

**IVANHOE MINES EXPLORATION UPDATE
MAY 10, 2001**

**ONGOING DEVELOPMENT EXPANDS
HIGH-GRADE GOLD DISCOVERY IN MYANMAR**





IVANHOE MINES

For Immediate Release

May 10, 2001

Singapore — Ivanhoe Mines Ltd.'s Chairman, Robert Friedland, and President, Daniel Kunz, are pleased to provide an update on the company's current development program at its high-grade gold discovery on the Modi Taung Project, in central Myanmar.

The Modi Taung Project is situated in the southern part of the Block 10 concession, approximately 150 kilometres southeast of Mandalay. The project includes five known parallel zones of mineralized vein structures, each between 500 and 800 metres long. These vein systems remain open-ended and are not closed off anywhere in the 1,000 accumulative metres of underground development. The textural characteristics of the mesothermal veins remain unchanged over a vertical distance of 300 metres.

Since discovering the gold vein system in late-2000, Ivanhoe Mines has explored the project area with a series of trenches, adits and crosscuts. Very high-grade gold assays (maximum 3,475 g/t in a surface sample across 1.3 metres/ 111.2 oz/t across 4.3 feet) have been recorded from trenches as well as multi-ounce gold values (maximum 321.7 g/t across 0.75 metres/ 9.99 oz/t across 2.5 feet) in the quartz veins sampled in the adits. Gold appears to be restricted to the quartz veins and is both of primary and secondary origin, occurring as free gold and in direct contact with pyrite.

Development activities have been concentrated on SW Zone 3, a long, sloping hillside area containing a high-grade, mineralized vein structure (see long section on page 4). Work to date, encompassing six adits and 26 trenches, has outlined a vein system with a strike length of at least 600 metres and a vertical interval of at least 300 metres. Vein widths of up to three metres have been intersected.

A list of assay results is posted on the Ivanhoe Mines website (www.ivanhoemines.com) on the Myanmar exploration page. DGSE Laboratories in Myanmar assayed all the samples. Two internationally accredited laboratories, MAS Laboratories, of Bangkok, Thailand, and Analabs, of Perth, Australia, conducted check assays on the preliminary surface samples and pulps and have verified the initial high-grade gold results. The most recent results from two veins channel sampled in Adit 6 include:

Sample Location	Sample Width	Weighted Average Gold Assays (grams/tonne and ounces/tonne)
Adit 6 – vein 1	1.6 metres (5.2 ft)	198.5 g/t (6.15 oz/t)
Adit 6 – vein 1	0.52 metres (1.7 ft)	119.3 g/t (3.70 oz/t)
Adit 6 – vein 2	0.77 metres (2.5 ft)	31.5 g/t (0.98 oz/t)
Adit 6 – vein 2	0.75 metres (2.5 ft)	321.7 g/t (9.99 oz/t)

Previously reported results from trench and adit samples include:

Sample Location	Sample Width	Weighted Average Gold Assays (grams/tonne and ounces/tonne)
Trench 4	0.4 m (1.3 ft)	1,200 g/t (38.4 oz/t)
Trench 7	6 metres (19.9 ft)	40.3 g/t (1.29 oz/t)
Trench 8	8 metres (26.2 ft)	69.8 g/t (2.23 oz/t)
Trench 11	10 metres (32.8 ft)	88.3 g/t (2.83 oz/t)
Trench 12	10 metres (32.8 ft)	152.5 g/t (4.88 oz/t)
Trench 16	2 metres (6.6 ft)	62 g/t (1.98 oz/t)
Trench 18	1.3 metres (4.3 ft)	3,475 g/t (111.2 oz/t)
Adit 1	12.5 metres (41.0 ft)	14.2 g/t (0.45 oz/t)
Adit 2	3.4 metres (11.2 ft)	13.4 g/t (0.43 oz/t)
Adit 3	6.6 metres (21.6 ft)	73 g/t (2.34 oz/t)
Adit 4	1.1 metres (3.6 ft)	69 g/t (2.21 oz/t)

Adit 1 is being driven parallel to the vein structure near the creek bottom, providing the lowest access to date to the vein. This adit will be between two and four hundred metres in length. Crosscuts driven from Adit 1 will provide access to the vein for sampling and will allow establishment of drill stations for future underground drilling.



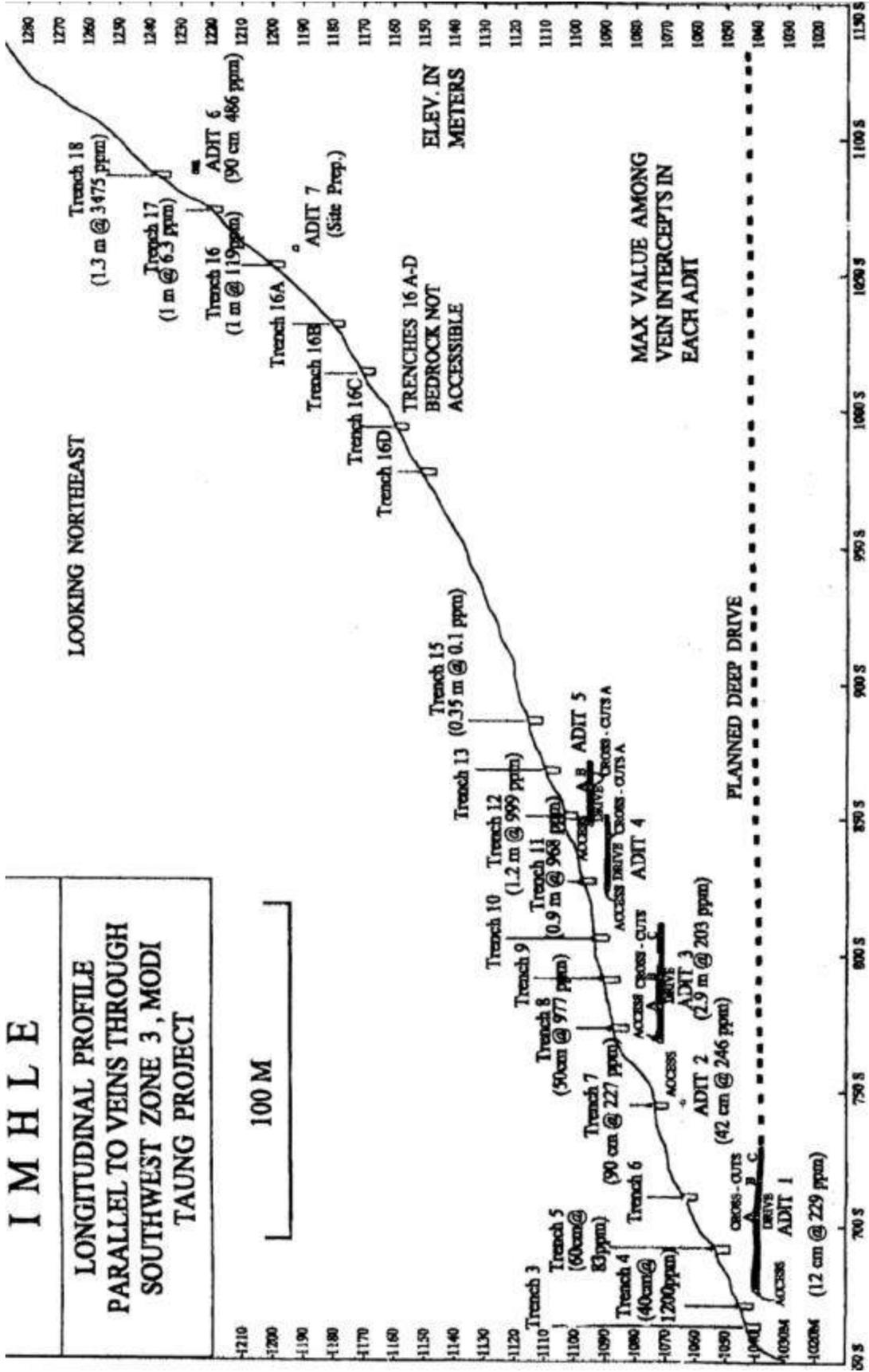
High-grade gold quartz veins up to 3 metres wide within the adits and trenches at the Modi Taung Project, Myanmar.

The Modi Taung Project is located in a mesothermal slate belt setting similar to the famous multi-million ounce Bendigo gold mines in Australia. The project covers an area approximately three kilometres long and 1.5 kilometres wide containing five, steeply dipping, northwest trending, gold-bearing, mesothermal shear quartz veins. The veins are approximately 200 metres apart and hosted by low-grade metasediments. The main quartz veins are remarkably and unusually consistent. Field mapping has shown that additional parallel gold vein systems are present.

I M H L E

LONGITUDINAL PROFILE
PARALLEL TO VEINS THROUGH
SOUTHWEST ZONE 3, MODI
TAUNG PROJECT

100 M



The characteristics of the Modi Taung veins are similar to mesothermal deposits worldwide. Such deposits are formed near the brittle-ductile transition and require deep-sourced, structurally controlled, channeled and focused fluid flow that typically gives rise to vertically extensive (one to three kilometres) gold-bearing intervals.

Mesothermal gold deposits are notoriously difficult to sample due to irregularly distributed coarse gold. Sampling of the Modi Taung veins shows highly erratic gold values and a combination of channel sampling, bulk sampling, panning and visible gold observations are being carried out by Ivanhoe's geologists. The present underground exploration provides a cost-effective and superior method of evaluating the economics of this unusually high-grade gold prospect.

The structural features on both the regional and local scale are positive for the depth continuity of the Modi Taung mesothermal veins and for the discovery of further mineralized veins.



Very high gold assays (maximum 3,475g/t over 1.3 metres/ 111.2 oz/t across 4.3 feet) have been recorded from trenches and multi-ounce values (maximum 321.7 g/t across 0.75 metres/ 9.99 oz/t across 2.5 feet) from samples across the quartz veins within the adits.

During the monsoon season from late-May through mid-September, Ivanhoe's crews will continue with the underground development work. A 10,000-metre combination reverse-circulation and diamond-drilling program will commence when the monsoon season ends. A regional exploration campaign is also planned. While it is unknown at this time whether future exploration will confirm the existence of an economic mineral resource on the project, Ivanhoe Mines' geological team is highly encouraged by the multi-ounce gold mineralization discovered to date.

Ivanhoe's wholly-owned subsidiary, Ivanhoe Myanmar Holdings, has an 83% interest in a joint venture to explore and develop the Block 10 concession. Ivanhoe's joint-venture partner is the Myanmar Department of Geological Survey and Mineral Exploration.

Douglas Kirwin, Ivanhoe Mines' Senior Vice President, Exploration, is an Ivanhoe qualified person and oversees the company's exploration programs. Ivanhoe is also developing a high-grade gold-silver project in South Korea, and has commenced its second-phase of drilling on a large copper and gold project in Mongolia. Ivanhoe will release additional information on its exploration projects as results become available.

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

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