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IVANHOE MINES RECEIVES EARLY PAYMENT OF US\$12.5 MILLION TOWARD RETIREMENT OF MONGOLIAN GOVERNMENT SECURITIES

ULAANBAATAR, MONGOLIA – Ivanhoe Mines' Chairman Robert Friedland announced today that Ivanhoe has received US\$12.5 million, plus interest of US\$1.16 million, from the Government of Mongolia in a partial repayment of the US\$50 million treasury bill purchased by the company last December. The payment was received approximately three months earlier than the treasury bill's maturity date of December 31, 2004.

The government securities were issued on December 31, 2003, and consist of a one-year treasury bill denominated in U.S. dollars, bearing interest at 3% per year. The government issued the treasury bill as part of its successful action to retire, on very favourable terms, Mongolia's Soviet-era convertible rouble sovereign debt obligations to the Russian Federation.

"The early payment reflects the increasing prosperity of the Mongolian economy, due in large part to an explosion in mineral exploration and development," Mr. Friedland said. "We are proud that we were able to fulfill a role that demonstrated our ongoing commitment to the people of Mongolia."

Ivanhoe has a 100% interest in the Oyu Tolgoi copper and gold project in Mongolia and owns or controls exploration rights covering approximately 117,000 square kilometres in central and southern Mongolia, where additional copper and gold discoveries have been made. Ivanhoe also is exploring for copper and gold deposits in China and Australia. Ivanhoe produces LME Grade A copper from its Monywa joint venture in Myanmar and iron ore products from ABM Mining's Savage River mine in Australia.

Ivanhoe shares are listed on the Toronto and Australian stock exchanges under the symbol IVN. The shares also are listed on NASDAQ under the symbol HUGO.

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