



I V A N H O E
M I N E S

May 7, 2002

IVANHOE MINES WELCOMES DEVELOPMENT IN MYANMAR

STATEMENT BY THE BOARD OF DIRECTORS OF IVANHOE MINES

In response to questions from shareholders and media, the Board of Directors of Ivanhoe Mines believes it is appropriate for the company to formally acknowledge important developments within Myanmar.

The Board welcomes the government's decision to lift restrictions on public activities by Aung San Suu Kyi, the leader of Myanmar's National League for Democracy, and to continue the release of political detainees.

Razali Ismail, the United Nations' special envoy who has been encouraging recent reconciliation talks between the government and Ms. Suu Kyi, has said that the government's action demonstrates its commitment to the objective of democracy for Myanmar. The Ivanhoe Board supports this objective and commends the government for this decision.

Ivanhoe Mines presently has operations and investments in nine countries, most of them in Asia. Ivanhoe holds, as a founding principle, the belief that conscientious, judicious enterprise delivers practical, wide-ranging benefits to people, while at the same time facilitating the relief of human suffering.

Ivanhoe Mines has had a business presence in Myanmar for 10 years. Ivanhoe has owned a 50% joint-venture stake in the Monywa Copper Project, in north-central Myanmar, since 1996; the other 50% is held by state-owned Mining Enterprise No. 1. The first phase of the Monywa project has been producing high-quality copper since 1998 and is a major employment generator and mainstay of the regional economy. Ivanhoe also is developing a prospective, high-grade gold discovery south of Mandalay.

The Ivanhoe Board of Directors is proud of the company's record of achievement and contribution in Myanmar, which goes far beyond performance that is measured by balance sheets and production logs.

- The Monywa Copper Project, run almost entirely by Myanmar staff, is providing skilled, well-paid jobs for 550 employees. Counting spin-off jobs, the mine is providing benefits to an estimated 6,500 men, women and children in the region.
- The copper project is preparing to proceed with the planned, second phase, which will increase annual production from the present rate of 28,000 tonnes a year to a projected 155,000 tonnes a year. Ivanhoe and its joint venture partner remain in detailed discussions involving proposals from two major Asian financial institutions, and their associates, for a financing package worth approximately US\$400 million for the phase-two development of the Letpadaung copper deposit.
- In addition to the development capital and construction work, the expansion will create an estimated 3,000 direct and indirect permanent jobs, producing benefits for a total of about 10,000 employees and family members in communities throughout the region, and will provide important, future export earnings for the country.
- Best-practice western environmental and mining standards are observed throughout the copper operation. Extensive training has been provided to enable the workforce to operate state-of-the-art, zero-emission technology.
- The copper project has received environmental certification to the demanding, international ISO 14001 standard. In addition, independent annual inspections monitor compliance with procedures to protect the health and safety of employees, and monitor on-site environmental programs. The rehabilitation of a significant area degraded by an earlier, state-owned mining operation has been completed ahead of schedule.
- Ivanhoe Mines, and the private foundation supported by Ivanhoe Chairman Robert M. Friedland, are making important contributions to the health and social well being of the immediate mine community, and of the regional centre of Monywa. The local minetown hospital has been refurbished and re-equipped, and diagnostic and treatment equipment has been donated to the Monywa hospital, which serves several million people. Parasitic infections have been avoided through the supply of safe drinking water to the mine community and a portion of copper revenues is funding school scholarships.

A review of Ivanhoe Mines' operations in Myanmar, including a reference fact file, and the company's Statement of Values and Responsibilities, are available on the information website: www.ivanhoemines.com.

Ivanhoe Mines is an international mining company developing a major new discovery of gold and copper at the Turquoise Hill Project in southern Mongolia. The company produces LME Grade A copper from its Monywa joint venture in Myanmar, iron ore products from ABM Mining's Savage River mine and Port Latta pellet plant in Australia and gold from the Bakyrchik Gold Mine in Kazakhstan. Ivanhoe is also developing the high-grade Modi Taung gold project in Myanmar.

Ivanhoe shares are traded 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.