



IVANHOE
MINES

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IVANHOE MINES SETS THE RECORD STRAIGHT ON ITS INVESTMENT IN MYANMAR COPPER PROJECT

Daniel Kunz, President of Ivanhoe Mines, said today that the company's investment in Myanmar, as a 50% partner in the Monywa Copper Project, is a model for resource development in an emerging country.

"We are proud of the 600 men and women in Myanmar who, with the help of only nine expatriates, are successfully operating this state-of-the-art mine, which is conforming to international standards in terms of health, safety and the environment, and contributing to improved community health care," Mr. Kunz said in a statement prepared for Ivanhoe Mines' annual general meeting.

"The 600 well-paid jobs are a vital generator of a tapestry of meaningful economic benefits in communities in the vicinity of the mine. The project is contributing to genuine improvement in the lives of approximately 5,000 people, consisting of direct and indirect employees and their families, who are wholly or largely dependent on the operation of the mine. There is plenty of evidence in Monywa-area communities of benefits from enterprise that is being stimulated and sustained by the production of top-quality copper."

Mr. Kunz said he is disappointed that critics of the government of Myanmar continue to make false statements, and to misrepresent the facts surrounding Ivanhoe's investment in the mine, as part of a campaign to try to influence Canadian government policy and force political change within Myanmar. He said he was particularly disturbed by errors and innuendo contained in a news release, distributed on June 14th by the Canadian Labour Congress and the International Federation of Chemical, Energy, Mine and General Workers' Unions, which called on Ivanhoe to abandon its investment in Myanmar because of alleged forced-labour practices in the country.

"The very idea of the use of forced labour by anybody, anywhere, is as abhorrent to Ivanhoe as it is to any right-thinking person," Mr. Kunz said. "I can categorically state that no forced labour has been used in the construction and operation of the S&K Mine at Monywa."

Mr. Kunz said that the claim by the labour organizations that there is a link between the Ivanhoe joint venture in Myanmar and alleged mass conscription of involuntary labour is false and repugnant. “Contrary to claims by the labour groups, 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 suggestion that Ivanhoe should just walk away from its investment in the copper project is unrealistic and unacceptable in human and financial terms. There has never been any evidence or allegation that Ivanhoe has used forced labour, and there is not a whit of evidence that Ivanhoe’s investment is contributing to the use of involuntary labour in Myanmar. I have noted that the national government has promised to enforce its ban on forced labour, and I am encouraged by news reports this week that the International Labour Organization will send a high-level mission to Myanmar in September to assess compliance with the ban.

“Ivanhoe’s withdrawal from Myanmar would not bring about the changes in government that the critics want to see. It would not improve the lives of ordinary people in the country. But it would immediately and indiscriminately punish 5,000 vulnerable people in the Monywa area, for whom the copper project is an economic lifeline, and cruelly leave them twisting in the political wind. We think appropriate engagement is better than isolation, and we are prepared to meet and talk with any responsible party who has constructive ideas on the subject. ”

The Monywa project, a joint venture between Ivanhoe and a state-owned mining company, is paying fair wages for skilled work. Independent experts have verified that the project is living up to its health, safety and environmental commitments. Earlier this year, the mine was awarded ISO 14001 environmental certification, which is recognized worldwide as one of the most exacting, impartial benchmarks used to evaluate environmental management systems. The copper complex has set a record of 2.5 million hours worked in 535 days without a disabling accident, and the mine pit currently has exceeded 1,200 days without a disabling accident — a safety achievement equalled by few mines in the world.

Ivanhoe also is helping to clean up old tailings and mine-waste areas left over from an earlier mining venture at Monywa, in which Ivanhoe had no involvement.

In addition to its business investment 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 Mines produces LME Grade A copper from its Monywa joint venture and high-quality iron-ore products from its Savage River mine and Port Latta pellet plant in Australia. Ivanhoe plans to resume limited gold production from the Bakyrchik Gold Mine in Kazakhstan this summer. Ivanhoe had combined proforma revenues of approximately

US\$84.8 million (CDN\$127.2 million) in 2000 on net sales of approximately 13,350 tonnes of copper, 2.19 million tonnes of iron ore pellets and 19,400 tonnes of iron ore concentrate. Ivanhoe is developing discoveries of copper and gold in Mongolia, Myanmar and South Korea. The company also owns 18.1% of Emperor Mines Limited, the owner and operator of the Emperor Gold Mine in Fiji.

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

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