



IVANHOE  
MINES

## IVANHOE MINES REPORTS SIX-MONTH OPERATING RESULTS FROM IRON ORE DIVISION

For Immediate Release

July 20, 2001

Singapore — Ivanhoe Mines' President Daniel Kunz announced today that second quarter operating and financial results at ABM's iron ore operation in Australia will be weaker than expected due to slumping iron ore sales and lower-than-expected pellet prices. ABM is a wholly-owned subsidiary of Ivanhoe Mines.

Demand for iron ore pellets has weakened considerably in recent months, reflecting the global economic slowdown in the steel industry. Prices for ABM's iron ore pellets increased by 1.75% in the second quarter, less than the expected 5% increase. The global slowdown has resulted in the cancellation of two recent shipments of pellets, totalling 148,000 tonnes, to two Asian steel producers. ABM is endeavoring to place these shipments with other customers, and at this time does not know whether additional scheduled shipments will be deferred or cancelled.

ABM operates the Savage River open pit mine and a crusher/concentrator facility in northwestern Tasmania. The company also operates a pellet plant at Port Latta, approximately 83 kilometres north of the Savage River Mine. ABM's products are sold to customers in Australia and Asia.

For the first six months, ABM's pellet sales totalled approximately 985,000 tonnes, 148,000 tonnes below plan. The shortfall is attributable to the cancellation of the two recent shipments of pellets, which reflect cut backs in raw steel production by several of ABM's customers. ABM's six-month sales revenue was A\$43.1 million (US\$21.9 million), approximately A\$6.5 million (US\$3.3 million) below plan due to the combination of reduced pellet shipments and lower-than-expected prices. ABM's future sales projections may be revised downwards if customers are affected by a prolonged period of recession or weak growth.

ABM's operating plan provides for the production of approximately 2.37 million tonnes of iron ore products in 2001. Given uncertainty over some customers' requirements, production schedules at the mine and pellet plant for the remainder of 2001 are subject to change. Ivanhoe's management is reviewing its alternatives at ABM's operations in light of the recent downturn in the global iron ore business.

Ivanhoe Mines is an international mining company producing cathode copper from its Monywa joint venture in Myanmar and iron ore products from ABM's operations in Australia. Ivanhoe is also developing new gold and copper discoveries in Mongolia, Myanmar and South Korea. The company's second quarter report will be issued in late August.

Ivanhoe's shares trade on the Toronto and Australian stock exchanges under the symbol IVN.

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**FORWARD-LOOKING STATEMENTS:** *This document includes forward-looking statements regarding Ivanhoe Mines' business and project plans. The forward-looking statements regarding ABM's planned production and sales of iron ore products are estimates only and actual results could differ materially from this estimate. Other factors that could cause actual future results to differ materially are disclosed under the heading "Risk Factors" in Ivanhoe's most recent Annual Information Form, a copy of which may be viewed on our website at [www.ivanhoemines.com](http://www.ivanhoemines.com)*