



For Immediate Release

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IVANHOE MINES REPORTS RECORD COPPER PRODUCTION IN THIRD QUARTER FROM S&K MINE

SINGAPORE – Robert M. Friedland, Chairman of Ivanhoe Mines, announced today that copper production from the S&K Mine in Myanmar reached a record 7101 tonnes (15.65 million pounds) in the third quarter. S&K's production of cathode copper for the first and second quarters was 6,181 tonnes and 6,603 tonnes respectively, for a total output of 19,885 tonnes for the first nine months of 1999.

The S&K mine is operated by Myanmar Ivanhoe Copper Company Limited (MICCL), a 50/50 joint venture between Ivanhoe Mines and Mining Enterprise No. 1, a state-owned company.

Other notable achievements in the third quarter included:

- ◆ S&K achieved financial completion by, among other things, making the first installment payment of approximately US\$12 million towards a US\$90 million long-term project finance facility. As a result, the loan provided for the development of the mine by Japan's Marubeni Corporation and Nissho Iwai Corporation is now non-recourse, and is no longer guaranteed or secured by Ivanhoe Mines.
- ◆ MICCL made application to the London Metal Exchange (LME) for registration of its cathode copper under the "Monywa S&K" brand name. The LME registration would certify that S&K cathode has a purity level exceeding 99.999% copper, the standard for LME Grade A copper. Upon receipt of the LME registration, MICCL will realize a premium for its cathode of approximately US\$30 a tonne (1.4 cents (US) a pound).
- ◆ The board of MICCL approved the planned 40% expansion of the S&K Mine. Production capacity of cathode copper at the mine will be increased to an annual design rate of 35,000 tonnes (77.2 million pounds). The expansion project is estimated to cost US\$7 million and be completed by September, 2000.
- ◆ The S&K Mine surpassed one million hours without incurring a lost time accident, attaining one of the highest international safety records.

- ◆ Ivanhoe Mines' wholly-owned subsidiary, Central Asian Mining Ltd. (CAML), and the Government of the Republic of Kazakhstan amended their 1996 agreement on the acquisition of the Bakyrchik Mine Venture (BMV). The changes return a 30% interest in BMV to the Government and eliminate CAML's remaining payment obligation of US\$30 million for the purchase of the mine.

Financial results for the third quarter will be released in November.

Ivanhoe Mines shares trade on the Toronto and Australian stock exchanges under the symbol IVN.

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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 expected future production and objectives of Ivanhoe Mines Ltd. ("Ivanhoe") 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.