



January 26, 2004

## Ivanhoe Mines Welcomes New Independent Resource Estimate that Significantly Increases Gold Resources at Pacific Minerals' 217 Project in China

**Beijing, China** — Robert Friedland, Chairman of Ivanhoe Mines, welcomed today's news from Pacific Minerals that an independent resource estimate has significantly expanded the inferred in-pit gold resources at the 217 Project, Inner Mongolia, China. The gold project is being developed under a 50/50 joint-venture agreement with Ivanhoe Mines, details of which can be found on Pacific Minerals' website at [www.pacific-minerals.com](http://www.pacific-minerals.com).

Ivanhoe Mines also owns 35.5% of Pacific Minerals' issued and outstanding shares (43.9% on a fully-diluted basis), effectively giving Ivanhoe a combined direct and indirect interest of 67.75% in the 217 Project.

The new resource estimate, prepared by Westervelt Engineering Ltd. of Vancouver, Canada, indicates that the Southwest Zone, which lies 1,800 metres south of the project's main deposit, the Northwest Zone, contains inferred resources of 14.79 million tonnes grading 1.25 grams per tonne (g/t) gold. These resources are estimated using a 2-to-1 strip ratio.

"The new estimation has significantly enhanced the size, grade and scope of the 217 Project," said Daniel Kunz, Pacific Minerals' President. "Of particular economic significance, the gold grade of the inferred resources in the Southwest Zone is 28% higher than the grade of the in-pit resources delineated to date in the Northwest Zone. Since this deposit outcrops along its strike length, it lends itself to efficient open-pit mining."

The new resource estimate is being incorporated into an independent scoping study that is scheduled to be released later this year. The scoping study will provide Pacific Minerals with various development scenarios to take advantage of low Chinese development and mining costs. The study will determine the economic viability of the 217 Project and provide a development strategy to achieve early production from planned near-surface open pits in the Northeast and Southwest zones. The newly defined mineralization in the Southwest Zone is expected to greatly enhance the economic viability of the project.

<b>In-Pit Resource – Southwest Zone, January 21, 2004</b>			
	Tonnes	Gold grade (g/t)	Ounces of gold
Inferred	14,788,645	1.25	594,925

The resources at the Southwest Zone are in addition to the in-pit resources in the Northeast Zone, details of which are available on the company website at [www.pacific-minerals.com](http://www.pacific-minerals.com)

<b>In-Pit Resource – Northeast Zone, November 17, 2003</b>			
	Tonnes	Gold grade (g/t)	Ounces of gold
Measured & Indicated	29,170,356	0.95	889,899
Inferred	6,774,410	0.98	213,407

With the addition of the inferred resources at the Southwest Zone, the total in-pit resources for the 217 Project are:

<b>Total In-Pit Resources, January 21, 2004</b>			
	Tonnes	Gold grade (g/t)	Ounces of gold
Measured & Indicated	29,170,356	0.95	889,899
Inferred	21,563,055	1.17	808,332

The independent estimate was prepared according to standards in National Instrument 43-101 by Westervelt Engineering Ltd., under the direction of R. Westervelt, P.Eng., an independent qualified person. Measured and indicated resources are that part of a mineral resource for which quantity and grade can be estimated with a level of confidence sufficient to allow the application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. Inferred resources do not have the same degree of verification.

Mineralization at the 217 property extends over a strike length of 4.5 kilometres. The property can be divided along strike into three separate zones of mineralization. The Southwest Zone is where the majority of the small-scale mining activities have occurred on the property and the company believes that this zone offers important potential for expansion of the open-pit resources.

The 217 Project consists of a licenced area of 36 square kilometres in the western part of Inner Mongolia, northern China. The project is approximately 650 kilometres northwest of Beijing and 120 kilometres south of Ivanhoe Mines' copper and gold discovery at Turquoise Hill (Oyu Tolgoi), in southern Mongolia. Pacific Minerals, through its subsidiary, holds the right to earn a 96.5% interest in the property. The project is being developed under a 50/50 joint-venture agreement with Ivanhoe Mines.

Pacific Minerals is a Canadian company focused on the exploration and development of precious and base metals (gold, copper and platinum group metals) in the People's Republic of China and Mongolia.

## **About Ivanhoe Mines**

Ivanhoe Mines, with operations concentrated in the Asia Pacific region, is a producer of copper, gold and iron ore products. Ivanhoe Mines' core assets are its 100%-owned Turquoise Hill Project in southern Mongolia and exploration rights which it holds or controls covering approximately 111,000 square kilometres in central and southern Mongolia and the Chinese province of Inner Mongolia.

Ivanhoe shares are listed on the NASDAQ market under the symbol HUGO and on the Toronto and Australian stock exchanges under the symbol IVN.

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## **Forward-Looking Statements**

This press release includes certain "Forward-Looking Statements" within the meaning of section 21E of the United States *Securities Exchange Act of 1934*, as amended. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization and resources, exploration results and future plans and objectives of Ivanhoe Mines Ltd., 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 documents filed from time to time with the Toronto Stock Exchange, the Australian Stock Exchange, the United States Securities and Exchange Commission and other regulatory authorities.