



IVANHOE
MINES

**IVANHOE MINES' SHAREHOLDERS APPROVE MERGER WITH ABM MINING,
CREATING A PRODUCER OF LOW-COST COPPER AND IRON ORE PRODUCTS**

For Immediate Release

December 18, 2000

SINGAPORE — Ivanhoe Mines Ltd.'s President Daniel Kunz and Chairman Robert M. Friedland announced today that the merger between Ivanhoe Mines and ABM Mining Limited is expected to be completed by year end. The merger was approved by 94.22% of the votes cast by Ivanhoe Mines' minority shareholders at the company's Special Meeting of Shareholders on December 15th.

Shareholders gave a green light to the formation of an international mining company with expanding production of LME Grade A cathode copper from Ivanhoe's Monywa SX-EW joint venture in Myanmar and iron ore products from ABM's wholly-owned Savage River mine and Port Latta pellet plant in Australia. Ivanhoe Mines and ABM had combined revenues of approximately US\$77.6 million (CDN\$115.4 million) in 1999 on net sales of approximately 13,350 tonnes of copper, two million tonnes of iron ore pellets and 48,000 tonnes of iron ore concentrate.

Ivanhoe Mines will issue one common share in exchange for each outstanding ABM common share, resulting in the shareholders of ABM receiving approximately 40% of the voting equity in the merged entity. The merged company will retain the name Ivanhoe Mines Ltd. and will have approximately 124.8 million shares outstanding. Complete details of the transaction are contained in a November 10th information circular, which is available on Ivanhoe's website at www.ivanhoemines.com.

"The merger with ABM Mining is an excellent strategic fit that provides Ivanhoe Mines with a solid base for further expansion in the global mining business," said Mr. Kunz. "Through this transaction, we will capitalize on the strengths of both firms and build an even stronger competitive platform from which to enhance shareholder value."

ABM is a private mining company that has been producing iron ore pellets and concentrate at its integrated mining, pelletizing and shipping facilities in the Australian state of Tasmania since 1997. The Tasmanian operations are currently producing at an annual rate of approximately 2.4 million tonnes of iron ore pellets and concentrate, a 20% increase over the 1999 output. An expansion is

underway that is intended to increase production at Savage River/Port Latta to up to 2.95 million tonnes a year. Current resources of iron ore (magnetite) at the Tasmanian operations are sufficient for more than 15 years at the expanded rates of production, based on a review by Behre Dolbear Australia Pty. Limited.

ABM also owns the Bjørnevatn iron mine and an integrated pellet plant and shipping facilities at Kirkenes, in Norway. Four European steel mills have expressed strong interest in buying iron ore products from Bjørnevatn. While Bjørnevatn is currently under care and maintenance, several European finance institutions and engineering companies have expressed an interest in seeing its operations re started.

Ivanhoe Mines has a 50% interest in the Monywa Copper Project in Myanmar, which has current copper production of approximately 28,500 tonnes a year from the S&K Mine. Ivanhoe is in discussions for project development financing for Monywa's planned second phase development at the large Letpadaung copper deposit. The estimated capital cost to construct a 125,000 tonnes-per-annum copper mine at Letpadaung is US\$390 million. Production from Letpadaung is expected to commence in 2003, subject to financing and government approval. At full production, the projected combined output from Monywa's S&K and Letpadaung mines is expected to be 155,000 tonnes (342 million pounds) of LME Grade A cathode copper a year.

Ivanhoe is also exploring for gold, silver and copper in South Korea, Myanmar, Vietnam and Mongolia.

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FORWARD-LOOKING STATEMENTS: This news release contains certain forward-looking statements. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding future production and expansion plans of Ivanhoe Mines Ltd. and ABM Mining, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Ivanhoe's expectations are disclosed under the heading "Risk Factors", and elsewhere, in Ivanhoe's documents filed from time to time with the Toronto Stock Exchange and other regulatory authorities. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and Ivanhoe does not undertake any obligation to update forward-looking statements should conditions, or management's estimates or opinions, change.