

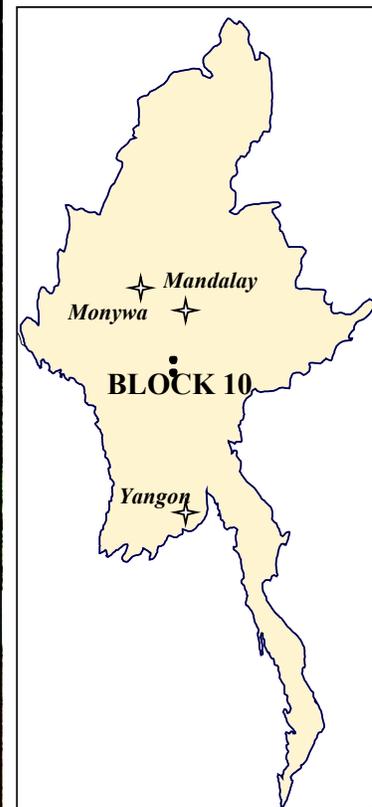


IVANHOE
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For Immediate Release

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IVANHOE MINES CONTINUES TO EXPAND HIGH-GRADE GOLD MINERALIZATION AT MODI TAUNG, BLOCK 10, MYANMAR



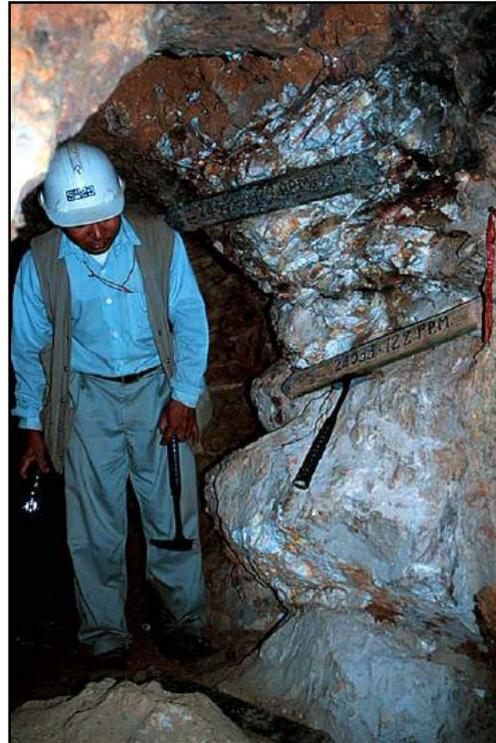
Transporting supplies by elephant to the Modi Taung Gold Discovery at Block 10, Myanmar, during the monsoon season.

SINGAPORE — Ivanhoe Mines' Chairman Robert Friedland and Executive Vice-President, Exploration, Douglas Kirwin announced today that underground exploration at the Modi Taung gold project from July to the end of November has demonstrated persistence in grade and continuity along the northwesterly strike and the down-dip extension of this bonanza-grade gold discovery. Numerous intercepts from development crosscuts through the quartz vein system display visible gold and almost 80% of the channel samples taken to date have uncut gold grades between 20 grams/tonne (g/t) (0.64 ounces/tonne (oz/t)) and 50 g/t (1.6 oz/t). One surface trench sample graded 3,475 g/t (122 oz/t) across 1.3 metres. The extremely high gold grade in this trench may have resulted from surface enrichment caused by natural weathering processes.

The Modi Taung Project is situated approximately 150 kilometres southeast of Mandalay, in central Myanmar. The project is in a mesothermal slate belt setting similar to the famous multi-million ounce Bendigo gold mines in Australia. The term mesothermal refers to a class of gold deposits that are related to deep-seated, high-temperature fluid sources that have been demonstrated to have economic gold grades over a vertical extent of one to three kilometres.

(right) – Quartz-gold vein exposure, Shwesin adit 3 (one-metre channel sample assayed 122 grams/tonne or 3.9 ounces/tonne gold).

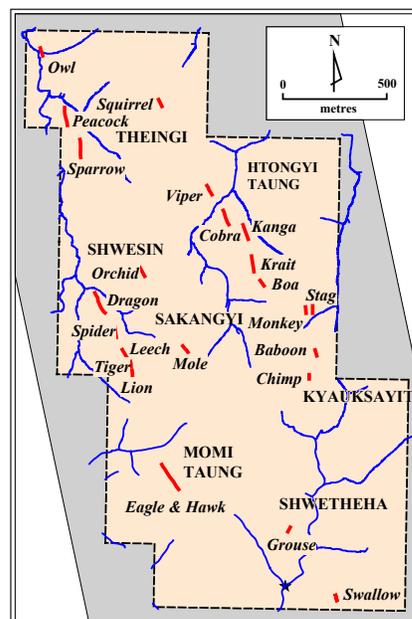
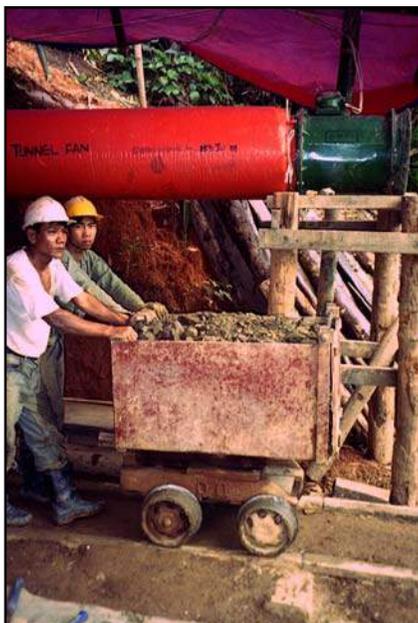
Since discovering the gold vein system at Modi Taung in late-2000, Ivanhoe has explored the project with a series of trenches, adits and crosscuts. Mapping and sampling has identified five gold-bearing mesothermal veins. The veins are steeply dipping and trend in northwest direction. The five veins are approximately 200 metres apart, hosted in low-grade slates, and are traceable on the surface for approximately 1.5 kilometres. The veins range in thickness from 0.3 to 2.7 metres and there is no apparent systematic variation in gold grade with vein width. Gold contained within the veins occurs as free gold, in vughs and associated with pyrite.



During the recently-ended monsoon season, Ivanhoe focused its exploration efforts on the development of adits to provide underground access to the mineralized veins. Two of the adits, Shwesin adit 1 and Htongyi Taung adit 2, were enlarged to accommodate ventilation systems and mine cars, thereby allowing Ivanhoe to follow the veins for at least 500 metres along strike and up to 200 metres sub-surface. Aditing at Modi Taung is facilitated by high topographic relief and the steep dips of the veins, many of which underlie ridges with a similar northwesterly trend.

(bottom left) - Ventilation and mine-cars, Shwesin adit 1.

(bottom right) – Modi Taung Project map showing outcropping veins in red.

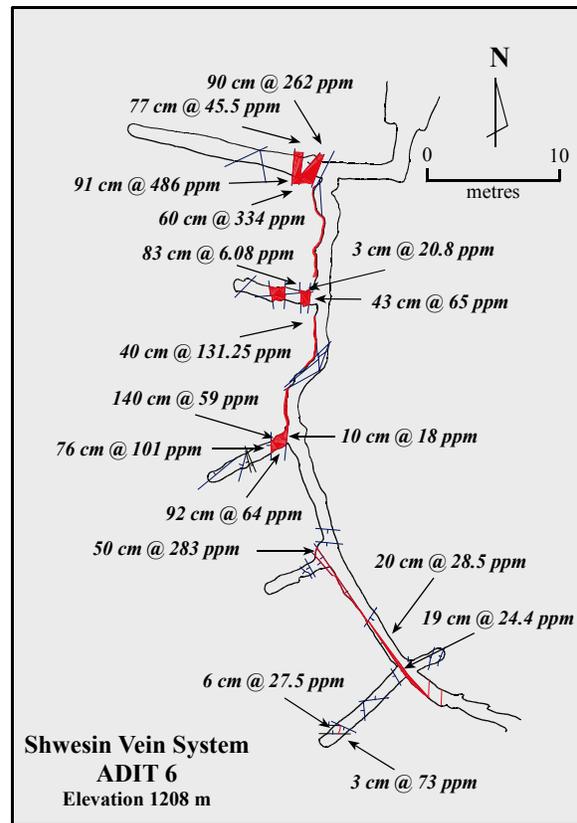
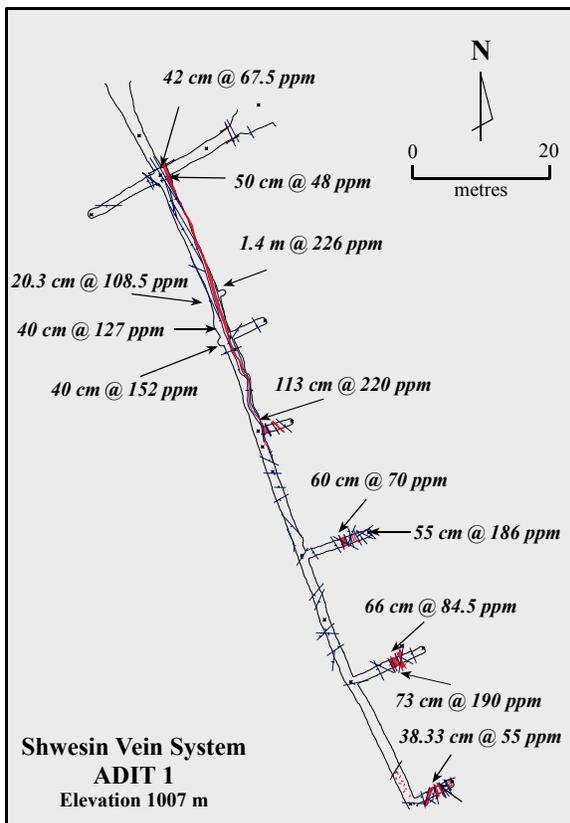


To date, approximately 2,200 metres of underground drifting in 16 adits over a vertical range of 250 metres has been completed by local, contract miners. This development program is proving to be very cost effective (US\$40/metre) and provides good quality channel samples at crosscuts along the vein system. More adits will soon be driven to test newly discovered veins.

Adit 1 (elevation 1,007 metres) on the Shwesin vein system is at approximately 140 metres, with vein intercepts in the access adit and six crosscuts. Unoxidized host rocks (pyritic slate) were first encountered at approximately 100 metres, about 45 metres sub-surface. Recent channel samples of the vein in Shwesin adit 1 include 91 centimetres grading 486 g/t (15.6 oz/t) gold, 55 centimetres at 186 g/t (5.9 oz/t) gold and 73 centimetres at 190 g/t (6.1 oz/t) gold. In Shwesin adit 6 (elevation 1,208 metres), 400 metres southeast of and on strike from Shwesin adit 1, intercepts include 1.4 metres grading 226 g/t (7.2 oz/t) gold, 92 centimetres at 64 g/t (2.1 oz/t) gold in cross-cut B, 50 centimetres at 283 g/t gold (9.1 oz/t) in cross-cut C, and a 30-centimetre vein with visible gold in cross-cut D.

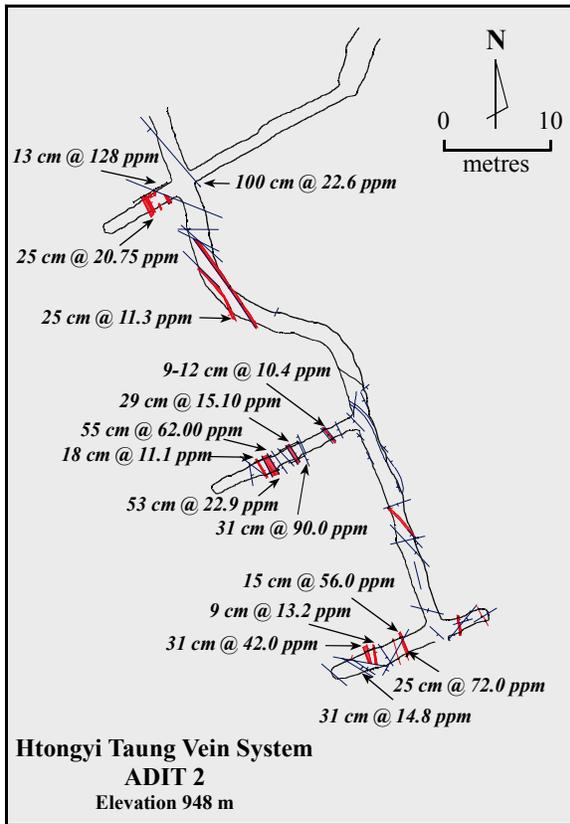
(bottom left) - Map of Shwesin Adit 1 with significant gold assays taken from the channel samples.

(bottom right) - Map of Shwesin Adit 6 with significant gold assays taken from the channel samples.



In the Htongyi Taung vein system, multiple narrow veins were intersected in three crosscuts driven from adit 2 (elevation 948 metres). Intercepts in crosscut A in adit 2 include 31 centimetres at 90 g/t (2.9 oz/t) gold and 55 centimetres at 62 g/t (2.0 oz/t) gold on adjacent veins. The same vein system is being followed in Htongyi Taung adit 4, located 100 metres to the northwest.

(Below) - Map of Adit 2 with significant gold assays taken from the channel samples, Htongyi Taung vein system.



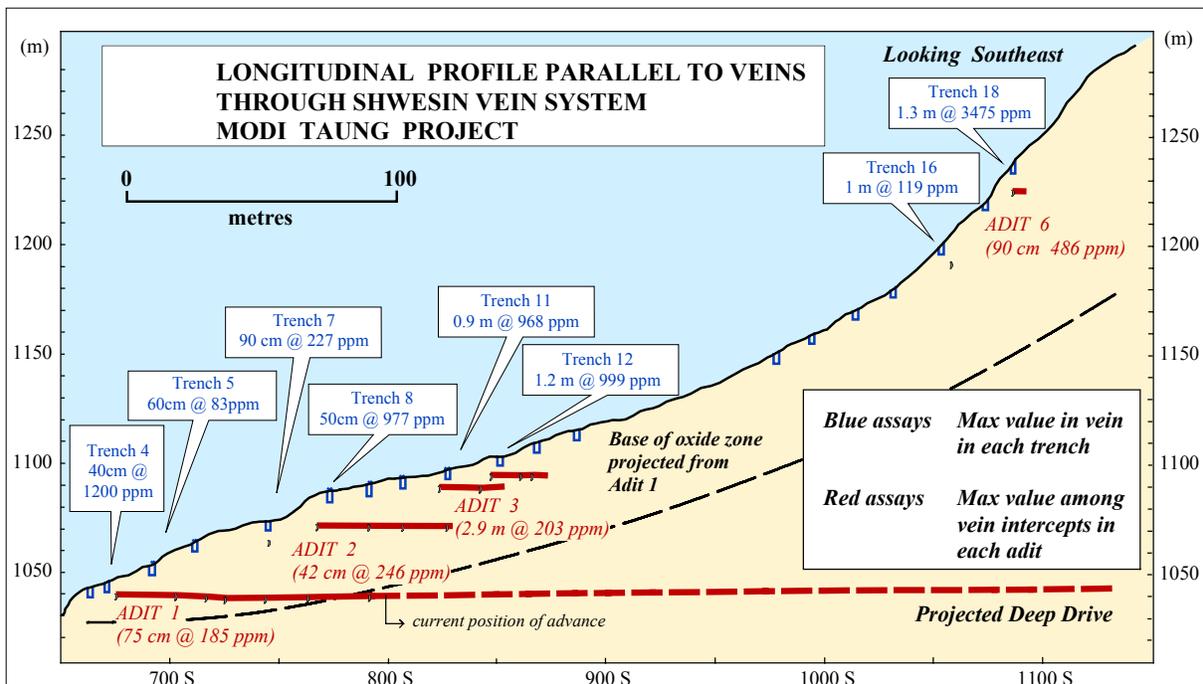
The veins at Modi Taung are predominantly of book-and-ribbon, stylonitic and massive quartz following steep northwest-trending reverse faults. Host rocks are folded Upper Carboniferous mudstones and minor sandstones of the Slate Belt. The five parallel vein systems are in steep, jungle-covered terrain.

Samples of slightly-weathered mineralization from Shwesin adits 1 and 6 were sent to Independent Metallurgical Laboratories in Perth, Australia, for metallurgical testing. The testing indicates that the gold in the samples is free milling, with recoveries in excess of 97%.

Veins with visible gold have been uncovered at four new locations in the south and east of the Modi Taung Project, demonstrating that the mineralized structures lie within a 1,100-metre by 3,000-metre NNW-trending zone. The zone is potentially open to the southeast and northwest where vein outcrops with visible gold have been discovered.

Mineralized veins are present in adits across a 360-metre vertical interval without systematic change in style or grade. Due to the interpreted mesothermal-style of mineralization, the veins are

expected continue at least several hundred metres to depth. Drilling to test the down-dip continuity of the veins is scheduled to begin in early 2002.



DGSE Laboratories assays all samples at its facilities in Mandalay, Myanmar. Check assays are performed at Analabs and MAS. A comparison of results between the three laboratories from 16 samples is tabulated below. There is a good correlation between the three laboratories except for some multi-ounce results, which is considered normal due to a nugget effect.

Sample No.	DGSE Mandalay Gold (g/t)	Analabs Indonesia Gold (g/t)	MAS Bangkok Gold (g/t)
OMM 24645 A5	0.37	0.40	0.40
SWZ3 29430 A3	2.36	2.75	2.30
SWZ3 29432 A3	23.40	23.70	22.80
28296	138.40	118.00	120.00
28299	15.15	11.30	12.20
29660	1.61	1.26	1.43
29677	131.25	257.00	268.00
29679	83.75	81.40	80.00
29637	2.14	2.58	2.50
29643	1.34	1.57	1.49
28408	0.14	0.44	0.35
27910	8.88	8.57	8.12
28006	12.10	10.00	10.20
28020	48.00	38.00	39.70
27737	185.10	205.00	201.00
27741	4.60	4.87	4.18

Ivanhoe Mines is an international mining company producing cathode copper from its Monywa joint venture in Myanmar, gold from the Bakyrchik Mine in Kazakhstan and iron ore products from ABM's Savage River Mine in Australia. Ivanhoe is also developing the Turquoise Hill gold-copper discovery in Mongolia and a gold-silver project in South Korea.

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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 identified in the corporation's periodic filings with Canadian Securities Regulators. Forward-looking information contained in this release represents management's current best judgment, based on presently available information. No forward-looking statement can be guaranteed and actual future results may vary materially. The company does not assume the obligation to update any forward-looking statement. Douglas Kirwin of Ivanhoe Mines, a "Qualified Person" as defined by National Instrument 43-101 of the Canadian Securities Administrators, has reviewed the technical information contained within this release.