



IVANHOE
MINES

**IVANHOE MINES REPORTS 2000 PRODUCTION RESULTS;
ADVANCES DISCUSSIONS ON PROJECT-FINANCING OPTIONS
FOR LETPADAUNG COPPER PROJECT**

For Immediate Release

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SINGAPORE — Robert Friedland, Chairman, and Daniel Kunz, President of Ivanhoe Mines Ltd., announced today that Ivanhoe Mines and its recently acquired ABM Mining subsidiary had combined revenue in 2000 of approximately US\$84.8 million. The companies recorded combined net sales of approximately 13,350 tonnes (29.1 million pounds) of copper from Ivanhoe's Monywa joint venture in Myanmar, and approximately 2.19 million tonnes of iron ore pellets and 19,400 tonnes of iron ore concentrate from ABM's Savage River mine and Port Latta pellet plant in Tasmania, Australia. Ivanhoe completed its acquisition of 100% of ABM Mining on December 31, 2000.

ABM's sales revenue in 2000 was US\$61.5 million, up 8.66% over 1999 sales revenue of US\$56.6 million. ABM's production of iron ore products in 2000 increased by approximately 11% over its 1999 output of 1.9 million tonnes of iron ore pellets and 80,000 tonnes of concentrate. ABM also benefited from a price increase of 6% for its pellets, which took effect in the second quarter of 2000.

Ivanhoe plans to raise ABM's pellet output by a further 30%, to a rate of 2.79 million tonnes a year plus 190,000 tonnes of concentrate and chips, over the next several years. Ivanhoe recently approved an investment of approximately A\$20 million (US\$11.2 million) for a new crusher, a semi-autogenous mill and another ball mill at the Savage River Mine. The new facilities will boost the design capacity of the mine's concentrator from its current rate of approximately 2.2 million tonnes a year to 2.9 million tonnes a year. The Port Latta pellet plant presently has surplus capacity, with a design rate of approximately 3.2 million tonnes a year.

Ivanhoe Mines' share of copper sales in 2000 from the S&K Mine at Monywa, Myanmar, was US\$23.3 million, an increase of 13% over the company's US\$20.6 million share of S&K's 1999 copper sales. Cathode production in 2000 was 26,711 tonnes (58.9 million pounds), almost the same level as the mine's 1999 output, about 7% higher than the mine's design capacity of 25,000 tonnes a year. The mine, 50%-owned by Ivanhoe, achieved a minegate cash production cost of approximately 31 cents (US) per pound of copper in 2000, ranking the mine among the world's lowest-cost primary copper producers. Total production costs, including interest expense, depreciation, marketing and royalty payments, were approximately 67 cents (US) per pound. The mine received an average LME settlement price of 82 cents (US) per pound of cathode copper sold in 2000, an increase of 13 cents a pound over the average settlement price received in 1999. The project's cashflow is being used to pay down the original US\$90 million project loan. Including the reserve payment held in escrow, the loan balance will be reduced to

US\$60 million when the next semi-annual payment is made on February 28th.

An organic scrub and neutralization thickener were commissioned at S&K late in the fourth quarter. The new facilities were installed to enhance the plant's efficiency and production rate. Results to date have been encouraging and the joint venture expects the annual production rate to increase to approximately 30,000 tonnes (66.1 million pounds) in 2001.

Mr. Kunz also announced that several significant Japanese financial organizations have expressed interest in providing project development financing and cathode marketing for the Letpadaung copper deposit, the second phase of the Monywa project. Talks with the organizations were held in conjunction with an Ivanhoe Capital investment symposium in Tokyo in December. The symposium was attended by senior executives of Japan's leading mining, investment and banking consortiums, and senior government representatives, including the Minister of Ministry of Industry, Trade and Investment (MITI). Discussions were also held with Korean and Chinese financial organizations that have expressed interest for project development financing and cathode marketing services for the Letpadaung project.

The planned development of the Letpadaung deposit, located six kilometres south of the S&K Mine, provides for a designed production rate of 125,000 tonnes (275 million pounds) of cathode a year, and a flow sheet, metallurgy and process design very similar to the S&K Mine's. The estimated capital cost to develop the Letpadaung deposit is US\$390 million. Subject to financing and government approval, production from Letpadaung is expected to commence in 2003.

Ivanhoe is also exploring for gold, silver and copper in South Korea, Myanmar and Mongolia, and holds a 70% interest in the large Bakyrchik gold deposit in Kazakhstan. Ivanhoe is a public company traded on the Toronto and Australian stock exchanges under the symbol IVN.

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