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DRILLING EXTENDS HIGH-GRADE COPPER-GOLD ZONE 350 METRES IN HUGO DEPOSIT AT TURQUOISE HILL PROJECT.

**RESULTS TO BE INCORPORATED IN UPDATED MINERAL RESOURCE
ESTIMATE TO BE RELEASED IN NOVEMBER.**

**INDEPENDENT GEOLOGICAL PEER REVIEW PANEL
CONFIRMS IVANHOE DISCOVERY AS ONE OF WORLD'S LARGEST
AND SEES POTENTIAL FOR MORE DEPOSITS TO BE FOUND BY
ONGOING EXPLORATION IN MONGOLIA'S SOUTH GOBI REGION.**

ULAANBAATAR, MONGOLIA — Ivanhoe Mines' Executive Vice-President, Exploration, Douglas Kirwin and Senior Vice-President, Exploration-Turquoise Hill Project, Charles N. Forster today announced the results of three additional drill holes that further expand the gold- and copper-rich, porphyry centre of the northerly portion of the Hugo Dummett Deposit.

Ivanhoe also announced some of the encouraging conclusions reached at the recent successful first meeting of a newly-appointed independent panel of geological scientists that spent four days at Turquoise Hill examining drill core, discussing ongoing research and reviewing all aspects of the Oyu Tolgoi gold-copper porphyry system with the project's site geologists.

The panel will hold further meetings to study various aspects of the mineralizing systems at Turquoise Hill (Oyu Tolgoi) and to assess exploration targets that may lead to new discoveries.

New holes intersect gold-rich mineralization

Three holes, OTD449B, 455B and 505, drilled into the northerly extension of the Hugo Deposit (formerly the Far North Zone) intersected gold-rich bornite mineralization in extensive quartz veining similar to previously announced gold-rich intersections such as OTD367A (164 metres: 4.00% copper and 1.42g/t gold), OTD455A (244 metres: 3.42% copper and 0.89g/t gold, OTD449A (124 metres: 3.36% copper and 1.60g/t gold) and OTD409 (108.4 metres: 2.68% copper and 1.34g/t gold).

- **OTD505**, drilled steeply southwest, intersected 244 metres grading 2.88% copper and 1.13 grams per tonne (g/t) of gold starting 782 metres down hole and included 154 metres of bornite-rich mineralization that graded 3.81% copper and 1.75g/t gold. The hole, collared to test the depth extent of mineralized quartz monzodiorite porphyry that averaged 1.70% copper and 0.23g/t gold over a 260-metre interval in hole OTD367G, intersected the gold-rich bornite zone significantly higher up-dip than was expected. This opens up 400 to 600

metres of possible up-dip potential that could bring the gold-rich zone to within 500 metres of surface.

- **OTD455B**, a daughter hole drilled to test a section 100 metres up-dip of OTD455A, intersected 198 metres grading 2.56% copper and 0.82g/t gold, including 74 metres grading 3.87% copper and 2.43g/t gold, before entering weakly mineralized, late-stage dykes.
- **OTD449B**, drilled between OTD449 and 449A, intersected 70 metres grading 1.70% copper and 0.16g/t gold starting at 1090 metres, followed by a 14-metre dyke and 68 metres grading 2.85% copper and 1.29g/t gold. This hole is currently at a depth of 1430 metres drilling in bornite, chalcopyrite-rich quartz monzodiorite porphyry.
- A fourth hole, **OTD514**, in progress, drilling west, 150 metres north of and parallel to OTD465A, has intersected strong bornite, chalcopyrite mineralization in both basalt and quartz monzodiorite porphyry. The hole encountered the mineralization at 1058 metres down-hole and is currently drilling at a depth of 1432 metres in quartz stockworked, quartz monzodiorite with strong bornite, chalcopyrite mineralization.
- A fifth hole, **OTD465B**, is currently drilling at a down-hole depth of 1295 metres in the quartz-rich zone with strong bornite and chalcopyrite mineralization similar to the intersection in OTD465A (200 metres grading 3.22% copper and 0.74g/t gold). The hole intersected the silica-rich, strong copper mineralization at a depth of 1250 metres, approximately 150 metres down dip of OTD465A.

Holes OTD505 and OTD 514, combined with the previously announced OTD465A and OTD367G will extend the high-grade core approximately 350 metres beyond the limits used in the previous resource estimate by AMEC E&C Services Limited announced July, 2003.

These latest holes will be used to update the next AMEC resource estimate planned for release in early November, 2003, in conjunction with a preliminary scoping study that is being prepared by an engineering consortium led by AMEC.

Independent panel believes more discoveries could lie ahead

Mr. Kirwin said Ivanhoe was very pleased to be working with a distinguished panel of geological scientists to help unlock the mineral wealth of the South Gobi. "It's essential to get the ideas and involvement of a cross-section of some of the world's leading geologists to help determine the full extent of the Turquoise Hill Project and our huge exploration landholding in southern Mongolia."

The expert panel was selected to be multi-disciplinary and representative of a broad range of relevant geological expertise. Its members are:

Dr. Jeff Hedenquist, based at the Colorado School of Mines in Golden, Colorado, an expert on high-sulphidation systems in porphyry and epithermal environments.

Dr. Rod Kirkham, retired from the Geological Survey of Canada, a specialist in porphyry and sediment-hosted copper deposits.

Drs. Roger Taylor and Peter Pollard, from James Cook University in Australia, specialists in porphyry copper systems and other igneous-related mineral deposits.

Dr. Peter Lewis, a structural geologist from Vancouver, Canada, who has conducted extensive work in a variety of environments, including porphyry and epithermal deposits.

Dr. Elisabeth Ronacher, Research Associate, Colorado School of Mines, who is studying the mineralization and alteration of the Hugo Dummett Deposit.

The panel met for the first time in late September to review and assess the geology and mineralization of the deposit. Its preliminary findings indicate that Ivanhoe is at a relatively early stage of assessment of the large mineralizing system at Turquoise Hill. As such, the panel noted that the currently identified deposits are not yet fully defined and there remains a great deal of untested potential within the Oyu Tolgoi exploration concession. As drilling expands beyond the current, tightly focused resource delineation programs, the potential to identify new zones of mineralization at depth, lateral to and between the existing deposits, is excellent.

The panel concluded that the high-sulphidation systems found at Turquoise Hill likely evolved from progressively cooling mineralizing solutions sourced from a magma chamber at depth. This implies that one or more mineralizing centres exist under the Hugo Dummett Deposit. Gold- and copper-bearing solutions have risen from these porphyry bodies to the base of the overlying sediments, which probably acted as a barrier and focused the solutions laterally along the strike extent of the Hugo Deposit, contributing to its significantly high hypogene copper grades. These primary copper grades, the panel concluded, are significantly higher than virtually every other porphyry deposit that has been documented to date.

The abundance of gold in the Hugo Deposit may be related to the unique ability of bornite to absorb higher concentrations of gold as its temperature of deposition increases. This could account for the progressively higher gold content of the bornite-dominant Hugo North Zone, suggesting that this portion of the deposit lies over the apex of a higher temperature porphyry system. This indication emphasizes the need to drill-test the deeper porphyry system that exists under the northerly extension of the Hugo Deposit that will be the primary target for a UDR5000 drill rig, capable of drilling to depths of 3000 metres, that arrived in Mongolia on October 11 and will reach Turquoise Hill later this month.

The distal expression of this extensive copper-rich system is a pyrite and enargite zone that overlies and flanks the entire strike extent of the chalcopyrite-bornite-chalcocite-rich core of the Hugo Deposit. Lying off the southwest end of the Hugo Deposit is a broad zone of pyrite with associated enargite mineralization that does not appear directly related to the main deposit. This zone is one of several pyrite and enargite zones recognized at Turquoise Hill in the earlier stages of the program that require deep test holes, given the Ivanhoe team's evolving understanding of the geologic system.

Other highly prospective deep targets identified by the panel include the intersection of two significant structures coincident to the South Oyu Deposit. A deep induced-polarization feature that lies at the west end of South Oyu indicates deep drilling is warranted at this point and also beneath the strong magnetic high on the eastern side of the deposit.

The panel's primary conclusion is that there is good potential to add significant resources to the existing deposit. More importantly, any additional resources would, in all likelihood, be discovered in new zones both locally and distal to the existing deposits within the boundaries of Ivanhoe's exploration licences. On a district scale, further analysis of regional structural patterns and how they relate spatially and genetically to centres of mineralization will help to focus exploration in more prospective areas. Exploration also should look for associated precious metal deposits, both base metals-related and epithermal, which are common to the giant porphyry systems.

Ivanhoe plans to add to the peer review panel with other copper/gold porphyry experts in the coming months.

Charles Forster, P.Geo., Ivanhoe Mines' Turquoise Hill Manager and a qualified person as defined by National Instrument 43-101, supervised the preparation of the information in this release. SGS Analabs Pty. Ltd. prepares the split core at the project site and assays all samples at its facility in Ulaanbaatar, Mongolia. Ivanhoe's QA/QC program is monitored by Dr Barry Smee, P.Geo., and managed on site by Dale Sketchley, M.Sc., P.Geo.

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.

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.

Information contacts:

Investors: Bill Trenaman: +1.604.688.5755 / Media: Bob Williamson: +1.604.688.5755

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.