



IVANHOE  
MINES

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## **IVANHOE MINES FILES PRELIMINARY PROSPECTUSES**

SINGAPORE – Ivanhoe Mines' Chairman Robert Friedland announced today that the company has filed a preliminary short-form prospectus with the British Columbia and Ontario securities commissions to qualify the common shares issuable upon the exercise of US\$5.25 million (CDN\$8.0 million) of Special Warrants announced on August 17.

The financing consists of 5.25 million Special Warrants at a price of US\$1.00 (CDN\$1.53) each. Each Special Warrant will entitle the holder to acquire one common share of Ivanhoe, at no additional cost, at any time until the close of business on the fifth business day after the earlier of (i) the date upon which the B.C. and Ontario securities commissions issue receipts for the company's final prospectus; and (ii) August 15, 2002. If the securities commissions do not issue receipts for the prospectus by September 14, 2001, each Special Warrant will entitle the holder to acquire 1.1 common shares.

Proceeds from the special warrants will be used, in part, to fund Ivanhoe's expanded drilling program that is currently delineating the recently discovered gold, copper and molybdenum mineralization at the Turquoise Hill (Oyu Tolgoi) Project in southern Mongolia. Based on a preliminary extrapolation of the drilling results to date, including earlier BHP holes, Ivanhoe believes that the Turquoise Hill porphyry system has the potential to host in excess of one billion tonnes of copper, gold and molybdenum mineralization. The results of additional drilling at the project are expected to reveal with greater certainty the nature and extent of resources on the property. Ivanhoe Mines holds a conditional option to acquire 100% of the Turquoise Hill Project from BHP-Billiton.

In addition, Ivanhoe Mines also has filed a preliminary short-form prospectus with the B.C. and Ontario securities commissions for the proposed offering of up to five million common shares, at US\$1 per share, to increase capital available to advance corporate programs. The company expects to be in a position to close the offering by September 5, 2001. Haywood Securities Inc. will act as lead agent on a best-efforts basis.

### Information contacts

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**FORWARD-LOOKING STATEMENTS:** This news release contains certain forward-looking statements. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding potential mineralization, exploration results and future plans and objectives of Ivanhoe Mines Ltd. (Ivanhoe), are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Ivanhoe's expectations are disclosed under the heading "Risk Factors" and elsewhere in Ivanhoe's documents filed from time to time with the Toronto Stock Exchange and other regulatory authorities. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and Ivanhoe does not undertake any obligation to update forward-looking statements should conditions or management's estimates or opinions change.