



IVANHOE
MINES

News Release

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GOLD PRODUCTION BEGINS AT BAKYRCHIK MINE, KAZAKHSTAN

BAKYRCHIK MINE, KAZAKHSTAN — Ivanhoe Mines' President Daniel Kunz and General Director of the Bakyrchik Mining Venture Jaime Troncoso announced today that production of gold has recommenced at the Bakyrchik Mine in northeastern Kazakhstan. The initial gold doré bar, weighing 4.2 kilograms (135 ounces), was poured on October 31st. It is the first gold produced at the Bakyrchik Mine since 1996, when Ivanhoe Mines first acquired an interest in the project.

The mine is expected to initially produce approximately 20,000 ounces of gold per year. The mine is currently processing oxide ore stockpiled from previous mining operations at a rate of 500 tonnes per day. The gold is recovered using the carbon-in-leach (CIL) recovery method. Open-pit mining of near-surface oxide ore is scheduled to start in the second quarter of 2002.

Initial mining will focus on two million tonnes of oxide ore in the Globoki Log and Sarbas deposits that have an average gold grade of three grams per tonne. Using selective mining, the initial target head grade will be four grams per tonne. Grade and tonnage estimates were calculated by Lycopodium Engineers in a 1995 Oxide Project Feasibility Study and Minproc Engineers Limited in a 1996 Definitive Feasibility Study. Several exploration targets have been outlined and there is good potential for finding more oxide ore. Ivanhoe's engineering staff believes that the project has the potential to expand to between 40,000 and 50,000 ounces of gold a year from oxide deposits.

"We are very pleased to recommence mining operations at Bakyrchik," said Mr. Kunz. "While the start-up rate of gold production will be modest, the project has abundant blue-sky potential based on Bakyrchik's large sulphide gold deposits."

The gold deposits at Bakyrchik consist of a series of mineralized lenses, or lodes, lying within a large shear zone that is 11.5 kilometres in length. Gold mineralization is hosted within sheared, carbonaceous sediments of the fault zones, and is contained within oxide and sulphide mineralization occurring in association with quartz stockworks. The sulphides and carbon in the deposits are oxidized to depths of 20 to 40 metres.

Ivanhoe has a 70% interest in Bakyrchik Mining Venture, the company that owns the mine; the government of Kazakhstan holds the other 30%. Ivanhoe is entitled to 100% of all operating cash flows from the mine until it has recovered all of its previously invested capital in the project.

Ivanhoe Mines is an international mining company producing cathode copper from its Monywa joint venture in Myanmar and iron ore products from ABM's Savage River Mine in Australia. Ivanhoe is currently developing the Turquoise Hill gold-copper discovery in Mongolia, a high-grade gold discovery in Myanmar 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 Ivanhoe Mines' periodic filings with Canadian Securities Regulators. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Ivanhoe Mines does not assume the obligation to update any forward-looking statement.