



**IVANHOE
MINES**

For Immediate Release

May 21, 2002

**IMPORTANT NEW COPPER AND GOLD DISCOVERY EXPANDS CENTRAL ZONE
AT TURQUOISE HILL GOLD AND COPPER PROJECT IN MONGOLIA;
CONTRACT SIGNED TO EXPAND DRILLING PROGRAM**

MONGOLIA — Ivanhoe Mines' Chairman Robert Friedland and Executive Vice-President, Exploration, Douglas Kirwin are pleased to announce new results from the **Central Zone** and the signing of a contract with a unit of Major Drilling of Canada to significantly expand the current drilling program on the company's 100%-owned **Turquoise Hill (Oyu Tolgoi) gold and copper project** in southern Mongolia.

The company is currently compiling results from recent drilling in the nearby **Southwest Discovery Zone** that will be the subject of a separate report to follow shortly.

Seven holes drilled at the Central Zone, approximately 1,000 metres north of the Southwest Discovery Zone, have encountered intrusive and volcanic-hosted hypogene, gold-rich, chalcopyrite mineralization similar to that in the Southwest Discovery Zone, adjacent to and beneath a thick blanket of strong, secondary chalcocite and covellite mineralization.

Holes OTD196, OTD202 and OTD207 are step-out holes that extend the high-grade gold and copper mineralization previously encountered in **OTD187**, which intersected **102 metres grading 1.40 g/t gold and 0.84% copper** in basaltic volcanic rocks, at a down-hole depth of between 334 to 436 metres. Closer to surface, Hole 187 also intersected **138 metres of 0.42 g/t gold and 0.57% copper**, from a down-hole depth of 90 to 228 metres.

Of the new holes:

- **OTD202** intersected **136 metres grading 0.58 g/t gold and 0.89% copper** at a down-hole depth of between 280 metres to 416 metres, including **44 metres grading 1.09 g/t gold and 1.22% copper** in primary chalcopyrite mineralization. The upper part of the hole contained **82 metres grading 0.05 g/t gold and 0.86% copper** in secondary mineralization.
- **OTD207** encountered **68 metres grading 0.15 g/t gold and 2.15% copper** at a down-hole depth of between 44 metres and 112 metres in secondary enrichment blanket, as well as intersecting **144 metres grading 0.66 g/t gold and 0.79% copper** in primary mineralization beginning at a down-hole depth of 238 metres.
- **OTD196** intersected **26 metres grading 0.25g/t gold and 2.29% copper** at a down-hole depth of 48 metres before encountering **156 metres grading 0.43 g/t gold and 0.84% copper** starting at a down-hole depth of 294 metres.

- **Visually, holes OTD216 and OTD217 are encountering significant copper mineralization in the Central Zone whereas holes OTD 212 and OTD 215, described in more detail below, are in significant copper mineralization approximately midway between the Central Zone and the Southwest Discovery Zone.**

The mineralized intercepts are from inclined holes; the true vertical depth from the surface to the currently defined primary gold/copper mineralization is shallower, ranging from approximately 125 metres to 250 metres. Potential exists to project this style of mineralization closer to the surface based on the current geologic interpretation (see attached plan and cross-sections.)

These new holes are important to the overall project because they identify:

- 1. A near-surface, blanket-like, enriched zone of secondary copper mineralization potentially amenable to simple flotation concentration, or low-capital heap leaching.**
- 2. An underlying gold/copper system of the same style and character as the system at the nearby Southwest Discovery Zone.**

The Central Zone drilling is designed to test a target, some 800 metres by 600 metres, that was defined by the outline of the IP anomaly. Holes within the target area will be spaced at approximately 100-metre intervals. It should be noted that the “footprint,” or surface projection of the high-grade core of Southwest Discovery Zone, is only approximately 250 metres in diameter in the upper part of the deposit. As the current program progresses, deeper drilling will test for an increase in the gold-to-copper ratios, an overall increase in grade with depth, as was found at the Southwest Discovery Zone, and evidence that the two systems could merge at depth into a parent intrusive.

Recent drilling also indicates that the mineralization appears to have been down-dropped on the southeastern flank of the Central Zone, where the IP survey projects the zone below the shallow, reverse-circulation (RC) holes previously drilled in the area — suggesting that additional primary mineralization also could exist at depth in this location. This concept is supported by holes **OTD212** and **OTD215**, located approximately mid-way between the Central and Southwest Discovery zones. Both holes have encountered primary copper mineralization beneath a thin sequence of gravels adjacent to a projected extension of a northeast-trending structure that has been encountered in deep drilling in the Southwest Discovery Zone. This structural zone appears to have some influence on the distribution of higher grade gold values encountered in that area.

The discovery of these contiguous zones of mineralization offers the potential for a second open pit that ultimately could merge into a super-pit encompassing the Southwest Discovery Zone, which would significantly alter the future development plans of the overall project. The combination of higher-grade copper in the thick secondary zone and strong gold grades in the primary mineralization also could allow for sequencing of copper mineralization during periods of high copper prices or alternatively gold-rich zones in times of higher gold prices, a unique advantage of this type of multi-commodity deposit.

Ivanhoe’s understanding of the geology and mineral zoning of the Central Zone is evolving, assisted by the new drilling and the detailed geophysical survey that integrates resistivity and induced polarization (IP). Hole OTD159, which is centred over a coincident IP/resistivity anomaly, encountered supergene chalcocite/covellite-dominated mineralization over a 375-metre-thick interval. Subsequent, preliminary metallurgical test work conducted by Lakefield Research Limited, of Canada, indicated that potential exists to make a high-grade flotation concentrate from the secondary copper mineralization. The ability to make a commercial-grade concentrate from the shallow secondary mineralization would allow for the use of a single concentrator facility, designed

for the long-term treatment of the deeper, hypogene chalcopyrite-hosted gold/copper mineralization. The net effect would be to significantly lower the overall strip ratio within the Central Zone and increase the probability for development of the deposit early in the life of the project.

Major Pontil Drilling Contract Signed

As a direct result of the recent progress made on the Turquoise Hill Project, the company has signed a contract with the Mongolian office of Major Pontil Drilling, an Australian subsidiary of Major Drilling of Canada, to employ at least another seven drill rigs, including high-capacity deep rigs, with directional capability for a combined minimum of 50,000 metres of diamond drilling. The additional drill rigs are expected on site within the next 45 days, and will increase the number of rigs that Ivanhoe has working around the clock on its Mongolian exploration program to 14. The directional-drilling capability is necessary to effectively delineate the location of the high-grade core to the Southwest Discovery Zone that has now been delineated to true vertical depths in excess of 800 metres. This contract also will allow Ivanhoe to aggressively pursue the expansion of the identified zones of mineralization at Turquoise Hill, and to test other high-priority targets on the property and within the large exploration concession block surrounding the project area.

Significant Results From Recent Drilling

| Hole | Final depth (metres) | From | To | Interval (metres) | Gold (g/t) | Copper (%) |
|-------------------|-------------------------|------------|------------|----------------------|---------------|---------------|
| OTD187 | 532.6 | 0 | 68 | 68 | 0.07 | 0.13 |
| Az 180 Dip -60 | | 68 | 90 | 22 | 0.31 | 0.68 |
| | | 90 | 228 | 138 | 0.42 | 0.57 |
| | | 228 | 268 | 40 | 0.11 | 0.37 |
| | | 334 | 436 | 102 | 1.40 | 0.84 |
| | | 436 | 448 | 12 | 0.25 | 0.23 |
| OTD193 | 576 | 14 | 22 | 8 | 0.10 | 0.77 |
| Az 180 Dip -60 | | 46 | 90 | 44 | 0.09 | 0.73 |
| | | 90 | 208 | 118 | 0.07 | 1.15 |
| | | 124 | 208 | 84 | 0.07 | 1.43 |
| | | 208 | 342 | 134 | 0.10 | 0.42 |
| | | 342 | 402 | 60 | 0.05 | 0.17 |
| | | 402 | 576 | 174 | 0.03 | 0.13 |
| OTD194 | 481 | 56 | 88 | 32 | 0.51 | 0.55 |
| Az 180 Dip -60 | | 228 | 240 | 12 | 0.28 | 0.35 |
| OTD196 | 569.4 | 48 | 74 | 26 | 0.25 | 2.29 |
| Az 180 Dip -60 | | 74 | 142 | 68 | 0.03 | 0.53 |
| | | 142 | 194 | 52 | 0.16 | 0.86 |

| Hole | Final depth (metres) | From | To | Interval (metres) | Gold (g/t) | Copper (%) |
|-------------------|-------------------------|------------|------------|----------------------|---------------|---------------|
| | | 194 | 258 | 64 | 0.04 | 0.29 |
| | | 258 | 294 | 36 | 0.06 | 0.07 |
| | | 294 | 412 | 118 | 0.47 | 0.95 |
| | | 424 | 450 | 26 | 0.47 | 0.70 |
| | | 294 | 450 | 156 | 0.43 | 0.84 |
| | | | | | | |
| OTD205 | 460.5 | 10 | 46 | 36 | 0.03 | 0.90 |
| Az 360 Dip -60 | | | | | | |
| | | | | | | |
| OTD207 | 599.5 | 44 | 112 | 68 | 0.15 | 2.15 |
| Az 180 Dip -60 | | 112 | 160 | 48 | 0.04 | 0.43 |
| | | 238 | 382 | 144 | 0.66 | 0.79 |
| | | 478 | 550 | 72 | 0.23 | 0.13 |

Charles Forster, P.Geo., Ivanhoe Mines' Turquoise Hill Manager, who is a qualified person as defined by National Instrument 43-101, has reviewed the information in this release. 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 at 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 Ivanhoe's website at www.ivanhoemines.com.

Ivanhoe holds a 100% interest in the Turquoise Hill 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. BHP Billiton's back-in rights will expire on that date if the requisite copper mineralization is not identified.

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.

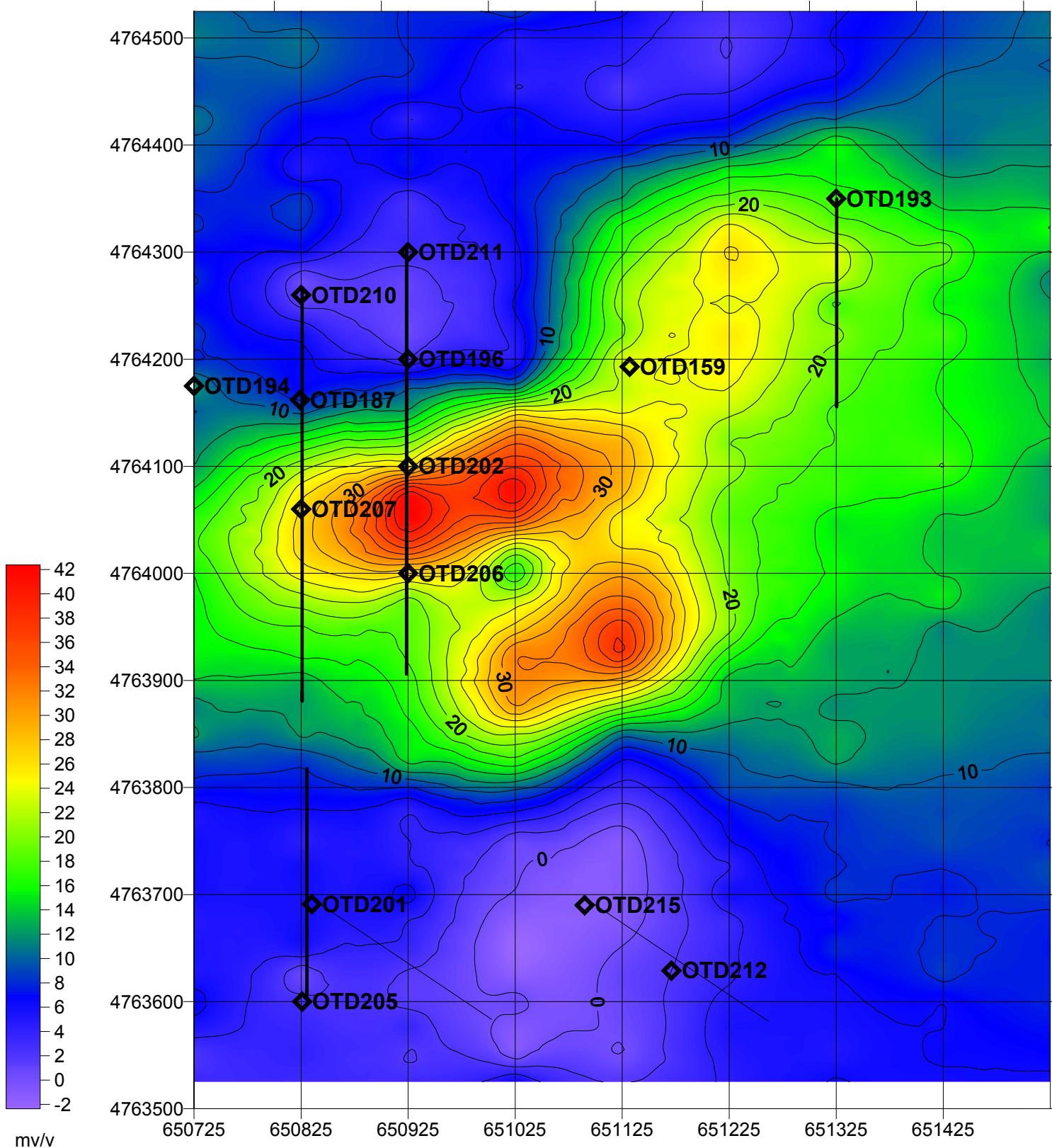
Ivanhoe shares are traded on the Toronto and Australian stock exchanges under the symbol IVN.

Information contacts in North America

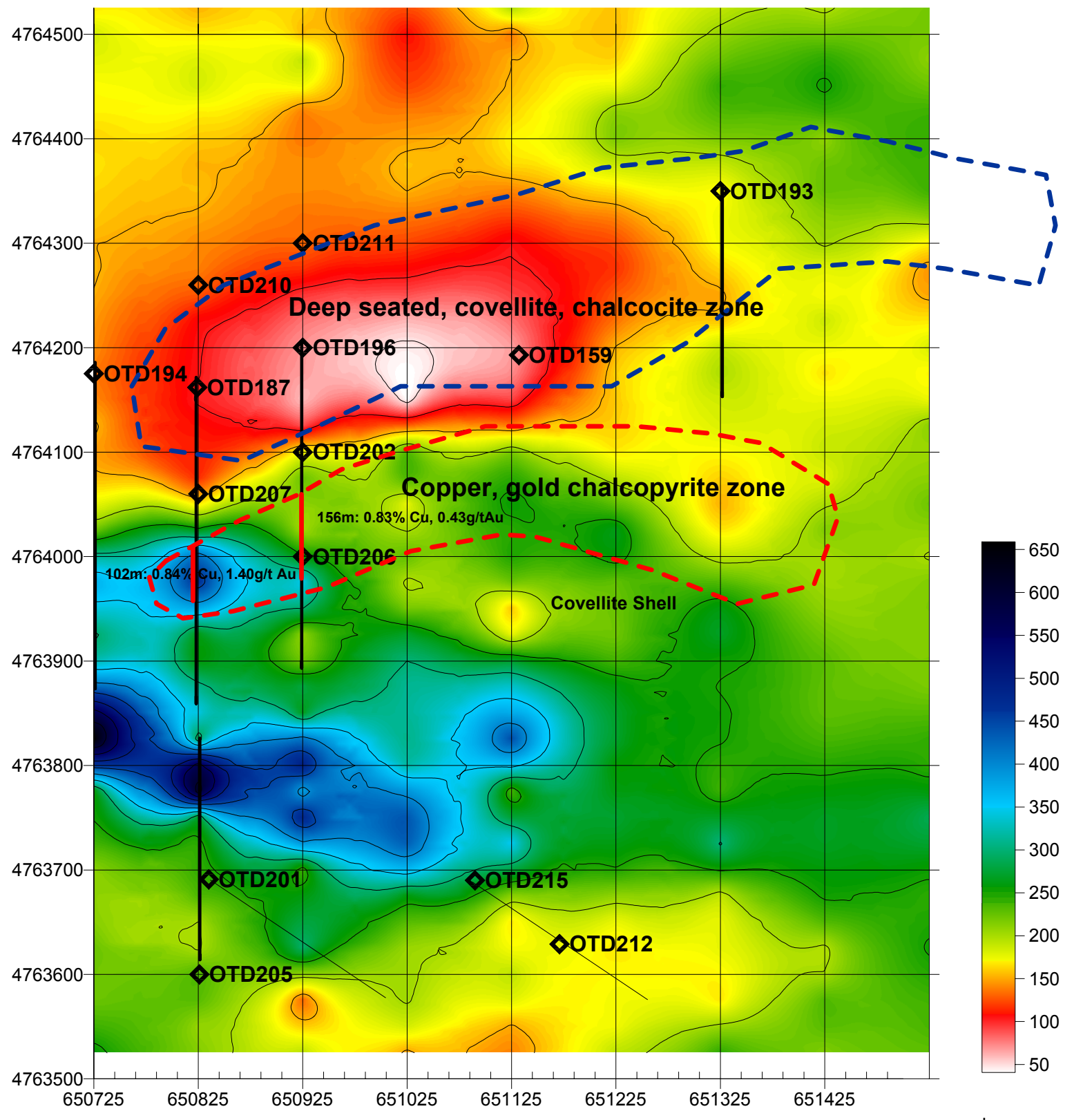
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Forward-Looking Statements:

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.



Chargeability

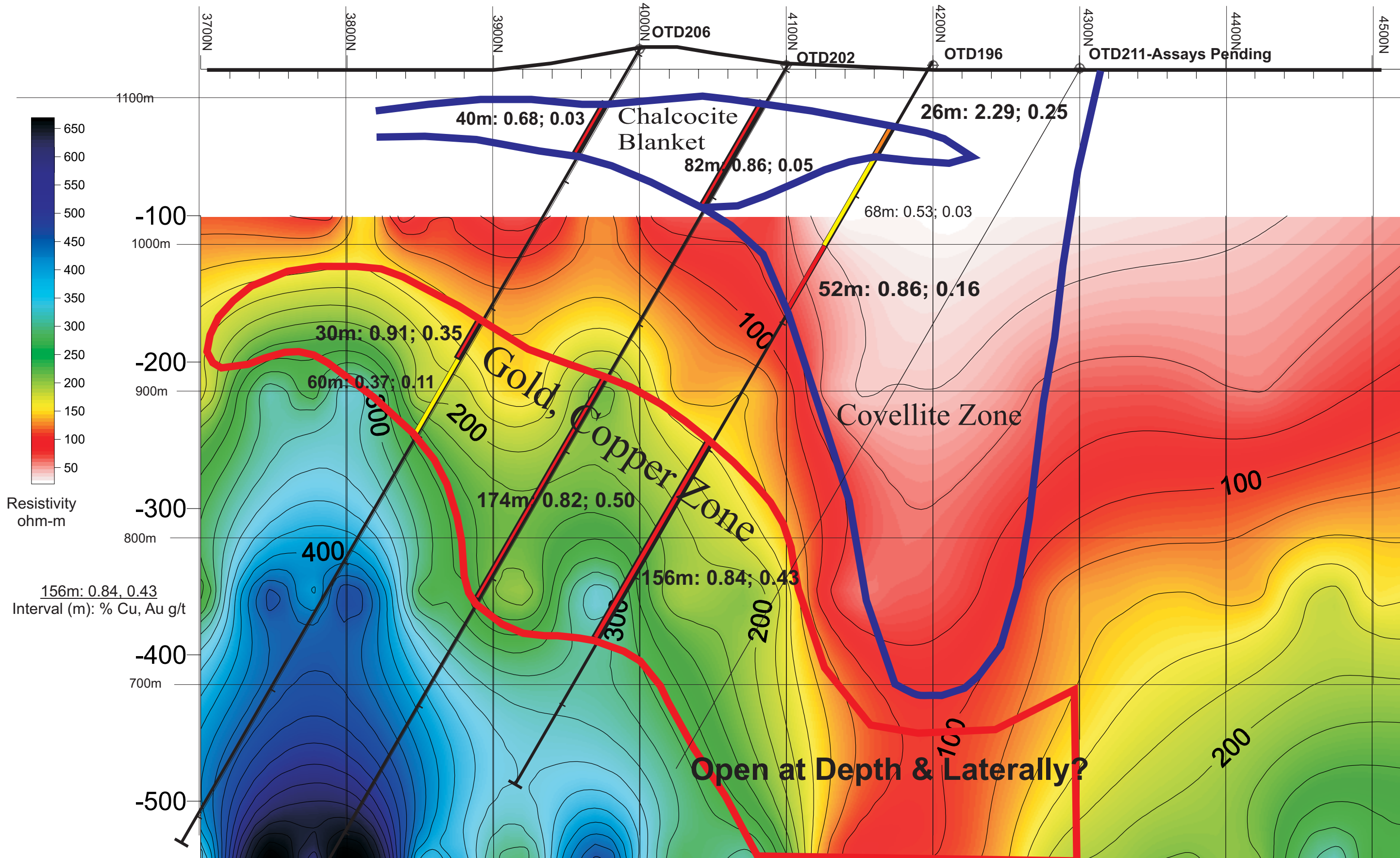


Resistivity

**Central Oyu Tolgoi
 Induced Polarization for 2600m AB
 -360m Level
 Scale 1:5000, April 20th, 2002**

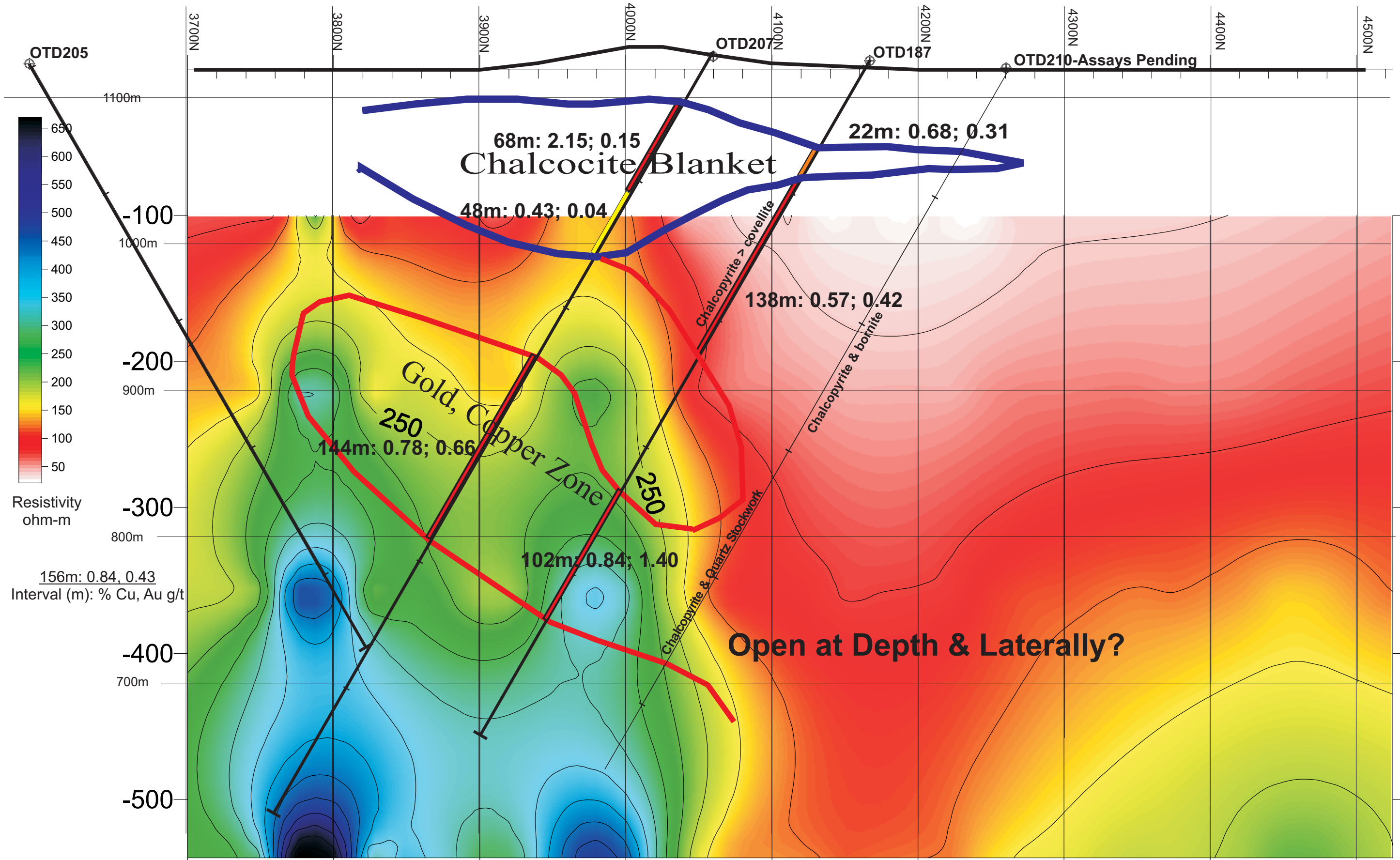
Central Oyu: Section 650925E: Looking West

Resistivity and Diamond Drill Holes



Central Oyu: Section 650825E: Looking West

Resistivity and Diamond Drill Holes



Drawn by: C.N. Forster, P.Geo.
Scale 1:2500, May 21, 2002