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IVANHOE DISCOVERS A SIGNIFICANT NEW GOLD-COPPER PORPHYRY SYSTEM OUTSIDE TURQUOISE HILL/KHARMAGTAI MINERAL BELT IN MONGOLIA

ULAANBAATAR, MONGOLIA – Ivanhoe Mines' Chairman Robert Friedland and Executive Vice-President, Exploration, Douglas Kirwin announced today that Ivanhoe's exploration team has discovered a significant new gold-copper porphyry system within the company's 100%-owned exploration tenements in Mongolia. The new find, the first significant gold-copper porphyry system that Ivanhoe has discovered outside the main South Gobi mineral belt that hosts Ivanhoe's Turquoise Hill and Kharmagtai discoveries, further enhances Mongolia's prospectivity for new copper-gold deposits.

A recent surface-sampling program at the new discovery area returned the highest gold, copper and molybdenum values that Ivanhoe has obtained to date from surface samples on any of its Mongolian projects, including Turquoise Hill and Kharmagtai.

The sampling work has led to the identification of an area measuring 400 metres by 250 metres of strong surface gold values that average 1.1 grams per tonne (g/t). Overlapping and expanding outwards from this main zone is an irregular NW-SE-trending zone measuring 900 metres by 450 metres containing average values of 0.40 g/t gold, 0.70% copper, 90 ppm molybdenum and 1.4 g/t silver, based on 122 surface rock-chip and float samples. Individual samples assayed as high as 20.99 g/t gold, 3.15% copper and 577.90 g/t silver. A much larger area of lower-grade gold, copper and molybdenum extends outwards into the monzonite and host rocks.

"The discovery is a great boost for Ivanhoe's exploration team as it represents new conceptual thinking outside the Turquoise Hill-Kharmagtai porphyry belt," said Mr. Kirwin. "One of the most exciting implications of this discovery is that it opens the door for large gold and copper porphyry deposits in a new region of Mongolia."

Five intrusive bodies have been identified in the area, including monzonite, quartz granite porphyry, pale diorite, monzodiorite and a plagioclase porphyry. These bodies have been intruded into units of sedimentary and volcanic rocks comprising quartzite, sandstone, siltstones and lavas of rhyolitic, dacitic and andesitic appearance.

The strongest mineralization observed at surface is in a zone of disseminated and vein copper mineralization spatially related to a single intrusion of porphyry hosted by siltstones, sandstones and basic to intermediate volcanics. Copper oxides are found in float and in rare outcrops of the intrusive and country rocks over an area of at least 1,600 metres by 600 metres. The mineralization is open to the southwest, where it is covered by younger gravel beds.

The mineralization is associated with fine to centimetre-wide individual to stock-worked quartz veins containing iron oxides. Chalcopyrite veins up to five millimetres wide also have been observed. Alteration is characterized by pervasive sericite, silicification and pyrite.

A completed field magnetic survey suggests that some of the mineralization may be associated with a magnetite destructive event, similar to the magnetite destruction observed at Turquoise Hill's Central and Far North discoveries. Induced polarization and field-based gravity surveys will commence this month to delineate areas of sub-surface mineralization ahead of trenching and drilling programs. Other areas in the district also have returned highly anomalous gold and copper samples, which will be followed up as part of the future work.

Ivanhoe owns a 100% interest in the exploration licences encompassing the project area. There are no underlying royalties. Ivanhoe acquired the tenements based on the company's extensive field investigations of more than 350 mineral occurrences throughout Mongolia during the previous six years. The location of the new discovery will be announced once Ivanhoe has consolidated its land position.

Ivanhoe holds mineral licences covering more than 82,000 square kilometres (31,950 square miles) in Mongolia and is continuing to review new exploration opportunities.

Chris Wilson, Ivanhoe Mines' Mongolia Exploration Manager, is the qualified person overseeing the company's reconnaissance exploration work and supervised the preparation of the information in this release. Samples are prepared by Analabs in Ulaanbaatar, Mongolia, and assayed by McPhar Geoservices in the Philippines.

Ivanhoe's 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 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.