



Ivanhoe Mines committed to long-term leadership role in controlling development of the Turquoise Hill copper and gold discovery in Mongolia's South Gobi region

STATEMENT

September 8, 2003

ULAANBAATAR, MONGOLIA – *The following statement was issued today by Robert M. Friedland, Chairman and President of Ivanhoe Mines:*

Ivanhoe Mines has discovered one of the world's largest known gold and copper porphyry deposits at Turquoise Hill, better known to Mongolians as Oyu Tolgoi. It is a dynamic project, the scope of which is being broadened daily by 16 drilling rigs that are working around the clock, expanding the limits of the copper- and gold-rich Far North Zone and locating the high-grade roots of this extraordinary mineral system.

It is no surprise that a discovery of such significance is generating widespread interest in Ivanhoe's ongoing planning for the development of our wholly-owned project into a major open-pit and underground mining complex. There is speculation within the international mining industry and in investment circles on a range of options that might be available to Ivanhoe and on whether and to what extent there will be a role for other companies and interests to become partners with Ivanhoe in some way, shape or form.

Interest in Turquoise Hill is very keen indeed among major mining companies around the world and governments in the Asia region. Many of these companies and governmental representatives have directly approached Ivanhoe on an unsolicited basis, wanting to know whether there are opportunities for them to participate in the development.

Commitment to building shareholder value

We are always willing to listen to good ideas and we remain cognizant of our fiduciary obligations to our shareholders to do our utmost to maximize the value of their investments. However, we remain convinced that the best opportunity for creating value for our shareholders is through a long-term commitment to Turquoise Hill. Our approach to all overtures that we receive from interested parties is based on the fundamental premise that Ivanhoe will continue

to control the project and take the lead role in directing its development. We want to be the builder of Turquoise Hill, not the auctioneer. This is not Voisey's Bay all over again.

Turquoise Hill is integral to Ivanhoe's future. We intend to be around for the long term to fulfill our responsibilities, including ensuring that everything about this mining project is done right. The mine is being designed from the outset to meet international standards for environmental management and operational safety and health. At Turquoise Hill, we will demonstrate that it is possible to introduce sound mining practices to the South Gobi that will deliver on the region's economic promise while respecting long-established cultural values. We also will ensure that the local people of the South Gobi region are involved in our planning from the beginning, and that they and their children benefit directly and indirectly from the development of the resources with which their land is blessed.

The depth of Ivanhoe's commitment to these principles cannot be overstated.

Strategic partnership may offer benefits

Our plans to develop Turquoise Hill necessarily involve assessing available strategic alternatives, including the possibility of accepting one or more small minority investments from official, government-owned entities in the Asia region whose involvement could be profoundly beneficial to the project's long-term success. At some point in the future, Ivanhoe also may choose to pursue a strategic option that could see the door opened to a participating minority interest by a qualified and appropriate company, or companies, with relevant experience and/or resources. The value of such a strategic partnership would have to be that it would contribute a dependable cash flow and additional corporate 'bench strength' to help ensure our successful establishment of a mining complex at Turquoise Hill, and also accelerate our exploration programs and the

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development of additional deposits within the vast new mineral province that we have discovered in the South Gobi region. Ultimately, our strategic plans will be motivated by our determination to remain at the forefront of a burgeoning new mining industry in Mongolia. To that end, we will continue to consult closely with Mongolian government leaders on an ongoing basis as we advance our plans for Turquoise Hill.

While we weigh the alternatives open to us, we are protecting our position by requiring companies to sign strict confidentiality agreements before we grant them access to our data. We already have signed 16 agreements with international mining companies that have initiated unsolicited contacts with Ivanhoe Mines and agreed to our conditions. Our confidentiality agreements are designed to safeguard our control of Turquoise Hill and also to restrict other companies from acquiring mineral properties in our defined areas of interest in the South Gobi and from using our confidential information to launch hostile bids for control of Ivanhoe.

A new mineral province at China's doorstep

Based on the most recent independently verified drilling results and assays, we know that as of mid-July this year Turquoise Hill's four distinct zones contained:

- an estimated, *inferred resource* of 2.45 billion tonnes grading 0.61% copper and 0.14 gram of gold per tonne, at a 0.30% copper equivalent cut-off, containing 15.1 million tonnes of copper and 11.4 million ounces of gold;
- plus an additional, *indicated resource* of 509 million tonnes grading 0.40% copper and 0.59 gram of gold per tonne, containing 2.1 million tonnes of copper and 9.7 million ounces of gold, at the 0.30% cut-off grade – based on more extensive drilling on just one of the project's four known discovery zones.

This mineral treasure chest is located just 80 kilometres north of Mongolia's border with China. China, as business leaders everywhere now recognize, is the world's fastest growing hub of manufacturing activity, and the world's largest consumer of copper concentrate and refined copper. Turquoise Hill is auspiciously positioned to become a convenient and very competitive supplier of choice to China's smelters and factories.

We at Ivanhoe are committed to playing a pre-eminent role in the development of the South Gobi region, on both sides of the Mongolia-China border, in close partnership with the Mongolian government, and to continuing discussions with Chinese government organizations about the development of a mine at Turquoise Hill. We also are committed to supporting the initiatives for new cross-border transportation links pledged at the bilateral summit between Mongolian President Natsagiyn Bagabandi and Chinese President Hu Jintao on June 5, 2003, that could facilitate the future export of copper and gold to China and world markets.

Drilling identifying high-grade value

Meanwhile, we are more than pleased with our ongoing exploration success in the region, where we are conducting what is currently the world's largest drilling program by any mining company. One of our primary priorities is to ensure that we preserve for our shareholders this unique opportunity for our drilling to more completely identify the extent of the high-grade mineralization at Turquoise Hill. We firmly believe that this is the way to best succeed in our mission to realize the maximum marketplace value of the project for the benefit of our shareholders and the people of Mongolia.



Robert M. Friedland
Chairman and President
Ivanhoe Mines Ltd.

Ulaanbaatar, Mongolia
September 8, 2003