



**IVANHOE
MINES**

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**DRILLING ENCOUNTERS GOLD-RICH COPPER MINERALIZATION
AT CENTRAL ZONE AT IVANHOE'S TURQUOISE HILL PROJECT, MONGOLIA**

ULAANBAATAR, MONGOLIA — Ivanhoe Mines' Chairman Robert Friedland and Executive Vice-President, Exploration, Douglas Kirwin announced today that additional wide intervals of gold and copper mineralization have been discovered by drilling into the Central Zone of the company's Turquoise Hill (Oyu Tolgoi) Project in Mongolia. The results significantly expand the known dimensions of the Central mineralized zone that now becomes a key component in the overall development concept for the Oyu Tolgoi Project. This plan, in its current form, would envision open-pit development of the Southwest and Central Zones in conjunction with large-scale open-pit or possible underground development of the Far North Zone as described in Ivanhoe's October 30th news release.

The recent drilling has defined excellent continuity within the covellite-chalcocite dominated core of this large system as well as expanded the gold-rich chalcopyrite (copper) mineralization to the north side of Central Oyu. As is the case with the nearby Far North Zone, the current results will be incorporated in the mine planning work being advanced by Ivanhoe's engineering team.

The Central Zone drilling also is part of an ongoing resource delineation program that will lead to an expanded, independent gold and copper resource estimate for the Turquoise Hill Project. On May 29, 2002, prior to the discovery of the Far North Zone and the start of the delineation drilling program at the Central Zone, Ivanhoe announced that the Southwest Zone alone contained a porphyry gold-copper deposit containing 13.8 million ounces of gold and 6.9 billion pounds of copper within an inferred mineral resource of 821 million tonnes grading 0.52 g/t gold and 0.38% copper, based on a cut-off grade of 0.30% copper equivalent. The May estimate was prepared by AMEC E&C Services Limited of Canada in accordance with Canadian regulatory requirements set out in National Instrument 43-101.

"The past six months has seen a rapid transformation of the Turquoise Hill Project from an exciting gold and copper exploration play to a large-scale development project focused on mine planning, scoping and infrastructure studies," said Mr. Kirwin. "In part, the continuity and scale of the deposits being drilled has made this rapid growth possible. When you are drilling 400-and 500-metre intervals of mineralization the tonnes add up quickly."

Among the significant results from recent drilling in the Central Zone:

- **OTD280 intersected 84 metres of 1.24% copper and 1.31 grams per tonne (g/t) gold beginning at 348 metres down hole, and 54 metres of 0.65% copper and 0.70 g/t gold beginning at 258 metres down hole.**
- **OTD284 intersected 136m of 1.19% copper and 0.49 g/t gold beginning at 258 metres down hole.**
- **OTD262 intersected 78 metres of 1.51% copper and 0.12 g/t gold beginning at 342 metres down hole, and 88 metres of 0.60% copper and 0.50 g/t gold beginning at 254 metres**

down hole.

- **OTD258 intersected 440 metres of 0.96% copper and 0.21 g/t gold beginning at 204 metres down hole, including 194 metres of 1.25% copper and 0.26 g/t gold beginning at 204 metres down hole.**
- **OTD243 intersected 34 metres of 1.09% copper and 0.05 g/t gold beginning at 74 metres down hole.**
- **OTD242 intersected 84 metres of 1.56% copper and 0.07g/t gold beginning at 156 metres down hole.**
- **OTD290 intersected 112 metres of 0.97% copper and 0.17g/t gold beginning at 182 metres down hole, followed by 28 metres of 1.04% copper and 0.38 g/t gold beginning at 398 metres down hole.**

Results from all of the new drill holes in the Central Zone are posted in the Turquoise Hill Project section on the company's website at www.ivanhoemines.com.

In addition to expanding the zone of gold-rich chalcopyrite mineralization, drilling also is continuing to confirm and expand the copper-rich covellite/chalcocite copper mineralization within the Central Zone. The overlying blanket of chalcocite mineralization could also provide a source of near-surface, high-grade copper mineralization for a concentrator complex at the initial stages of development. Given the recent successes in outlining new areas of high-grade porphyry mineralization at the Central and Far North zones, Ivanhoe's engineering group has begun preliminary economic and operational simulations that will evaluate a range of development scenarios, including production rates of between 50,000 and 100,000 tonnes per day, utilizing various mining methods and capital scheduling combinations to optimize returns.

The Central Zone is outlined by a large, 1,000-metre by 500-metre induced polarization (IP) anomaly. Drilling to date has delineated an ovoid body of hypogene covellite and chalcocite mineralization that overprints a surrounding body of gold-rich chalcopyrite mineralization. The gold grades also appear to be increasing with depth in the Central Zone, a phenomena that is evident in the Southwest Zone. The primary mineralization is still open laterally, to the north, to the east and to depth. The zone is approximately 600 metres long and between 300 metres to 400 metres wide, and extends to a depth of 400 to 500 metres. The mineralized zone dips gently to the north towards the Far North Zone.

The Central Zone is approximately mid-way between the original gold and copper discovery at the Southwest Zone and the new high-grade copper discovery at the Far North Zone. A cross section and a long section of the Central Zone are posted in the Turquoise Hill Project section on the company's website at www.ivanhoemines.com. The cross section highlights how the recent holes have continued to expand the Central Zone laterally and to depth and suggest that the gold-bearing chalcopyrite mineralization remains open in the direction of the Far North Zone. The recent drilling success at the Far North Zone further established the one-kilometre-wide interval between the Central and Far North zones as a priority target for future drilling. The long section shows how the Southwest, Central and Far North mineralized zones are linked along a 3.5-kilometre mineralized corridor.

Charles Forster, P.Geo., Ivanhoe Mines' Turquoise Hill Manager, a qualified person as defined by National Instrument 43-101, supervised the preparation of the information in this release. SGS Analabs Pty. Ltd. prepares the split core at the project site and assays all samples at its facility in Ulaanbaatar, Mongolia. Ivanhoe inserts prepared standards and blanks at the sample preparation lab on the project site to monitor the quality control of the assay data. Updated drill plans and sections are posted in the Turquoise Hill Project section of the company'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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- 1. 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.
- 2. Inferred Resources:** The May 29, 2002, inferred resource estimate for the Southwest Oyu Zone was prepared by AMEC E&C Services, of Canada, in accordance with Canadian regulatory requirements set out in National Instrument 43-101. At current metals prices, some of the resource in the Southwest Oyu Zone may prove too deep to recover by open-pit mining methods. Inferred resources, by definition, do not have demonstrated economic viability.