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IVANHOE MINES ANNOUNCES 2002 YEAR-END FINANCIAL RESULTS

TORONTO — Ivanhoe Mines today reported its financial results for the year ended December 31, 2002. The company recorded a net loss of US\$30 million in 2002, compared to a net loss of US\$85 million in 2001. The major components of the 2002 results consist of profits from mining operations totalling US\$11 million, a gain on settlement of debt of US\$32 million, losses from exploration activities of US\$34 million, write-down of assets of US\$20 million, general and administrative costs of US\$12 million and deferred taxes of US\$4 million.

Overview

- ❖ In 2002, Ivanhoe continued its extensive exploration and development program on its Turquoise Hill (Oyu Tolgoi) Project in southern Mongolia. The company also began a major exploration program on a number of its other Mongolian mineral properties, which total approximately 90,000 square kilometres in southern and central Mongolia. In 2002, Ivanhoe completed approximately 136,000 metres of drilling on its various Mongolian properties. The company spent approximately US\$30 million in Mongolia during the year, including US\$18 million at Turquoise Hill.
- ❖ A new, independent resource estimate for Turquoise Hill, prepared by AMEC E&C Services Limited, of Canada, and summarized in Ivanhoe's February 26, 2003, news release, has established the project as one of the world's major copper and gold porphyry deposits. AMEC estimated the project contains inferred resources totalling 1.60 billion tonnes grading 0.63% copper and 0.17 g/t gold, containing approximately 9.0 million ounces of gold and 22.3 billion pounds of copper, at a 0.30% copper equivalent cut-off grade. In addition, at the same cut-off grade the project contains 509 million tonnes of indicated resources grading 0.40% copper and 0.59 g/t gold, containing approximately 9.7 million ounces of gold and 4.5 billion pounds of copper. The new estimate updated the previous inferred resource estimate announced in March, 2002, which totalled 588 million tonnes grading 0.41% copper and 0.53 g/t gold, using the same cut-off grade.
- ❖ Ivanhoe's drilling program is continuing to intersect wide intervals of primary gold and copper mineralization and is expanding the size of the overall deposit well beyond the boundaries defined by the February 26, 2003, resource estimate.
- ❖ On the strength of its Mongolian exploration results, Ivanhoe raised a total of US\$92.2 million in equity financings in 2002 and January 2003.
- ❖ Ivanhoe reported a net loss of US\$30.2 million, or US\$0.16 per share, in 2002. This compares with a net loss of US\$85.0 million, or US\$0.66 per share, in 2001. Included in the 2002 loss are:
 - A profit of US\$3.0 million from the S&K Mine copper joint venture in Myanmar.

- A profit of US\$15.7 million from ABM Mining's Savage River Mine in Australia, including a gain on settlement of debt of US\$32.5 million and a US\$18.0 million write-down of the Savage River Mine's assets.
- Exploration expenses, net after tax, of US\$35.8 million, including total expenditures of US\$28 million in Mongolia.
- Corporate expenses of US\$13.2 million, including US\$3.0 million for mining property care and maintenance costs in Kazakhstan, a US\$1.9 million write-down of portfolio investments and US\$11.8 million of general and administrative expenses.
- ❖ In 2002, Ivanhoe acquired a 38.2% interest in Pacific Minerals Inc. for approximately US\$9.1 million. Pacific Minerals is a public company that is exploring and developing precious and base metals (platinum, palladium, gold, nickel and copper) properties in the People's Republic of China.

Full details of Ivanhoe's 2002 financial results can be found in the 2002 audited Consolidated Financial Statements and the Management's Discussion and Analysis of Financial Condition and Results of Operations, available on the SEDAR website at www.sedar.com and Ivanhoe's website at www.ivanhoemines.com.

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

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