



**IVANHOE
MINES**

IVANHOE MINES DISCOVERS NEW PORPHYRY GOLD AND COPPER ZONE IN MONGOLIA

For Immediate Release

July 17, 2001

SINGAPORE – Ivanhoe Mines' Chairman, Robert Friedland, and Senior Vice President, Exploration, Douglas Kirwin, announced today that the company has discovered a new zone, now called the Southwest Oyu zone, containing potentially significant porphyry gold, copper and molybdenum mineralization within its Turquoise Hill (Oyu Tolgoi) Project in southern Mongolia.

Recent exploration drilling encountered the hypogene mineralization in extensive quartz stockwork chalcopyrite and bornite sulphides and magnetite, which lies under a broad zone of near-surface copper oxide that is potentially amenable to the SX/EW process to produce cathode copper. Hole OTRCD-150 (035 azimuth at -55 degrees), Ivanhoe's first deep diamond hole to test the hypogene potential of the Southwest Oyu zone, was drilled to a depth of 590 metres and averaged in excess of one gram of gold per tonne and 0.81% copper over a distance of 508 metres, from 70 metres to 578 metres. It included a zone of 278 metres from 188 to 466 metres, grading in excess of 1.0% copper and approximately 1.50 grams of gold.

Given the economic potential of the discovery, Ivanhoe will immediately expand its exploration program by adding three more rigs to drill an additional 16,000 metres of diamond core to further delineate the Turquoise Hill system. Complete lists of all drill results, as well as property maps, are on the Mongolia Exploration page on Ivanhoe's website www.ivanhoemines.com.

Analabs Pty.Ltd., of Ulaanbaatar, Mongolia, performed the analysis of the Ivanhoe drill holes.

Ivanhoe Mines holds a conditional option to acquire 100% of the Turquoise Hill Project from BHP-Billiton. Further results from the ongoing exploration program will be announced as they become available.

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