



June 12, 2003

IVANHOE MINES REITERATES ITS SUPPORT FOR DEMOCRACY-BUILDING PROCESS IN MYANMAR

STATEMENT

Thirteen months ago, the Board of Directors of Ivanhoe Mines issued a formal, public statement welcoming encouraging developments that had occurred in Myanmar. At the time, the Myanmar government had lifted travel restrictions on Aung San Suu Kyi, the leader of Myanmar's National League for Democracy, and there was considerable optimism over the outlook for important progress toward democratic reforms within the country.

Ivanhoe, with much of the world, has apprehensively followed reports of recent events in Myanmar. We are concerned by the present detention of Ms. Suu Kyi, although we are encouraged that United Nations' Special Envoy Tan Sri Razali Ismail, who met with Myanmar leaders and Ms. Suu Kyi in recent days, said he has been assured that she will be released as soon as possible.

Ivanhoe's position has been, and remains, clear:

- We continue to encourage all parties in Myanmar to work together to achieve an agreement on a new order of democracy that will establish and protect rights for the benefit of all of the people of Myanmar.
- We are gratified that the United Nations, particularly through the efforts of its Special Envoy, is continuing to lend leadership and support to the process of democracy-building in Myanmar.
- While some reports of recent events have proved to be false, and some have not been independently verified, no setback should jeopardize the democratic objective that all parties have accepted.
- As a company, Ivanhoe has responsibilities and obligations to its shareholders and employees. Through our presence and actions, we are leading by example in our own way – wherever we conduct our business. We are “walking our talk” and demonstrating that our enterprise and our commitments to international charters and standards do indeed help to deliver economic and social benefits to many thousands of people in significant communities of interest.

- ❑ Ivanhoe Mines has had a business presence in Myanmar for 10 years. We have a 50% interest in the Monywa Copper Project in north-central Myanmar. The mine is managed by a separate, joint-venture company and operated to international standards (including ISO 14001) for employee health, safety and training, and environmental management. The Monywa mine directly provides 550 permanent jobs. Approximately 6,500 children, women and men in the region depend on the project's ongoing operation for food, shelter, income and jobs.
- ❑ Democracy, rights, jobs and investment can go hand in hand to give people the dignity and means to pursue their ambitions in a secure and healthy environment, and Ivanhoe will continue to contribute in a meaningful, responsible and appropriate manner.
- ❑ As an international mining company incorporated in Canada, Ivanhoe's business is exploration and the development of mineral discoveries in the Asia Pacific region. We create good jobs for qualified adults in safe and healthy environments and we endeavour to build wealth for our shareholders.
- ❑ We respect international conventions, including the United Nations' Universal Declaration of Human Rights. We support the advancement of democratic imperatives.
- ❑ While we are acutely conscious of our obligations and responsibilities, we are not motivated by political considerations. The demand by some groups opposed to the Myanmar government – that Ivanhoe be forced to abandon its investment in the Monywa project as a gesture of political protest – is not a rational option. Ivanhoe still would be responsible for its share of the mine-construction debt and other liabilities. Throwing 550 Monywa employees out of work to serve a political agenda in Canada would produce cruel and unfair hardship for the thousands of ordinary people in Myanmar who depend on the economic activity generated by the mine and community health programs voluntarily funded by Ivanhoe – and it would not move democracy one day closer.
- ❑ Ivanhoe Mines does not manage or operate the Monywa mine and Ivanhoe does not make large payments to the Myanmar government. The Myanmar government is not receiving profits from the mine and no profits will be paid until all of the construction loans obtained to build the mine have been repaid. The government receives a 2% royalty on the sales of copper produced by the Monywa mine, which is paid by the Myanmar-based joint-venture operating company, Myanmar Ivanhoe Copper Company Ltd. (MICCL), from its revenues. During the past four years, MICCL has made royalty payments that have averaged US\$828,000 a year to the Ministry of Mines – one of the national government's major administrative departments that itself is supporting thousands of employees.

Further details about Ivanhoe's interests and activities are available on the company's website: www.ivanhoemines.com. Particular reference is made to the *Statement of Values and Responsibilities* and *Fact File: The Monywa Copper Project*.

Information contacts

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