



IVANHOE
MINES

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FALSE CLAIMS BY LABOUR GROUPS REJECTED AS IVANHOE SETS THE RECORD STRAIGHT, AGAIN, ABOUT ITS INVESTMENT IN MYANMAR

Statement by Edward Flood, Deputy Chairman, Ivanhoe Mines

It is disappointing to see that some special-interest groups are continuing to make allegations about Ivanhoe Mines' involvement in Myanmar that they know to be untrue.

In a news release issued yesterday, the Canadian Labour Congress (CLC) and the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) repeated false allegations that they first made about Ivanhoe one year ago, and which they now know to be untrue, presumably in an attempt to mislead media and to influence political opinion in Canada.

These labour organizations may choose to play political games to promote their agenda, but they can't play games with the truth. Recycling falsehoods doesn't make them facts, it only diminishes the credibility of the people involved in the eyes of the public and of the members whose interests they purport to represent.

The CLC/ICEM news release accused Ivanhoe of complicity in alleged human rights abuses in Myanmar and urged the company to abandon its investment in the country. So that there can be no doubt about the truth, and in an effort to set the record straight, yet again, about its 50% interest in the Monywa Copper Project's S&K Mine, Ivanhoe is reissuing key portions of a statement that it originally distributed one year ago in response to the same false claims that were made at that time by the same labour organizations.

- The claim by the labour organizations that there is a link between the Ivanhoe joint-venture mine in Myanmar and alleged mass conscription of involuntary labour is false and repugnant.

- The Monywa project is fulfilling the fundamental economic rights of more than 500 direct employees and their families who are being paid fair wages for skilled work and are successfully operating the mine under safe and healthy conditions.
- No forced labour was used in the construction of the S&K Mine at Monywa.
- There is no evidence that Ivanhoe's investment in the copper project, as a partner with the government-owned Mining Enterprise No. 1, is contributing to the alleged use of involuntary labour by anybody anywhere in Myanmar.
- Contrary to claims by the labour organizations, the Ivanhoe joint venture does not receive electricity from the Thazi hydroelectric plant, and the joint venture did not require, and does not use, a railway line that is more than 20 kilometres away from the existing mine.
- The labour organizations falsely alleged that the Monywa Copper Project, in which Ivanhoe is a joint-venture partner, is linked to severe environmental degradation of the surrounding area. As Ivanhoe publicly stated one year ago, the truth is that the Ivanhoe joint venture is not causing the alleged environmental degradation. In fact, the Ivanhoe joint venture is actually voluntarily cleaning up an area of old mine-waste and tailings outside the mine property that was left over from an earlier mining venture in which Ivanhoe had no involvement whatsoever. The environmental performance of the Ivanhoe joint-venture mine has been certified as meeting the very high standards specified under ISO 14001, and is verified through an annual review by independent professionals.
- The suggestion that Ivanhoe should just walk away from its investment in the copper project is unrealistic and unacceptable in human and financial terms. It is naïve to suggest that Ivanhoe could withdraw intact its entire US\$60 million stake in the project just as if it was money on deposit at a bank.
- Ivanhoe's withdrawal from Myanmar would not bring about the changes in government that critics want to see. The past year has seen several moves that demonstrate that the government is prepared to make meaningful changes. Ivanhoe's withdrawal would not improve the lives of ordinary people in the country, but it would immediately and indiscriminately punish an estimated 6,000 vulnerable people in the Monywa area, for whom the direct and indirect job benefits flowing from the copper project are an economic lifeline. Ivanhoe continues to believe that appropriate engagement in the economic development of a country is more constructive in advancing human rights than blanket isolation.

- The labour organizations' attempts to alarm shareholders by alleging non-existent parallels between the Monywa Copper Project and an unrelated, distant gas pipeline, built by a joint venture including Unocal Corp., are contemptible.
- In addition to its business involvement in Myanmar, Ivanhoe has been instrumental in providing advanced medical equipment to community hospitals, scholarships to school children and safe, clean drinking water to hundreds of families.

Ivanhoe is a public company whose shares are traded on the Toronto and Australian stock exchanges under the symbol IVN.

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