



May 15, 2003

## **IVANHOE MINES ACQUIRES NEW GOLD-COPPER PORPHYRY SYSTEM IN INNER MONGOLIA, CHINA**

**BEIJING, CHINA** – Ivanhoe Mines' Chairman Robert Friedland and Executive Vice-President, Exploration, Douglas Kirwin announced today that the company has signed a joint-venture agreement with Inner Mongolia Huayu Geology and Minerals Exploration Co. Ltd ("Huayu"), an affiliate of China National Non-Ferrous Metals Industries Corporation of Beijing, to engage in the exploration, mining and processing of gold, copper, silver and other metals and minerals in China's Autonomous Region of Inner Mongolia.

The agreement gives Ivanhoe the right to earn an 80% interest in exploration and mining licenses covering 400 square kilometres in Inner Mongolia, including the Oblaga Mine, a porphyry-related gold-copper deposit. Ivanhoe and Huayu also have entered into a separate purchase agreement with the holders of mining rights to the Oblaga Mine.

Inner Mongolia, one of China's largest distinct regions, covers 1.18 million square kilometres and forms part of China's northern border with Mongolia and Russia. The region has large deposits of rare-earth minerals, base and precious metals, and coal.

The Oblaga Mine is currently operated as a small-scale, underground gold-copper mine by local Chinese miners. The mine is in Bayannuoer Meng League, western Inner Mongolia, and is approximately 220 kilometres south-southwest of Ivanhoe's Turquoise Hill (Oyu Tolgoi) gold and copper porphyry discovery in southern Mongolia. Ivanhoe acquired the surrounding exploration license because its geologic and tectonic settings are similar to the porphyry belt in neighboring Mongolia that hosts Turquoise Hill and several other highly prospective gold-copper discoveries.

The Oblaga Mine and surrounding gold-copper-molybdenum prospects are hosted in a north-south-trending belt of variably metamorphosed mid-Paleozoic volcanic extrusive, sedimentary and intrusive rocks that include andesitic to dacitic lava flows, tuffs, ignimbrites and granitic to monzodioritic stocks and plutons. Mineralization at Oblaga is localized along an east-west splay of a major tectonic lineament which is considered to be a fundamental control of the porphyry-style mineralization at Turquoise Hill, approximately 220 kilometres to the northeast.

High-grade gold-copper skarn mineralization at Oblaga occurs at the approximate centre of a sub-volcanic complex, consisting of dacitic to andesitic pyroclastics and epiclastics. These units are intruded by a series of quartz diorite porphyry dykes and late-stage, post-mineral andesitic to basaltic andesite. Ring structures adjacent to the gold-copper mineralized skarn are interpreted to have controlled the emplacement of dykes within the mine area. North-south structures within the project area are associated with strong silicification and porphyry-related quartz-chalcopyrite-molybdenite-pyrite-bornite veinlets, with gold-copper values from rock-chip samples ranging up to 26.9 g/t gold and 3.1% copper.

The intensity of sericite-quartz alteration also increases and becomes more pervasive 400 metres east of the existing Oblaga Mine, indicating another concealed porphyry centre.

Ivanhoe's underground rock-chip sampling of the high-grade gold-copper skarns at the Oblaga mine have returned grades of up to 48.21 g/t gold and 7.02% copper, and 34% of samples from Ivanhoe's initial rock-chip sampling program (115 samples) returned assays in excess of 1 g/t gold and 1% copper. The highest gold-copper grades are associated with a lens of pervasively albite-sericite-quartz altered metasediment that laterally zone out into copper-rich garnet skarns and lower-grade epidote skarns. The high-grade mineralization forms a shell around sub-vertical microdiorite dykes, which are considered to be related to a much larger, adjacent, unexposed porphyry gold-copper system.

The China Non-Ferrous Metals Geological Bureau reported the following significant down-hole intercepts from its 38-hole, diamond-drilling program completed in the late 1990s. The drilling was limited to a small portion of the deposit peripheral to where Ivanhoe believes the main mineralizing event occurred.

(DDH ZK401)	<b>73.43 m @ 1.26% copper, 0.74 g/t gold</b>
(DDH ZK402)	<b>34.49 m @ 0.51% copper, 2.34 g/t gold</b>
(DDH ZK404)	<b>21.54 m @ 0.66% copper, 5.38 g/t gold</b>
(DDH ZK409)	<b>22.10 m @ 1.16% copper, 0.09 g/t gold</b>
(DDH CK29)	<b>38.87 m @ 0.63% copper, 5.20 g/t gold</b>
(DDH CK22)	<b>33.97 m @ 0.65% copper, 0.74 g/t gold</b>

The China Nonferrous Metals Geological Bureau also reported the following notable intercepts from an underground, crosscut channel-sampling program:

**55.80 m @ 0.91% copper, 2.50 g/t gold**

**49.10 m @ 1.10% copper, 0.52 g/t gold**

**22.50 m @ 0.74% copper, 2.56 g/t gold**

Oblaga displays many characteristics of a gold-copper rich, porphyry-related environment, including classically zoned skarns, sheeted quartz veining, significant gold-copper grades and multiple-phase porphyry intrusives. The gold (g/t) to copper (%) ratios are frequently greater than 2 to 1, and are similar to those encountered at the Southwest Oyu Zone at Turquoise Hill.

Advanced exploration planned for the balance of 2003 includes a detailed I.P./Resistivity survey, a ground magnetic survey and scout diamond-drill testing.

Douglas Kirwin, a qualified person as defined by National Instrument 43-101, supervised the preparation of the information in this release.

Ivanhoe has a 100% interest in the Turquoise Hill gold and copper project in Mongolia and exploration rights covering approximately 90,000 square kilometres in central and southern Mongolia, where additional copper and gold discoveries have been made. Ivanhoe produces LME grade A copper from its Monywa joint venture in Myanmar and iron ore products from ABM Mining's Savage River mine in Australia.

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

#### Information contacts in North America

Investors: Michael Hitch, P. Geo.: +1.416.888.9089 / 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.