



IVANHOE
MINES

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For Immediate Release

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IVANHOE MINES ARRANGES FINANCING OF UP TO CDN\$60 MILLION; AGREES TO SELL STAKE IN EMPEROR MINES FOR US\$6.5 MILLION

SINGAPORE – Ivanhoe Mines' Chairman Robert Friedland and Deputy Chairman Ed Flood announced today that the company is arranging a private-placement financing with several prominent Australian institutions for up to CDN\$60 million (US\$38.4 million). The first CDN\$37.5 million (US\$24.0 million) tranche has closed and the balance is expected to close before year end.

The proceeds will be used to advance ongoing resource-definition drilling and development planning at Ivanhoe's Turquoise Hill gold and copper discovery in Mongolia to the feasibility-study stage, to fund the company's ongoing exploration programs in Asia and for general corporate purposes.

"This financing reflects the growing international appreciation of the significance of our initial discoveries in Mongolia and of the potential for other Ivanhoe projects in Asia," Mr. Flood said. "We look forward to continuing to work with the Australian investment community, in particular, to ensure that we capitalize on opportunities that arise from our full listing on the Australian Stock Exchange."

The financing consists of up to 20 million Special Warrants at a price of CDN\$3.00 (US\$1.92) each. Each Special Warrant entitles the holder to acquire one common share of Ivanhoe, at no additional cost, following the clearance of a prospectus in Canada and Australia or four months after the closing date, whichever ever occurs first. The financing is subject to regulatory approval.

Ivanhoe Mines is an international mining company developing important new gold and copper discoveries in Mongolia. The most advanced discovery is at the Turquoise Hill Project. An independent resource calculation, prepared May 29, 2002, estimated that the Southwest Zone — one of four large deposits discovered to date at Turquoise Hill — contains 13.8 million ounces of gold and 6.9 billion pounds of copper in an inferred resource of 821 million tonnes grading 0.52 grams of gold per tonne and 0.38% copper, based on a cut-off grade of 0.30% copper equivalent. Infill drilling is underway at the project's three other gold and copper deposits. The new results will be incorporated into an updated, independent resource estimate for the entire project that is expected in January, 2003. Ivanhoe expects that the new estimate will form the basis to begin engineering and feasibility studies.

Ivanhoe now has arranged approximately CDN\$175 million (US\$111 million) in equity financing to fund the company's exploration programs since discovering the high-grade gold and copper porphyry deposit at Turquoise Hill in July, 2001.

Shareholders are advised that Ivanhoe has cancelled the Special Meeting of Shareholders that was to be held on December 23, 2002. The meeting was to consider and vote on a resolution authorizing the issue of additional equity securities, in accordance with the listing requirements of the Australian Stock Exchange (ASX). The ASX has since granted Ivanhoe a waiver of listing rule 7.1 until December 9, 2003. The effect of the waiver is that during this period the number of common shares and securities convertible into common shares that Ivanhoe may issue without shareholder approval is not limited by the ASX listing rules.

Ivanhoe also announced today that it has agreed to sell its entire 14% shareholding in Emperor Mines Limited, a gold mining company listed on the Australian Stock Exchange, to Durban Roodepoort Deep Limited, of South Africa, for AUS\$0.75 a share, generating proceeds of approximately AUS\$11.5 million (US\$6.5 million). The transaction, which is subject to various approvals, is expected to result in a gain of approximately AUS\$7.8 million (US\$4.4 million).

Ivanhoe produces LME Grade A copper from its Monywa joint venture in Myanmar, iron ore products from ABM Mining's Savage River mine in Australia and gold and silver from the Silver Hill Mine in South Korea. Ivanhoe has a joint venture with Pacific Minerals to explore for gold, copper and platinum-group minerals in China.

Ivanhoe's shares are listed on the Toronto and Australian stock exchanges under the symbol IVN.

Information contacts

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Forward-Looking Statements: Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the corporation's periodic filings with Canadian securities regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The company does not assume the obligation to update any forward-looking statement.