



IVANHOE
MINES

News Release

January 7, 2002

LOANS CONVERTED INTO COMMON SHARES

SINGAPORE — Ivanhoe Mines announced today that the bulk of certain outstanding loans owed by the company's Australian iron-ore producer, ABM Mining Limited, have been converted into common shares of Ivanhoe Mines.

Ivanhoe shareholders approved the acquisition of ABM Mining on December 15, 2000. In connection with the acquisition, loans owed by ABM and its subsidiaries were made convertible into common shares of Ivanhoe Mines at a price of CDN\$1.20 per share, subject to the issuance of a maximum of 30,625,000 shares pursuant to the conversion. Ivanhoe's shares traded at between 89 and 99 cents on the day that the acquisition was approved.

The loans were owed to entities controlled by Robert M. Friedland, Chairman of Ivanhoe Mines, and were convertible at the lender's option. Since the loans have been converted into the maximum number of common shares issuable, the approximately US\$5 million in remaining outstanding loans no longer carry conversion rights.

As a result of the conversion, Ivanhoe Mines has a total of 171,158,484 common shares issued and outstanding. Mr. Friedland, who now controls approximately 59% of Ivanhoe's outstanding common shares, has stated that he is holding his newly acquired shares for investment purposes.

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

North America information contacts (Tel. 604.688.5755)

Investors: Bill Trenaman / Media: Bob Williamson

Ivanhoe Mines' Web site: www.ivanhoemines.com