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DRILLING EXPANDS HIGH-GRADE DISCOVERY ZONE AT TURQUOISE HILL GOLD-COPPER PROJECT IN MONGOLIA

MONGOLIA — Ivanhoe Mines' Chairman Robert Friedland and Executive Vice-President, Exploration, Douglas Kirwin announced today that the recent drilling campaign at the Southwest Oyu Discovery Zone at the Turquoise Hill (Oyu Tolgoi) Project in Mongolia has achieved the following results based on an analysis of six new drill holes:

- **Approximately 233 million tonnes have been added to the overall Inferred Mineral Resource of the Southwest Oyu Discovery Zone that was previously announced on March 11, bringing the estimated Inferred Resource to 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. This represents an increase of approximately 40% in the overall Inferred Resource tonnage for the Southwest Oyu Discovery Zone, which now includes 13.8 million ounces of gold and 6.9 billion pounds of copper, which have increased by 37% and 29% respectively above the March 11 results.**

- **At a cut-off grade of 0.50% copper equivalent, there is now estimated to be 469 million tonnes grading 0.70 grams of gold per tonne and 0.48% copper, containing 10.6 million ounces of gold and almost 5.0 billion pounds of copper. This represents an increase of 34% in the Inferred Resource tonnage at the 0.50% cut-off that Ivanhoe reported on March 11, an increase of 29% in the estimated amount of gold and an increase of 24% in the estimated amount of copper.**

- **Deep drilling has successfully expanded the high-grade core to depth and along strike. At a cut-off grade of 0.70% copper equivalent, the estimated high-grade Inferred Resource now stands at 199 million tonnes, an increase of 7.7% from the March 11 estimate. This resource has grades of 1.12 grams of gold per tonne and 0.63% copper, and contains an estimated 7.2 million ounces gold, an increase of 16.3%, and 2.8 billion pounds of copper, an increase of 8.3%. The total Inferred Mineral Resource at this cut-off grade includes a geologically discrete, inferred high-grade resource of 120 million tonnes, known as Zone 2, grading 1.55 grams of gold per tonne and .70% copper. AMEC has estimated that this zone contains 6.0 million ounces of gold and 1.8 billion pounds of copper. The majority of this mineralization is contained within the presently known limits of the high-grade core at Southwest Oyu, which remains open to depth and along strike.**

The updated Inferred Resource estimates were prepared by AMEC E&C Services Limited, of Vancouver, Canada, in accordance with Canadian regulatory requirements set out in National Instrument 43-101.

- **Step-out drilling has demonstrated that thick intercepts of primary gold and copper mineralization continue far into the Southwest Oyu Zone, more than 500 metres on strike from the Southwest Oyu Discovery Zone. Ivanhoe recently announced that it**

will double the number of working rigs to 14, and increase the deep-drilling capacity at the Turquoise Hill project, as part of a new contract with a subsidiary of Major Drilling, of Canada.

The latest results, significantly extending the gold and copper sulphide mineralization to a true vertical depth of more than 950 metres, were obtained from six new holes that were drilled in and adjacent to the Southwest Oyu Discovery Zone after March 5.

The drilling intercepted significant widths of gold and copper mineralization to the southwest and, of particular significance (notably Hole OTD208), to the east, through and beyond a prominent northeast-trending fault that was earlier thought to cut off the mineralization in that direction. Hole OTD208 was not used to prepare resource estimates because the geometry of the mineralization east of the fault is not yet well understood.

The current drilling is specifically designed to test the relationship between the modelled deep induced polarization (IP) signature and geologic projections of the high-grade core of the Southwest Oyu Discovery Zone. The next phase of drilling at the Southwest Oyu Discovery Zone, employing high-capacity drill rigs with directional-drilling capability, will utilize this information to target the down-plunge extension of the high-grade zone below intersections reported in holes OTD185, OTD190 and OTD200. The company will use the new drilling results to upgrade the Southwest Oyu Discovery Zone's existing Inferred Resource estimate.

Results from current drilling:

- **Hole OTD200**, drilled to a depth of 1,043 metres in a southeasterly direction on the southwest flank of the Southwest Oyu Discovery Zone, intersected **360 metres (between 642 and 1002 metres) of gold and copper mineralization averaging 1.26 g/t of gold and 0.43% copper**. OTD200 intersected the high-grade core approximately 180 metres southwest of the deep intercept in OTD190, considerably expanding the high-grade zone in this direction. As in previous holes in the Southwest Oyu Discovery zone, **the gold-to-copper ratio increases to approximately 3:1** as the hole penetrates deeper into the system.
- **Hole OTD197**, a vertical hole drilled from the same location as OTD180, some 225 metres south of the surface projection of the high-grade intersection in OTD200, **intersected 770 metres grading 0.41g/t of gold and 0.32% copper** starting at 38 metres down the hole. This intersection included **76 metres of 0.69g/t of gold and 0.59% copper** between 262 metres and 338 metres. OTD197 encountered the zone an additional 255 metres to the southwest beyond OTD200. Both OTD197 and OTD200 follow the southwesterly trend of the deep IP chargeability anomaly.
- **Hole OTD195**, a vertical hole located approximately 275 metres southwest of OTD197, **intersected 678 metres (between 42 and 720 metres) of 0.37 g/t of gold and 0.25% copper,** indicating that the system continues to generate thick intercepts of medium-grade mineralization for a considerable distance from the Southwest Oyu Discovery Zone's high-grade core.

These new holes are important because they indicate that the potential exists to add significant new resources along strike to the southwest and to depth. In particular, OTD200 indicates that the gold and copper mineralization continues to thicken at depth and plunge in a southwesterly direction. The deep expression of the Southwest Oyu Discovery Zone now has been extended to at least 400 metres along strike and more than 900 metres below surface. (See attached plans and sections).

Significant intercepts in recent drill holes in Southwest Oyu (including Far Southwest Oyu):

Hole Number	Final Depth	From	To	Interval (m)	Gold (g/t)	Cu (%)
OTD195	786.4	42	720	678	0.37	0.25
OTD197	824	38	810	772	0.41	0.32
		262	338	76	0.69	0.59
OTD200	656.2	642	1002	360	1.26	0.43
		642	838	196	1.40	0.51
		908	1002	94	1.46	0.46
OTD203	754.5	152	184	32	0.84	0.96
		228	310	82	0.12	0.42
		558	610	52	0.30	0.47
OTD204	647.8	46	568	522	0.42	0.29
		226	346	120	0.46	0.45
		500	568	68	0.76	0.25
OTD208	604	244	362	118	0.16	0.44

Based on the updated Inferred Resource estimate for the Southwest Oyu Discovery Zone, together with the recently announced drilling results for the Central Zone, Ivanhoe has significantly expanded its internal scoping study to evaluate possible production and cost scenarios, review metallurgical processing alternatives, test ore types for making concentrates, review SX-EW and heap leaching, crushing and milling, and guide current exploration. A review of the ore types encountered in the Central Zone has led to a study that is underway to develop a pilot plant SX-EW heap leach operation.

The full scope of the study, planned to be completed by the end of the year, will include development of potential mining scenarios that could utilize a large open pit encompassing the currently defined resource, as well as adjacent mineralization in the Far Southwest and Central zones. An example of an open pit of the depth that would be required to develop the deeper portions of the Southwest Oyu Discovery Zone is Batu Hijau in Indonesia, which is currently designed to extract ore to 900 metres below surface. Other mines with deep open pits include the Palabora Mine in South Africa, which has a current pit depth of 640 metres, and is designed for a total depth of 830 metres. In Chile, the open pit at the Chuquicamata Mine is currently at a depth of 660 metres, and the open pits at the Andina and Zaldivar mines are designed for depths of 900 to 1000 metres, respectively.

Some of the resource in the Southwest Oyu Discovery Zone may prove too deep to recover by the open-pit mining method at current metals prices. An internal review by Ivanhoe's engineering staff of the current Inferred Resource block model indicates that open-pit mining would recover approximately two-thirds of the current resource, using a 0.50% cut-off copper equivalent, by mining down to depths of approximately 500 metres below surface. At depths lower than approximately 500 metres below surface, the high-grade core appears amenable to high-volume underground mining methods.

Potential underground development schemes are being investigated to determine the possibility of underground mining of the deep portions of the Southwest Oyu Discovery Zone's high-grade core in combination with open-pit operations. Two Australian mines, North Parkes and Cadia Ridgeway, currently run underground mining operations in conjunction with an open-pit. North Parkes operates on a mining grade of approximately 1.2% copper, whereas the Ridgeway underground operation was initiated on a resource base of approximately 50 million tonnes grading 2.46 g/t of gold and 0.75% copper. The large Grasberg copper-gold mine in Indonesia also operates with a large open pit to mine the near-surface ore and an underground operation to mine the deep-lying ore.

Update of Preliminary Mineral Resource Estimate — Southwest Oyu Discovery Zone

Cut-off Grade Copper Eq. (%)[1]	Tonnes	In Situ Copper Grade (%)	In Situ Gold Grade (g/t)	Copper (billions of pounds)	Gold (millions of ounces)
0.70	**199,300,000**	**0.63**	**1.12**	**2.76**	**7.20**
0.65	**247,800,000**	**0.59**	**0.99**	**3.22**	**7.89**
0.60	**309,000,000**	**0.55**	**0.88**	**3.75**	**8.69**
0.55	**382,900,000**	**0.51**	**0.78**	**4.34**	**9.60**
0.50	**468,500,000**	**0.48**	**0.70**	**4.95**	**10.60**
0.45	**561,500,000**	**0.45**	**0.64**	**5.55**	**11.59**
0.40	**654,400,000**	**0.42**	**0.59**	**6.06**	**12.50**
0.35	**746,800,000**	**0.40**	**0.55**	**6.54**	**13.25**
0.30	**820,700,000**	**0.38**	**0.52**	**6.85**	**13.77**
0.25	**882,000,000**	**0.36**	**0.50**	**7.08**	**14.15**
0.20	**940,800,000**	**0.35**	**0.48**	**7.26**	**14.43**

[1] Equivalence calculated using only assumed metal prices (US$0.80/lb. for copper and US$300/oz. for gold); %cu eq. = %cu + Au (g/t) x (9.65/17.64).

Ivanhoe believes that, based on the increasing grade and extent of the gold and copper mineralization with depth in the Southwest Oyu Discovery Zone's core, the possibility exists to significantly extend the high-grade core mineralization to depth. The strongest gold and copper grades recorded to date at the project are from the deeper intercepts in the Southwest Oyu Discovery Zone's core, an example of which is Hole OTD185, which intersected **160 metres of 2.17 g/t of gold and 0.73% copper** between down-hole depths of 600 and 760 metres.

The project will proceed with additional in-fill and step-out drilling of the Southwest Oyu and Central Oyu zones to obtain a suitable resource base to permit an evaluation of the economic viability of the resource.

Charles Forster, P.Geo., Ivanhoe Mines' Turquoise Hill Manager, a qualified person as defined by National Instrument 43-101, supervised the preparation of the information in this release. SGS Analabs Pty. Ltd. prepares the split core at the project site and assays all samples at its facility in Ulaanbaatar, Mongolia. Ivanhoe inserts prepared standards and blanks at the sample preparation lab on the project site to monitor the quality control of the assay data. All drill holes, together with updated drill plans and sections, will be posted on the Turquoise Hill Project section of the company's website at www.ivanhoemines.com.

Ivanhoe holds a 100% interest in the gold and copper project, subject to BHP Billiton's 2% royalty. BHP Billiton holds certain back-in rights in the project that become exercisable if copper mineralization meeting certain contractually defined parameters is identified on, or before, June 7, 2002. If copper mineralization meeting these parameters is not identified by June 7, 2002, BHP Billiton's back-in rights will expire on that date.

Ivanhoe also holds mineral rights to more than 50,000 square kilometres (19,300 square miles) in Mongolia, most of it within the South Gobi porphyry belt.

The company 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 its new Eunsan Mine in South Korea.

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.