



August 25, 2003

JULY 21, 2003 ESTIMATE OF TONNAGES AND GRADES OF FAR NORTH DEPOSIT INCREASED BY RE-CALCULATION OF INDEPENDENT RESOURCE ESTIMATE

ULAANBAATAR, MONGOLIA — Ivanhoe Mines' Chairman Robert Friedland and Executive Vice-President, Exploration, Douglas Kirwin announced today that a re-calculation of data has increased the independent estimate issued July 21, 2003 of the tonnages and grades of the copper and gold resources contained in the Far North Zone at Ivanhoe's Turquoise Hill (Oyu Tolgoi) Project in Mongolia.

The corrected estimate prepared on August 18 has increased the earlier July 21 estimates of the overall inferred resource tonnages at Far North by approximately 4% and gold grades by between 4% and 7%, reflecting the deep, gold-rich intersections at the northernmost extension of the presently known deposit. The combination of the higher tonnages and increased grades also has produced increases in the estimates of contained copper of between 3% and 5% and increases in contained gold of between 5% and 14% for the Far North Zone, compared to the July 21 estimate.

The August 18 revision of higher tonnages and gold grades resulted from a recent correction of an earlier computer entry by AMEC E&C Services (AMEC), of Canada, that led to an inaccurate calculation of copper-equivalent values in AMEC's Far North Zone resource model that was summarized in Ivanhoe's news release July 21, 2003.

Ongoing 24-hour-a-day drilling program continuing to discover high-grade copper and gold mineralization at Far North Zone

The Far North high-grade core currently is being very substantially expanded by the concentrated efforts of 15 drilling rigs that are continuing to intersect high levels of copper and gold mineralization. Holes 367F, 367G, 383C, 383D, 447, 449, 449A, 455, 455A, 460, 461, 463, 464 and 481, which are testing the continuity and extensions of high-grade mineralization, have all intersected significant intervals of strong copper mineralization. Assays are pending.

August 18 estimate of gold in Far North high-grade core rises 10%

AMEC's August 18 corrected estimate shows that on July 21 the Far North deposit in fact contained inferred resources of 642.8 million tonnes grading 1.19% copper and 0.10 g/t of gold, at a 0.60% copper equivalent cut off, containing approximately 7.6 million tonnes (16.9 billion pounds) of copper and 2.1 million ounces of gold. This is 4% more copper and 8% more gold than was announced July 21.

Corrected data also show that drilling at the Far North Zone had delineated a high-grade core of inferred resources greater than 2% copper equivalent within this larger mineralized envelope that contained an estimated 70.8 million tonnes grading 2.92% copper and 0.30 g/t gold, containing 2.0 million tonnes of copper and 690,000 ounces of gold. This is 3% more copper and 10% more gold than was announced July 21.

Revised Far North Zone Inferred Resources (at various copper equivalent cut-off grades ¹). The August 18 re-calculation percentage changes from the previously reported July 21 estimate are highlighted in the row below each listed cut-off grade.

Copper Eq. Cut-off Grade (%) ¹	Tonnes	Copper Grade (%)	Gold Grade (g/t)	Copper Equivalent Grade (%)	Contained Metal	
					Copper (tonnes)	Gold (ounces)
>=3.50	17,000,000	3.74	0.50	4.06	640,000	280,000
% increase	4%	0%	10%	1%	5%	14%
>=3.00	36,200,000	3.35	0.42	3.62	1,210,000	480,000
% increase	4%	0%	9%	0%	3%	10%
>=2.50	57,800,000	3.08	0.34	3.30	1,780,000	640,000
% increase	4%	0%	7%	0%	3%	11%
>=2.00	70,800,000	2.92	0.30	3.11	2,070,000	690,000
% increase	3%	0%	7%	1%	3%	10%
>=1.50	121,700,000	2.36	0.21	2.49	2,870,000	830,000
% increase	3%	0%	7%	0%	3%	10%
>=1.25	237,600,000	1.85	0.15	1.94	4,390,000	1,110,000
% increase	4%	0%	5%	0%	3%	9%
>=1.00	341,700,000	1.61	0.13	1.69	5,520,000	1,380,000
% increase	4%	-1%	5%	0%	4%	9%
>=0.90	376,200,000	1.55	0.12	1.63	5,820,000	1,500,000
% increase	5%	-1%	5%	-1%	4%	9%
>=0.80	452,200,000	1.42	0.12	1.49	6,410,000	1,690,000
% increase	4%	0%	4%	0%	4%	9%
>= 0.70	551,700,000	1.29	0.11	1.36	7,110,000	1,920,000
% increase	4%	0%	6%	0%	4%	9%
>= 0.60	642,800,000	1.19	0.10	1.26	7,660,000	2,110,000
% increase	4%	0%	4%	0%	4%	8%
>= 0.50	859,600,000	1.01	0.10	1.08	8,710,000	2,680,000
% increase	4%	0%	3%	0%	4%	7%
>= 0.40	1,196,300,000	0.84	0.09	0.90	10,060,000	3,380,000
% increase	3%	0%	2%	0%	3%	5%
>= 0.30	1,652,200,000	0.70	0.08	0.75	11,480,000	4,200,000
% increase	3%	1%	3%	1%	3%	5%

1. Copper equivalent grades have been calculated using assumed metal prices (US\$0.80/lb. for copper and US\$350/oz. for gold); %Cu eq. = %Cu + Au (g/t) x (11.25/17.64).
2. The contained gold and copper represent estimated contained metal in the ground and have not been adjusted for the metallurgical recoveries of gold and copper. The determination of an adjustment factor to account for differences in relative metallurgical recoveries between gold and copper will depend upon the completion of definitive metallurgical testing.
3. Resource classifications conform to CIM Standards on Mineral Resources and Reserves referred to in National Instrument 43-101. Mineral resources that are not reserves do not have demonstrated economic viability. An indicated mineral resource is 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. An inferred mineral resource is that part of a mineral resource for which quantity and grade can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified.

Overall Turquoise Hill Project resource estimate also raised

The increased size of the Far North resource also has produced a corresponding increase in AMEC's estimate of the size of the resource for the entire Turquoise Hill Project.

AMEC now calculates that on July 21 the overall project contained an inferred resource totalling 2.45 billion tonnes grading 0.61% copper and 0.14 g/t gold, at a 0.30% copper equivalent cut-off, containing approximately 15.1 million tonnes (33.2 billion pounds) of copper and 11.4 million ounces of gold. This is 3% more copper and 2% more gold than was announced July 21. This also now represents an increase of 49% in the amount of copper and a 27% increase in the amount of gold over AMEC's earlier estimate issued on February 26, 2003.

At a higher cut-off grade of 0.60% copper equivalent, AMEC now estimates that the inferred resource for the entire project stood at 965 million tonnes grading 1.01% copper and 0.21 g/t gold, containing approximately 9.8 million tonnes (21.5 billion pounds) of copper and 6.4 million ounces of gold. This is 3% more copper and 3% more gold than was announced July 21. This also now represents an increase of 32% in the amount of copper and a 17% increase in the amount of gold over the inferred resource at the higher cutoff in the earlier, February, 2003 estimate.

In addition to the inferred resources, the overall project on July 21 also contained 509 million tonnes of indicated resources in the Southwest Zone grading 0.40% copper and 0.59 g/t gold, containing approximately 2.1 million tonnes (4.5 billion pounds) of copper and 9.7 million ounces of gold, at the 0.30% cut-off grade. At the higher 0.60% cut-off grade, the project had an indicated resource of 267 million tonnes grading 0.53% copper and 0.86 g/t gold, containing 1.4 million tonnes (3.1 billion pounds) of copper and 7.4 million ounces of gold. The project's indicated resources remained approximately the same as the February, 2003 estimate because Ivanhoe conducted only a minimal amount of drilling in the Southwest Zone between February and July. All indicated resources identified to date are in the Southwest Zone.

The Far North deposit and its recently discovered, deeply buried porphyry system is one of four co-genetic copper and gold zones delineated to date along a five-kilometre-long chain of deposits at Turquoise Hill. Analyses of the updated mineral resources for the project, at 0.30% and 0.60% copper equivalent cut-off grades, are provided in the following tables. The company's drilling since February has focused on expanding and delineating the Far North Zone, so AMEC has not updated the resource estimates it issued February 26 for the Southwest, South and Central zones.

Updated Turquoise Hill Resource by Zone (based on a 0.30% Copper Equivalent cut-off) ¹

Zone	Resources (million tonnes)	Copper Grade (%)	Gold Grade (g/t)	Copper Equiv. Grade (%)	Contained Metal		
					Copper (million tonnes)	Gold (million ounces)	Copper Equiv. (million tonnes) ²
SOUTHWEST							
Indicated	508.9	0.40	0.59	0.78	2.06	9.69	3.98
Inferred	290.8	0.32	0.50	0.64	0.92	4.70	1.86
SOUTH							
Inferred	270.3	0.39	0.13	0.48	1.07	1.10	1.28
CENTRAL							
Inferred	236.8	0.67	0.18	0.79	1.59	1.36	1.86

FAR NORTH							
Inferred	1,652.2	0.70	0.08	0.75	11.48	4.20	12.39
% increase Aug. 18	3%	1%	0%	1%	3%	5%	4%
GRAND TOTAL, INDICATED	508.9	0.40	0.59	0.78	2.06	9.69	3.98
GRAND TOTAL, INFERRED	2,450.1	0.61	0.14	0.71	15.06	11.36	17.36
% increase Aug. 18	2%	0%	0%	1%	3%	2%	3%

Updated Turquoise Hill Resources by Zone (based on a 0.60% Copper Equivalent cut-off) ¹

Zone	Resources (million tonnes)	Copper Grade (%)	Gold Grade (g/t)	Copper Equiv. Grade (%)	Contained Metal		
					Copper (million tonnes)	Gold (million ounces)	Copper Equiv. (million tonnes) ²
SOUTHWEST							
Indicated	267.0	0.53	0.86	1.08	1.42	7.35	2.88
Inferred	126.6	0.44	0.68	0.87	0.55	2.78	1.10
SOUTH							
Inferred	48.4	0.61	0.26	0.77	0.29	0.40	0.37
CENTRAL							
Inferred	147.5	0.84	0.24	0.99	1.24	1.14	1.46
FAR NORTH							
Inferred	642.8	1.19	0.10	1.26	7.66	2.11	8.09
% increase Aug. 18	4%	0%	0%	0%	4%	8%	4%
GRAND TOTAL, INDICATED	267.0	0.53	0.86	1.08	1.42	7.35	2.88
GRAND TOTAL, INFERRED	965.3	1.01	0.21	1.14	9.78	6.42	11.03
% increase Aug. 18	3%	0%	0%	0%	3%	3%	3%

Since its discovery in the fall of 2002, the Far North Zone has developed into the project's most important deposit. It contains approximately 78% of the copper and 33% of the gold in Turquoise Hill's total inferred resources defined to date, using a 0.30% copper equivalent cut off.

The total strike length of the Far North Zone now included in the 0.60% copper equivalent inferred resource estimate is in excess of two kilometers, and it remains open. The deposit plunges shallowly north and can be partitioned into two mineralized zones. The northern portion, referred to as the Far North Extension, is

hosted by basalt, with the highest-grade intersections occurring in quartz stock work that replaces up to 90% of the basalt. Intense chlorite, hematite after biotite and magnetite alteration reinforces the gold-rich porphyry association.

Ivanhoe is reviewing various potential production scenarios that could involve early-stage mining, including an open pit in the Southwest Zone and bulk underground mining in the high-grade copper and gold core of the Far North Zone extension. An independent scoping study is scheduled for release in early October this year.

The revised estimate for the Far North Zone at Ivanhoe's Turquoise Hill Project was prepared by AMEC in conformance with the requirements set out in National Instrument 43-101 ("N143-101") under the direction of Dr. Harry Parker, Ch. P. Geol., and Dr. Stephen Juras, P.Geo., independent qualified persons as defined by NI 43-101.

Charles Forster, P.Geo., Ivanhoe Mines' Turquoise Hill Manager, a qualified person as defined by National Instrument 43-101, supervised the preparation of the information upon which this release is based. SGS Analabs Pty. Ltd. prepares the split core at the project site and assays all samples at its facility in Ulaanbaatar, Mongolia. Ivanhoe's quality assurance/quality control program is monitored by independent consultant Dr Barry Smee, P.Geo., and managed on site by Dale Sketchley, M.Sc., P.Geo. Prepared standards and blanks are inserted at the sample preparation lab on the project site to monitor the quality control of the assay data.

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

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.