribe or procure subscriptions for their respective applicable proportions of the Hong Kong Offer Shares now being offered and which are not taken up under the Hong Kong Public Offering on the terms and conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional.

Grounds for termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscriptions for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination if, at any time prior to 8:00 a.m. on the Listing Date:

- either (i) there has been a breach of any of the obligations or undertakings of either the Hong Kong Underwriting Agreement or the International Underwriting Agreement by our Company; or (ii) any of the representations and warranties given by our Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable, is (or would when repeated be) untrue, incorrect or misleading in any respect;
- any statement contained in this prospectus, the Application Forms or the formal notice or any announcements in the agreed form issued by our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was or has become or been

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discovered to be untrue, incorrect or misleading in any material respect, or any forecasts, expressions of opinion, intention or expectation expressed in this prospectus, the Application Forms or the formal notice are not, in all material respects, fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions, when taken as a whole; or

- any of our reporting accountants, our property valuer, our technical experts, our industry experts, or any of our counsels has withdrawn its respective consent to the issue of this prospectus with the inclusion of its reports, letters, summaries of valuations and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- approval in principle from the Stock Exchange granting the listing of, and permission to deal in, the Offer Shares, including any additional Shares sold pursuant to the exercise of the Over-allotment Option, the Shares in issue and any Shares which may be issued upon the exercise of options granted pursuant to the EIP, is refused or not granted, on or before the listing approval date, or if granted, the approval is subsequently withdrawn, qualified or withheld; or
- our Company withdraws any of this prospectus, the Application Forms, the preliminary offering circular or the final offering circular or the International Offering; or
- any material adverse change in the business, assets, liabilities, conditions, business affairs, prospects, profits, losses or the financial or trading position or performance or management of our Company or our any member of our Group; or
- there develops, occurs, exists, happens or comes into effect any change or development involving a prospective change or development, or any event or series of events, matters or circumstances likely to result in a change or development, or prospective change or development, concerning or relating to:
 - (1) any local, national, regional or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and interbank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies) in or affecting Hong Kong, Canada, Mongolia, the PRC, the United States, the United Kingdom, Japan or the European Union (or any member thereof) (each a “Relevant Jurisdiction”); or
 - (2) any new law or regulation or any change in any existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority in or affecting any Relevant Jurisdiction; or
 - (3) (A) any event or series of events in the nature of force majeure (including, without limitation, acts of government, economic sanctions, strikes or lock-outs (whether or not covered by insurance), riots, fire, explosion, flooding, civil commotion, acts of war, acts of terrorism (whether or not responsibility has been claimed), acts of God, epidemic, outbreak of infectious disease, accident or interruption or delay in transportation), or (B) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other declaration of a national or international state of emergency or calamity or crisis, in the case of either (A) or (B), affecting any Relevant Jurisdiction; or

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- (4) (A) any suspension or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Stock Market, the TSX, the Hong Kong Stock Exchange, or the London Stock Exchange or (B) a general moratorium on commercial banking activities in Hong Kong, Toronto, the PRC, New York or London, declared by the relevant authorities, or a material disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services, in the case of either (A) or (B), in or affecting Hong Kong, Toronto, the PRC, New York or London; or
- (5) any taxation or any exchange control (or the implementation of any exchange control, currency exchange rates or foreign investment regulations) in any Relevant Jurisdiction adversely affecting an investment in the Shares; or
- (6) any litigation or claim being threatened or instigated against any member of our Group or any executive Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company or the commencement by any governmental, political or regulatory body of any action against any executive Director in his or her capacity as such or an announcement by any governmental, political or regulatory body that it intends to take any such action; or
- (7) any contravention by any member of the Group of the Companies Ordinance, any of the Canadian Securities Law or any of the Listing Rules; or
- (8) any event, act or omission which gives or is likely to give rise to any liability of our Company pursuant to the indemnities given by them under the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable; or
- (9) the issue or requirement to issue by our Company of a supplementary prospectus, Application Form, preliminary or final offering circular pursuant to the Companies Ordinance or the Listing Rules in circumstances where the matter to be disclosed is, in the sole opinion of the Joint Global Coordinators, materially adverse to the marketing for or implementation of the International Offering; or
- (10) the materialisation of any of the risks set out in the section headed “Risk Factors” in this prospectus; or
- (11) any demand by creditors for repayment of indebtedness or a petition is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (12) any matter that has arisen or has been discovered which would, had it arisen immediately before the date of this prospectus, not having been disclosed in this prospectus, constitute an omission therefrom;

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and which, with respect to any of clauses (1) through (14) above, in the absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- (A) is, will be or will likely be materially adverse to the general affairs, management, business or financial or trading position or prospects of our Company or our Group as a whole or to any present or prospective shareholder of our Company in its capacity as such; or
- (B) has, will have or will likely have a materially adverse effect on the success of the International Offering or the level of Offer Shares being applied for or accepted or subscribed for or purchased or the distribution of Offer Shares and/or make it impracticable, inadvisable or inexpedient for any material part of the Hong Kong Underwriting Agreement, the International Underwriting Agreement, the Hong Kong Public Offering or the International Placing to be performed or implemented as envisaged; or
- (C) makes or may make it impracticable, inadvisable or inexpedient to proceed with or to market the Hong Kong Public Offering and/or the International Placing or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus, the Application Forms, the formal notice or the offering circulars; or
- (D) would have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the International Offering or pursuant to the underwriting thereof,

then the Joint Global Coordinators, in their sole and absolute discretion, may, on behalf of the Hong Kong Underwriters, upon notifying the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings

Pursuant to Rule 10.08 of the Listing Rules, no further Shares or securities convertible into equity securities (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except in certain prescribed circumstances which includes the issue of Shares pursuant to the EIP.

Pursuant to the Hong Kong Underwriting Agreement, we have undertaken to the Joint Global Coordinators, the Sponsors and the Hong Kong Underwriters that, except pursuant to the International Offering (including pursuant to the Over-allotment Option) we will not, without the prior written consent of the Joint Global Coordinators (on behalf of the Hong Kong Underwriters), at any time from the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date:

- (i) offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, assign, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or repurchase any of our share capital or other securities of our Company or any interest therein (including, but not limited to any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, any such share capital or securities or any interest therein); or

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- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such share capital or securities or any interest therein; or
- (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or
- (iv) offer to or agree to enter into, any such transaction described in paragraphs (i), (ii) or (iii) above; whether any such transaction described in clauses (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities, in cash or otherwise.

Similar undertakings are expected to be given by us to the International Underwriters under the International Underwriting Agreement.

Deed of lock-up

Ivanhoe has entered into a deed of lock-up in favour of the Joint Global Coordinators (for themselves and on behalf of the other Hong Kong Underwriters), and Citigroup Global Markets Limited and Macquarie Capital Securities Limited (together the “Representatives”) (for themselves and on behalf of the other International Underwriters) on January 9, 2010, pursuant to which Ivanhoe has undertaken to each of the Joint Global Coordinators, the Representatives and the other Underwriters that, save in respect of the Option Shares which will not form part of the undertaking, from the date of this deed of lock-up up to and including the date falling six months from the Listing Date, it will not without the prior written consent of the Joint Global Coordinators (for themselves and on behalf of the Representatives and other Underwriters), (i) offer, pledge, charge, allot, sell, contract to allot, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, cause the Company to repurchase, either directly or indirectly, conditionally or unconditionally any of the share capital of the Company or any securities convertible into or exercisable or exchangeable for or that represent the right to receive such share capital; (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the share capital of the Company; (iii) offer or agree to enter into any transaction with the same economic effect described in limb (i) or (ii) above, whether any of the foregoing transactions described in limb (i), (ii) or (iii) above is to be settled by delivery of share capital or such other securities, in cash or otherwise; or (iv) agree or contract to, or publicly announce any intension to enter into, any transaction described in limb (i), (ii) or (iii) above. The foregoing restrictions are expressly agreed to include any of the capital of the Company or any securities convertible into or exercisable or exchangeable for or that represent the right to receive such capital which Ivanhoe owns or interested in as of the date of the Deed and any such capital or securities of which are subsequently acquired by Ivanhoe.

Ivanhoe has also undertaken to each of the Joint Global Coordinators, the Representatives and the other Underwriters that, save in respect of the Option Shares which will not form part of the undertaking, in the period of six months commencing on the date on which the six months period referred to above expires and including the date falling six months from the date of expiry of the six months period referred to above, it will not without the prior written consent of the Joint Global Coordinators (for themselves and on behalf of the Representatives and other Underwriters) (i) offer, pledge, charge, allot, sell, contract to allot, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, cause the Company to repurchase, either directly or indirectly, conditionally or unconditionally, any of capital of the Company or any securities convertible into or exercisable or exchangeable for or that represent the right to receive such capital; (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the capital of the Company;

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(iii) offer or agree to enter into any transaction with the same economic effect described in limb (i) or (ii) above, whether any of the foregoing transactions described in limb (i), (ii) or (iii) above is to be settled by delivery of capital or such other securities, in cash or otherwise; or (iv) agree or contract to, or publicly announce any intention to enter into, any transaction described in limb (i), (ii) or (iii) above, if, immediately following any of the foregoing transactions described in limb (i), (ii), (iii) or (iv) or upon the exercise or enforcement of such options, rights, interests or encumbrances in connection with any of the foregoing transactions described in limb (i), (ii), (iii) or (iv) that it would cease to be a controlling shareholder of the Company.

The aforementioned restrictions are expressly agreed to preclude Ivanhoe from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Shares owned, whether directly or indirectly, by Ivanhoe even if such Shares would be disposed of by someone other than Ivanhoe. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of Ivanhoe's Shares or with respect to any security that includes, relates to, or derives any significant part of its value from such Shares).

In accordance with Rule 10.07(1)(a) of the Listing Rules, Ivanhoe has undertaken to the Stock Exchange that, save in respect of the Option Shares which will not form part of the undertaking, except pursuant to the International Offering or the Over-allotment Option, (i) it will not, at any time during the period commencing from the Listing Date, and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interest or encumbrances in respect of, any of the Shares in respect of which it is shown by this prospectus to be the beneficial owner; and (ii) it will not, at any time during the period of six months from the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interest or encumbrances in respect of, any of our Shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would then cease to be the controlling shareholder (as defined under the Listing Rules) of our Company. The Option Shares, following completion of the Offerings, assuming full exercise of the Over-allotment Options, will represent 0.574% of the share capital of the Company. Ivanhoe will thus remain a controlling shareholder of the Company in the event of the purchase of the Option Shares by the third party.

We have applied for, and the Stock Exchange has granted, a waiver to us from strict compliance with Rule 10.07(1)(a) of the Listing Rules in respect of the Option Shares. See section headed "Waivers — Restrictions on Disposal of Shares" in this prospectus.

Note (2) of Rule 10.07 of the Listing Rules provides that the rule does not prevent a controlling shareholder (as defined under the Listing Rules) from using the shares owned by it as security (including a charge or a pledge) in favor of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Ivanhoe has further undertaken to the Stock Exchange that it will, within a period of 12 months from the Listing Date, immediately inform us and the Stock Exchange of:

- any pledges or charges of any Shares or securities of our Company beneficially owned by it in favor of any authorised institution as permitted under the Listing Rules, and the number of such Shares or securities of our Company so pledged or charged; and

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- any indication received by he/it, either verbal or written, from any pledgee or chargee of any Shares or other securities of our Company pledged or charged that any of such Shares or other share capital will be sold, transferred or disposed of.

We will also inform the Stock Exchange as soon as we have been informed of the above matters (if any) by Ivanhoe or their shareholders and disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible after being so informed by Ivanhoe or its shareholders.

International Placing

International Underwriting Agreement

In connection with the International Placing, our Company expects to enter into the International Underwriting Agreement with the International Underwriters, the Joint Bookrunners and the Joint Global Coordinators. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, severally agree to purchase the International Placing Shares or procure purchasers for the International Placing Shares. The International Underwriting Agreement is expected to provide that it may be terminated on grounds similar to those in as the Hong Kong Underwriting Agreement. Potential investors will be reminded that in the event that the International Underwriting Agreement is not entered into, the International Offering will not proceed. It is expected that pursuant to the International Underwriting Agreement, our Company will give undertakings similar to as those given pursuant to the Hong Kong Underwriting Agreement as described in “Underwriting Arrangements and Expenses — Hong Kong Public Offering — Undertakings”.

Under the International Underwriting Agreement, Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators (or its agent), for the accounts of the Joint Global Coordinators, on behalf of the International Underwriters at any time from the Listing Date, up to (and including) the date which is the 30th day after the last date for the lodging of Application Forms under the Hong Kong Public Offering, to require us to sell up to 15% of the number of Offer Shares under the International Offering (after giving effect to any reallocation between the International Placing and the Canadian Offering). Any reallocation will be effected in compliance with applicable laws and regulations. These Shares will be sold at the Offer Price. The flexibility to reallocate Shares between the International Placing and the Canadian Offering is expected to benefit both the Company and investors by allowing the Shares sold in such offerings to be allocated taking into consideration investor demand.

It is expected that Ivanhoe will undertake to the International Underwriters not to dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interest or encumbrances in respect of any of the Shares held by them in our Company for a period similar to such undertakings given by it pursuant to the Hong Kong Underwriting Agreement, which is described in “Underwriting Arrangements and Expenses — Hong Kong Public Offering — Undertakings”.

Canadian Offering

Canadian Underwriting Agreement

In addition to the International Offering, we expect to enter into a Canadian Underwriting Agreement with the Canadian Underwriters, as described in “Canadian Offering”. The Offer Shares are not qualified for sale in Canada and may not be offered and sold in Canada, or to persons ordinary resident in Canada directly or indirectly, on behalf of the Company. Any offering of Shares in Canada may only occur pursuant to the separate Canadian Offering.

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Underwriting Commission and Expenses

The Hong Kong Underwriters will receive a gross commission of 3.5% of the aggregate Offer Price payable for the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the International Underwriters and not the Hong Kong Underwriters. The commissions payable to the Underwriters will be borne by our Company in relation to the new Shares to be issued in relation to the International Offering. Our Company may also in our sole discretion pay any or all of the Joint Global Coordinators an additional incentive fee of up to 0.5% in the aggregate of the sale proceeds of the offer of Shares offered by us under the International Offering.

Sponsors' and Underwriters' interests in our Company

Citi served as the financial advisor to CIC on its investment into the Company, which was completed on November 19, 2009. Citi has recently been retained by Ivanhoe to evaluate and advise Ivanhoe on a range of strategic options including potential debt/equity offerings and merger and acquisition transactions. No specific transaction is being considered at this time. Citi is of the view that the services provided to Ivanhoe is not a significant business relationship within the meaning of Rule 3A.07(9) of the Listing Rules and does not give rise to a perception that Citi's role as a sponsor to the Company would be affected. In this regard, Citi considers itself to have satisfied the independence criteria set out in Rule 3A.07 of the Listing Rules.

In addition to having advised the Company on CIC's investment in the Company and on the divestment of the Company's 85% interest in the Mamahak Deposit to Kangaroo, certain affiliates of Macquarie advise Ivanhoe on certain corporate finance activities. Macquarie confirms that such affiliates are operated separately and independently from the advisory team for this listing. Macquarie is of the view that the services provided to Ivanhoe by its affiliates is not a significant current business relationship within the meaning of Rule 3A.07(9) of the Listing Rules and does not give rise to a perception that Macquarie's role as sponsor to the Company would be affected. In this regard, Macquarie considers itself to have satisfied the independence criteria set out in Rule 3A.07 of the Listing Rules.

Save as disclosed in this prospectus and other than pursuant to the Hong Kong Underwriting Agreement, none of the Hong Kong Underwriters has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Certain of the Underwriters or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and their affiliates, for which such Underwriters or their affiliates have received or will receive customary fees and commission.

Following the completion of the International Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.