



November 5, 2003

**Ivanhoe Mines names industry veteran John Macken as President to head development of copper-gold discoveries in Mongolia.**

**Conference call scheduled for 4:00 p.m. Eastern Standard Time Nov. 5 to introduce Mr. Macken to investment community.**

SINGAPORE — Robert Friedland, Chairman of Ivanhoe Mines, announced today that John Macken has been appointed President of Ivanhoe Mines with a mandate to assemble and lead the management team charged with bringing into production the company's world-class copper and gold discoveries in Mongolia's South Gobi region.

Mr. Macken, 52, joins Ivanhoe after a 19-year career with mining giant Freeport McMoran Copper and Gold, most recently as Freeport's Senior Vice-President of Strategic Planning and Development, based in New Orleans. He spent a total of 13 years with Freeport's operating unit, P.T. Freeport Indonesia (PTFI), culminating in the position of Executive Vice-President and General Manager at Freeport's Grasberg mining complex in Papua, the world's largest single copper and gold mine.

"John Macken is one of the top guns in the international mining industry," Mr. Friedland said. "We have looked all around the world and we know that his depth of experience is a perfect match for Ivanhoe's executive leadership requirements as we evolve from an exploration venture to a mine planning and construction company."

Mr. Friedland, who has been serving as Ivanhoe's President since February this year, said Mr. Macken's appointment provides one more indication of Ivanhoe's stated determination to be the builder of Turquoise Hill and to play an active lead role in directing the development of the project.

Between 1996 and 1998, Mr. Macken headed an expansion valued at almost \$1 billion at the Grasberg open pit and underground mining complex in a joint venture between Freeport and Rio Tinto, of London, which is Freeport's largest shareholder. The expansion, completed ahead of schedule and under budget:

- Almost doubled production to more than 230,000 tonnes of ore per day, making the Grasberg complex the world's largest single processor of copper and gold ore and one of the mining industry's most efficient, lowest-cost producers.

- Pushed average annual production to 1.8 billion pounds of copper and 2.5 million ounces of gold, generating annual revenues in the range of US\$1.7 billion, and reduced Grasberg's cash production costs of copper to an average of less than US\$0.20 per pound.
- Incorporated additional refinements that enabled the project to exceed its originally targetted nameplate capacity of 190,000 tonnes per day by 20% — to 230,000 tonnes.

“In Indonesia, John developed a strategy that optimized material movement that allowed ore production just in the open pit to attain levels of more than 200,000 tonnes per day and brought into production a new 25,000-tonne-per-day underground block-cave mine that today is operating at up to 50% above its installed capacity,” Mr. Friedland said. “He also directed the construction of a coal-fired power plant, a 120-kilometre transmission line, a 90,000-tonne-per-day concentrator and other mine infrastructure.

“In Mongolia, Ivanhoe also plans to use open pit and block-cave mining methods, we also are evaluating an option to use coal-based electricity and we also expect to have an initial design throughput well in excess of 100,000 tonnes per day.”

During his career with Freeport in Indonesia, Mr. Macken was associated with an earlier series of expansions at the Ertsberg/Grasberg district, beginning in 1983 when production initially was increased to 9,500 tonnes per day through the development of the first block-cave mine at Ertsberg East as the original Ertsberg open pit was exhausted. Later, as PTFI's General Manager, he directly administered a US\$500 million operating budget; as Construction Manager he was responsible for up to 7,000 salaried and hourly employees and oversaw earlier projects that more than tripled production and included the construction of a city, port facilities and roadways.

Mr. Macken said that joining Ivanhoe means that he will have the unique opportunity to be associated with the development of another of the world's greatest copper and gold deposits.

“After visiting Turquoise Hill and China, I am excited by the challenge of leading the Ivanhoe team and directing the development of Ivanhoe's South Gobi discoveries. As I see it, our task is to build the infrastructure and processing facilities to accommodate an entire mining district that is continuing to grow even as we are making decisions about our current development plans.”

## **Updated resource estimate and scoping study to be released**

A revised, independent estimate of the copper and gold resources at the Turquoise Hill discovery is scheduled for public release later this month. The estimate will be based on the results of drilling completed since the previous update was issued August 25. Ivanhoe announced in mid-October that ongoing drilling was successfully expanding the gold- and

copper-rich porphyry centre of the northerly and southerly portions of the Hugo Dummett Deposit.

The estimate is being prepared by AMEC E&C Services, of Canada, which also is leading an engineering consortium of Ausenco Ltd., GRD Minproc and SRK Consultants that is preparing a preliminary scoping study of mine development scenarios that is expected to be released within 30 days.

The fleet of 18 rigs being used in the exploration program at Turquoise Hill includes the newly arrived UDR 5000, one of the world's largest multi-purpose, mineral exploration drilling rigs. The UDR 5000, now drilling into the Hugo Deposit, can rapidly recover large-diameter core samples and test high-grade mineralization at depths as great as 3,000 metres.

### **Conference call details**

The November 5 conference call, beginning at 4:00 p.m. Eastern Standard Time (1:00 p.m. Pacific), may be accessed by dialling 1-800-387-6216 in Canada and the United States, or 416-405-9328 in the Toronto area and internationally. An operator will register participants. A simultaneous webcast of the conference call will be provided through [www.ivanhoemines.com](http://www.ivanhoemines.com) and [www.Q1234.com](http://www.Q1234.com). The conference call will be archived for later playback on the Internet at [www.q1234.com](http://www.q1234.com), or by dialling 1-800-408-3053 or 1-416-695-5800 and entering the pass code 1494576.

For further information, please contact Ivanhoe's investor relations department at (888)-273-9999 or (604)-688-5755.

Ivanhoe holds or controls exploration rights covering more than 111,000 square kilometres in central and southern Mongolia. The Turquoise Hill project and the principal exploration properties in Mongolia, and in the neighbouring Inner Mongolia region of northern China, now constitute Ivanhoe's core holdings.

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

### **Information contacts**

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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 disclosed under the heading "Risk Factors" and elsewhere in the corporation's periodic filings with Canadian and Australian securities regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The company does not assume the obligation to update any forward-looking statement.