



For Immediate Release

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**S&K MINE PRODUCES MORE THAN 26,700 TONNES OF COPPER
AT A LOW, CASH COST OF US\$0.28 PER POUND
IN FIRST YEAR OF OPERATION**

SINGAPORE — Robert M. Friedland, Chairman of Ivanhoe Mines Ltd., announced today that the S&K Copper Mine in Myanmar produced 26,736 tonnes (58.9 million pounds) of cathode copper in 1999, the mine's first year in commercial operation. The mine, 50%-owned by Ivanhoe, achieved a minegate cash production cost of US\$0.28 per pound of copper for the year, establishing itself as one of the world's lowest-cost primary copper producers. Total production costs, including interest expense, depreciation, marketing and royalty payments, were US\$0.59 per pound.

"We are very pleased with the performance of the S&K Mine, both from a production and an operating cost perspective," Mr. Friedland said. "The operating performance at S&K, combined with the improving fundamentals in the copper market, set the stage for planned expansions at the Monywa project. Our joint venture intends to build Monywa into one of Asia's largest copper producers over the next few years."

S&K's copper production in the second half of 1999 was 13,953 tonnes (30.8 million pounds) — a rate almost 12% higher than the mine's initial annual design capacity of 25,000 tonnes.

The mine's production capacity is currently being increased by approximately 40%, to an annual design rate of 35,000 tonnes (77.2 million pounds) of cathode. The US\$7 million expansion project is scheduled to be completed later this year.

The S&K Mine is the first phase of the large Monywa copper project in Myanmar. The project is operated by MICCL, a 50/50 joint venture between Ivanhoe Mines and Mining Enterprise No. 1, a state-owned company. Mr. Friedland said plans for the development of Monywa's Letpadaung deposit, 10 kilometres to the south of the S&K Mine, provide for construction of a project with a planned production rate of 125,000 tonnes (275 million pounds) of cathode a year, and with a flow sheet, metallurgy and process design very similar to the S&K mine's. A new bankable feasibility study for the development of Letpadaung,

which has reserves of 905 million tonnes grading 0.40% copper, is expected to be available in March. At full production, the combined annual copper output from the Letpadaung and S&K mines is projected to be 160,000 tonnes (350 million pounds), of which Ivanhoe's share would be 80,000 tonnes (175 million pounds).

Ivanhoe Mines has 74.4 million shares outstanding and had a cash balance of approximately US\$49.7 million at December 31, 1999. The company's shares trade on the Toronto and Australian stock exchanges under the symbol IVN.

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