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## **IVANHOE MINES ANNOUNCES FINANCING OF US\$50 MILLION**

SINGAPORE, Oct. 17 /CNW/ - Ivanhoe Mines' Chairman Robert Friedland and Deputy Chairman Ed Flood announced today that the company has arranged an institutional private-placement financing of US\$50 million.

The proceeds will be used to complete ongoing resource-definition drilling, development planning and feasibility studies at Ivanhoe's Turquoise Hill copper and gold project in Mongolia, to fund the company's ongoing exploration programs in Asia and for general corporate purposes.

The financing will consist of 5.76 million Special Warrants at a price of US\$8.68 (approximately Cdn\$11.50) each. Each Special Warrant will entitle the holder to receive, at no additional cost, one common share and one-tenth of a common-share purchase warrant (a total of 576,000 common-share purchase warrants) following the clearance of a prospectus, or four months after the closing date, whichever ever occurs first. One common-share purchase warrant will entitle the holder to purchase one common share at a price of US\$8.68, exercisable until February 15, 2004. The financing is subject to regulatory approval.

Upon completion of this financing, Ivanhoe will have raised approximately US\$218 million in equity financing to fund the company's exploration programs since discovering the high-grade copper and gold porphyry deposit at Turquoise Hill, Mongolia, in July, 2001. The company also will have approximately US\$91 million in cash and investments.

Ivanhoe holds a 100% interest in the Turquoise Hill Project and holds or controls exploration rights covering approximately 100,000 square kilometres in central and southern Mongolia. The company's Turquoise Hill Project and its principal exploration properties in Mongolia, and in the neighbouring Inner Mongolia region of northern China, now constitute Ivanhoe's core holding.

Ivanhoe shares are listed on the Toronto and Australian stock exchanges under the symbol IVN. The company's shares also trade in the U.S. on the Over the Counter Market under the symbol IVHMF.

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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.