



July 8, 2003

OYU TOLGOI COPPER AND GOLD RESULTS BEST TO DATE

THIRTEEN DRILL RIGS DELINEATING NEW HIGH-GRADE ZONE AND EXPLORING DEEPER COPPER/GOLD PORPHYRY SYSTEM

ULAANBAATAR, MONGOLIA — Ivanhoe Mines' Chairman Robert Friedland and Executive Vice-President, Exploration, Douglas Kirwin announced today that recent drilling along the northern projection of the Far North Zone at Oyu Tolgoi (Turquoise Hill) has confirmed and enhanced the exceptional results released on March 31, 2003. Numerous basalt-hosted, very high-grade copper and gold intersections have been made that overlie a giant, buried porphyry that is the probable source of the Far North Zone.

The company has accelerated its drilling program on the Far North Zone and is using 13 drill rigs to delineate the extent of the discovery. A resource assessment is being prepared for this zone and will be released shortly.

"Two years of exploration success already have established Turquoise Hill as one of the largest copper and gold porphyry deposits in the world — and our latest drillholes in the Far North Zone have intersected the highest-grade intersections of copper and gold mineralization that we have encountered to date at the project," said Mr. Kirwin. "These excellent intersections are continuing to expand the parameters of the deposit at a remarkable rate."

Highlights of recent exploration and current development planning include:

- **Outstanding high-grade copper and gold drilling results in the Far North Zone have included up to 144 metres at 4.41% copper and 1.61 g/t gold in Hole 367A, and 66 metres at 3.52% copper and 1.88 g/t gold in Hole 409.**
- **Scoping studies to formulate optimal project development concepts are underway. The high-grade copper and gold mineralization of the Far North Zone is being incorporated into scoping studies investigating the development of an open-pit/underground operation that would process between 40,000 to 100,000 tonnes of ore per day.**
- **The project team is investigating means of fast-tracking development of the high-grade zone to increase early cash flows and enhance the overall economic returns from the project.**

Several of the new drill holes contain intercepts of greater than 200 metres in thickness that averaged well in excess of 3% copper. Gold grades ranging up to 1.88 grams per tonne (g/t) over 66 metres and 1.34 g/t over 108 metres also have been encountered. The results have extended the Far North Zone a minimum of 800 metres beyond the northern limit of the area used to

calculate the resource estimate prepared by AMEC E&C Services Limited in February, 2003, and increased the total north-south strike length of the Far North Zone to more than two kilometres.

The estimated width of the Far North Zone currently ranges between 200 metres and 800 metres. However, the deposit's current width may be constrained by a lack of drill holes along the margins, particularly near the mid-point where it appears to narrow. The deposit remains open for significant expansion, as evidenced by the current drill results and the open-ended nature of the zone along strike, on the margins and to depth. A plan map and associated long section showing the new drill holes and outline of the present extent of the Far North deposit are attached.

GEOLOGY OF THE FAR NORTH DISCOVERY

The Far North Zone has a shallow, northerly plunge and is characterized as having two distinct mineralized bodies – a southern portion and a northern portion. The southern portion, hosted primarily in ignimbrites, is nearer the surface and has a high-grade hypogene copper core comprised of bornite and chalcocite. The deeper, northern portion that is emerging from current drilling is predominately bornite, with subsidiary chalcopyrite, and is associated with significant gold assays and strong quartz veining that replaces up to 90% of the host rock.

Based on the strong bornite and gold association, as well as fluid inclusion studies, Ivanhoe's geologic team believes that the northern portion of the Far North Zone formed under higher temperature conditions than the southern portion of the zone. Numerous intersections of mineralized porphyry beneath the northern portion of the system indicate that a giant, deep-seated porphyry is the probable source for the two-kilometre-long system defined to date. The bulk of the northern portion of the Far North Zone is hosted by basalt, with the highest-grade intersections occurring in quartz stockwork. Intense chlorite, hematite after biotite and magnetite alteration reinforces the gold-rich porphyry association and is virtually identical to the alteration style associated with the gold-rich Southwest Zone.

The rapidly expanding high-grade core of the Far North Extension is presently at least 700 metres long by 300 metres wide and a minimum of 150 metres thick, based on recent intersections such as those reported for three daughter holes fanned from hole 367. Hole 367E encountered 204 metres grading 3.73% copper and 0.39 g/t gold. Hole 367E is 200 metres east of 367A, which intersected 144 metres grading 4.41% copper and 1.61 g/t gold, and 100 metres east of 367B, which intersected 108 metres grading 3.73 % copper and 0.26 g/t gold. Hole 367F has intersected an additional 250 metres of strong copper mineralization and currently remains in high-grade copper at a down-hole depth of 1,134 metres. Assays are pending. (See attached cross-section showing the 367-section drill holes.)

Table: Grades and thicknesses of recent intercepts that presently define the northern portion of the Far North Zone:

Drill Hole	From (metres)	To (metres)	Interval (metres)	Copper (%)	Gold (g/t)
OTD367A	1062	1206	144	4.41	1.61
OTD367B	912	1116	204	2.69	0.20

including	912	1020	108	3.73	0.26
OTD367E	872	1206	334	2.80	0.29
including	914	1004	90	4.20	0.37
including	914	1118	204	3.73	0.39
OTD409	1084	1192.4	108.4	2.68	1.34
including	1114	1180	66	3.52	1.88
OTD383	1146	1194.4	48.4	3.14	0.18
OTD396	804	908	104	2.44	0.29
OTD355	946	1002	56	3.01	0.09

A complete list of assays from all recently drilled holes will be posted on the company's website.

Current drilling is focused on further defining the grade and extent of the high-grade discovery, as well as testing the deep-seated porphyry intrusion lying beneath the high-grade mineralization. The potential northerly strike extent of the high-grade zone is approximately one kilometre beyond Hole 367, where it ultimately is cut off by a major cross-structure near the northern boundary of the concession. Drilling north of the major cross-structure has encountered a large, unmineralized, granodiorite complex that could be a potential source of water for the project. Exploration drilling is being conducted on 150- to 200-metre intervals along the zone's strike extent, with at least three drill holes per section. The program is using high-capacity, deep diamond drill rigs with directional capability, which allows daughter holes (e.g. Holes 367A, B, C, D, E, & F) to be drilled from mother holes (e.g. Hole 367) using the Navidrill system.

SCOPING STUDIES TO INCLUDE FAR NORTH HIGH GRADE

The new, high-grade mineralization discovered in the northern portion of the Far North Zone is expected to greatly enhance the parameters of the project. Internal scoping work has indicated that an open-pit operation at Southwest Oyu has excellent economics and could form the basis for initial production. The results received to date from the Far North Zone have been incorporated into certain of the potential production scenarios currently being modelled by Ivanhoe's independent consultants. For example, the high-grade mineralization outlined in the northern or southern portions of the Far North Zone could supplement mill feed from an open pit at Southwest Oyu as the project expands from approximately 40,000 to 100,000 tonnes of ore per day. To substantiate these potential production scenarios, the company will invest in definition drilling on the high-grade

zone during the next 90 days and incorporate the results in independent scoping studies to be completed this fall.

The Far North deposit and its newly 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.

AMEC is preparing a new, interim resource estimate that will incorporate drilling results compiled since February, 2003. As summarized in Ivanhoe's February 26th news release, AMEC reported that all four zones at Turquoise Hill at that time had an estimated **inferred resource** totalling 1.60 billion tonnes grading 0.63% copper and 0.17 g/t gold, containing approximately **22.3 billion pounds of copper and 9.0 million ounces of gold**, at a 0.30% copper equivalent cut-off grade and an additional 509 million tonnes of **indicated resources** grading 0.40% copper and 0.59 g/t gold, containing approximately **4.5 billion pounds of copper and 9.7 million ounces of gold**. The 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.

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 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 laboratory on the project site to monitor the quality control of the assay data.

Ivanhoe owns a 100% interest in the Turquoise Hill gold and copper project in Mongolia and holds exploration rights covering approximately 90,000 square kilometres in central and southern Mongolia, where additional copper and gold discoveries have been made.

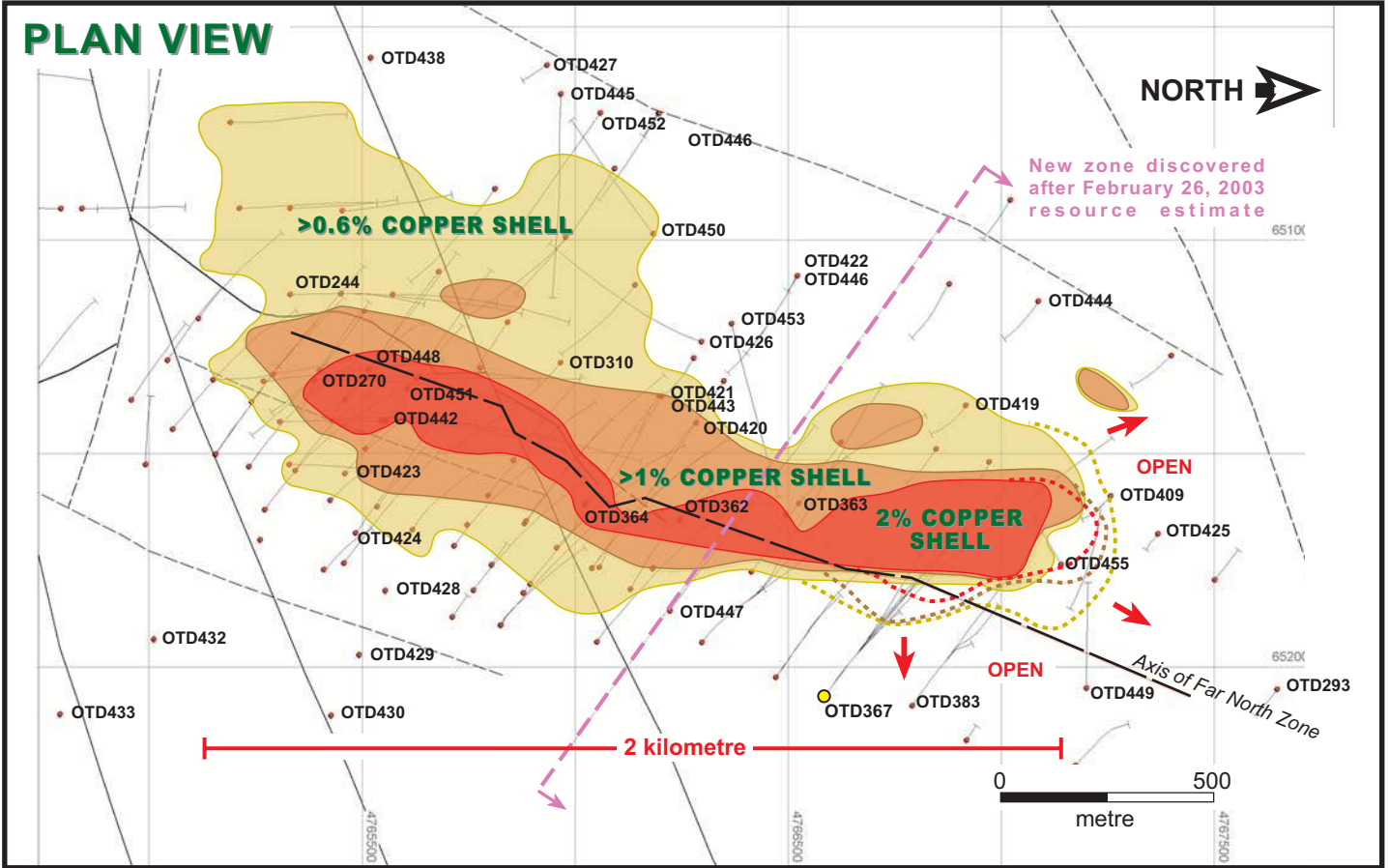
Ivanhoe will host a telephone conference call today at 4:00 p.m. Eastern time (1:00 p.m. Pacific) to discuss the new drilling results and to answer questions about the company's Mongolian exploration and development program. The call may be accessed by dialing 1-800-387-6216 in Canada and the United States, or 1-416-405-9328 in the Toronto area and internationally.

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

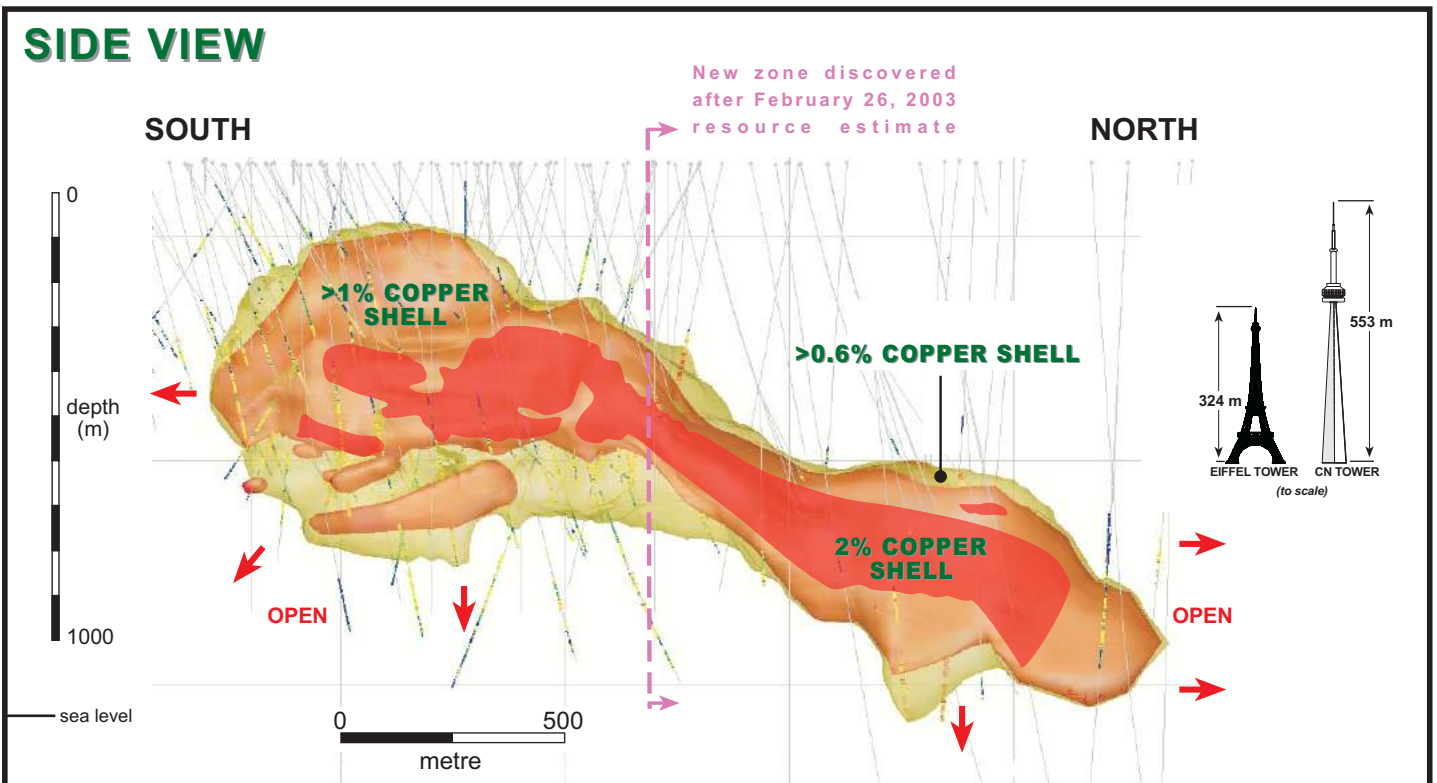
Investors contact: Bill Trenaman: +1.604.688.5755 / Media contact: Bob Williamson: +1.604.688.5755

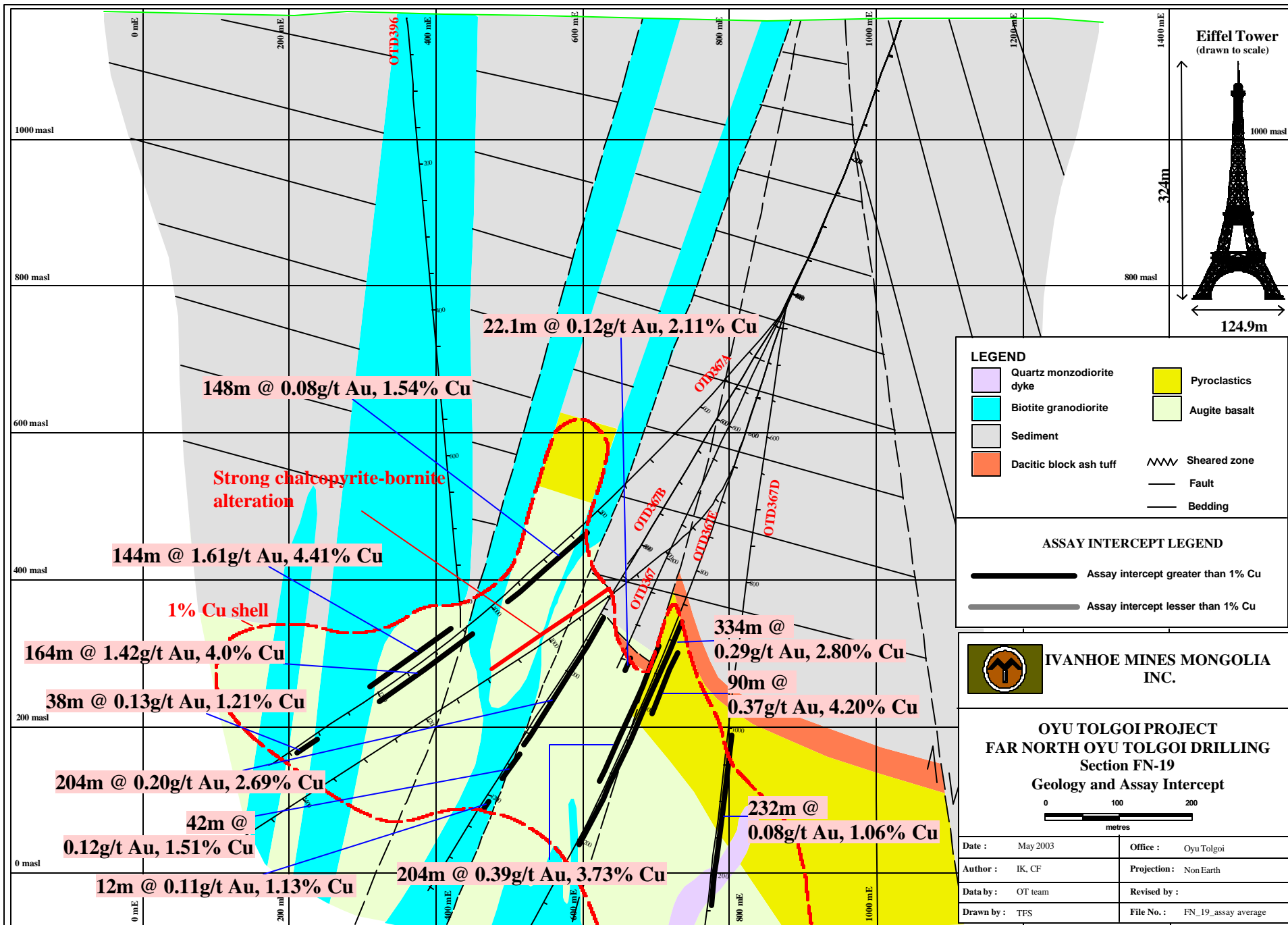
Forward-Looking Statements: Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the corporation's periodic filings with Canadian and Australian securities 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.

PLAN VIEW



SIDE VIEW





LEGEND

Quartz monzodiorite dyke	Pyroclastics
Biotite granodiorite	Augite basalt
Sediment	Sheared zone
Dacitic block ash tuff	Fault
	Bedding

ASSAY INTERCEPT LEGEND

	Assay intercept greater than 1% Cu
	Assay intercept lesser than 1% Cu

IVANHOE MINES MONGOLIA INC.

OYU TOLGOI PROJECT
FAR NORTH OYU TOLGOI DRILLING
Section FN-19
Geology and Assay Intercept

0 100 200 metres

Date :	May 2003	Office :	Oyu Tolgoi
Author :	IK, CF	Projection :	Non Earth
Data by :	OT team	Revised by :	
Drawn by :	TFS	File No. :	FN_19_assay average