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IVANHOE INTERSECTS MORE HIGH-GRADE GOLD AND COPPER IN DRILL HOLE KH003 AT KHARMAGTAI PROJECT IN MONGOLIA

102 METRES GRADING 2.05 G/T GOLD AND 1.05% COPPER

ULAANBAATAR, MONGOLIA — Ivanhoe Mines' Chairman Robert Friedland and Executive Vice-President, Exploration, Douglas Kirwin announced today that the company's exploration drilling at the Kharmagtai project in Mongolia's South Gobi region has intersected another wide intercept of high-grade gold and copper porphyry mineralization.

Ivanhoe's third exploration drill hole at Kharmagtai, **KH003, intersected 102 metres grading 2.05 g/t gold and 1.05% copper between down-hole depths of 40 and 142 metres, including 46 metres grading 3.98 g/t gold and 1.59% copper. KH003 also intersected another zone of 26 metres grading 1.49 g/t gold and 0.94% copper, between down-hole depths of 166 and 192 metres.** KH003 is located approximately 80 metres southeast of KH002, which intersected 74 metres grading 2.24 g/t gold and 1.16% copper between down-hole depths of 72 and 140 metres, including 12 metres grading 4.41 g/t gold and 1.62% copper. Both holes were drilled at a 45° inclination. See the latest drill plan map on the Kharmagtai Project section at www.ivanhoemines.com.

The drilling confirms the discovery of a significant zone of high-grade, porphyry-hosted, gold and copper mineralization similar in style to the high-grade zones at the company's Turquoise Hill Discovery, 120 kilometres to the south.

A fourth exploration hole, KH004, located approximately 70 metres south of KH003, is currently being drilled in a northerly direction parallel to KH002. KH004 is currently beyond 145 metres in depth and has intersected significant widths of altered monzodiorite and host sediments almost from the collar. **Sulphides in the form of chalcopyrite were first encountered at a down-hole depth of 89.2 metres, and the hole has remained in mineralization to its current depth, yielding a mineralized zone of at least 56 metres.** Mineralization consists of quartz veining with visible chalcopyrite, pyrite and rare native copper with associated strong magnetite, secondary biotite and tourmaline alteration similar to that encountered in KH002 and KH003.

The mineralized zone currently being drilled at Kharmagtai is a relatively minor magnetic feature within a large group of specific magnetic anomalies identified

within a three-kilometre by two-kilometre area. Each of these specific targets is characterized by strong magnetic signatures, porphyry-style alteration and, in many cases, a coincident induced polarization anomaly. Within the larger license area, Ivanhoe also has defined three additional copper-gold porphyry targets — Stockwork Hill, Chun (Mongolian for “wolf”) and Ovoot Hyar — and a sediment-hosted gold target — OV3. Recent trench sampling has encountered visible gold in altered sediments and jasperoid replacement mineralization at the OV3 prospect. Visible gold also has been observed within quartz stockwork mineralization at the Stockwork Hill and Chun prospects.

A rotary drill program has been initiated at OV3 to test for extensions to the sediment-hosted mineralization identified in surface rock-chip sampling and in trenching. Eight shallow holes, averaging approximately 100 metres in depth, have been completed to date. Drilling indicates widespread silicification in volcanoclastic sandstones and siltstones centered over a very large induced polarization anomaly.

Ivanhoe has planned a multi-rig drilling program to explore its vast land holdings within Mongolia's South Gobi porphyry belt, which compares favourably in size and style of mineralization to several of the world's most productive copper-gold porphyry districts. Ivanhoe holds mineral rights to more than 51,600 square kilometres (19,900 square miles) in Mongolia, most of which is within the South Gobi porphyry belt. Other high-priority targets within the belt that Ivanhoe plans to drill-test this year include Shuteen, Oyut Ulaan, Chandman Uul, Oyut Ovoo and Saran Uul. Given the size and strength of these targets, and given that porphyry deposits often occur in clusters, Ivanhoe is optimistic that its exploration will lead to additional gold and copper discoveries.

Douglas Kirwin, a qualified person as defined by National Instrument 43-101, supervised the preparation of the technical information in this release. All samples were analyzed by SGS Analabs Pty. Ltd. at its facility in Ulaanbaatar, Mongolia.

Ivanhoe shares are traded on the Toronto and Australian stock exchanges under the symbol IVN.

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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.