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IVANHOE MINES ANNOUNCES FINANCING OF CDN\$70 MILLION

SINGAPORE — Ivanhoe Mines' Chairman Robert Friedland and Deputy Chairman Ed Flood announced today that the company is arranging a private-placement financing of approximately CDN\$70 million (US\$47.4 million) to accounts managed by a single US financial institution.

The proceeds will be used to advance ongoing resource-definition drilling, development planning and feasibility studies at Ivanhoe's Turquoise Hill major gold and copper discovery in Mongolia, to fund the company's ongoing exploration programs in Asia and for general corporate purposes.

The financing will consist of approximately 19.9 million Special Warrants at a price of CDN\$3.50 (US\$2.38) each. Each Special Warrant entitles the holder to acquire one common share of Ivanhoe, at no additional cost, following the clearance of a prospectus or four months after the closing date, whichever occurs first. The financing is subject to regulatory approval.

Ivanhoe has previously raised approximately CDN\$175 million (US\$110 million) in equity financing to fund the company's exploration programs since discovering the high-grade gold and copper porphyry deposit at Turquoise Hill, Mongolia in July, 2001.

Ivanhoe holds a 100% interest in the Turquoise Hill Project and has exploration rights covering approximately 90,000 square kilometres in central and southern Mongolia. The company 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.

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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.