



**INDOCHINA
GOLDFIELDS LTD.**

For Immediate Release

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**IVANHOE MINES LTD. APPROVED AS NEW NAME
BY SHAREHOLDERS OF INDOCHINA GOLDFIELDS**

SINGAPORE - Robert M. Friedland, Chairman of Indochina Goldfields Ltd., and R. Edward Flood, Deputy Chairman, announced today that shareholders have approved changing the name of the company to Ivanhoe Mines Ltd.

The change of name reflects the development of the company under a strategic business plan that since 1994 has evolved well beyond its founding focus on Southeast Asia and now encompasses a global mandate to mine, and explore for, a broad range of minerals.

The company's most significant achievement during the past year was the start of commercial production at the S&K Copper Mine in Myanmar. The mine, the first phase of the massive Monywa Copper Project in which Indochina Goldfields holds a 50% interest, achieved commercial production in January, 1999, and is now one of the world's lowest-cost copper producers.

"Monywa has launched Ivanhoe Mines as a producer in its own right," Mr. Friedland said. "From this position in the copper market, we intend to build the company into an internationally diversified mining enterprise. While we are considering acquisitions, much of our resources are focused on expanding Monywa and delineating our exploration discoveries in Indonesia, South Korea and Thailand."

Mr. Friedland said that the new name signifies, in part, his personal commitment to the company, and also draws on the recognition that Ivanhoe Capital Corporation, his family's principal investment company, has established in international project finance. "It has to be remembered that Ivanhoe Capital's success has been largely due to the efforts of talented people who were part of the team that was instrumental in the landmark, CDN\$4.3 billion sale of the Diamond Fields Resources' nickel deposit at Voisey's Bay in 1996. It's especially pleasing to note that many of the same people are now supporting Ivanhoe Mines at this stage in the mining cycle, which is both a temporary low point and also a very opportune time."

The name change is subject to final regulatory approval. The company has 74.1 million

shares outstanding and had a cash balance of approximately US\$53 million on May 31, 1999.

Mr. Friedland also announced that a wholly-owned subsidiary, Ivanhoe Myanmar Holdings, has recently entered into an agreement with the Myanmar Department of Geological Survey and Mineral Exploration which will see the company take a majority interest in any future development of gold and copper discoveries made within its concession area, known as Block 10, located approximately 100 kilometres north of the capital city of Yangon. Under the agreement, the company's interest in a mining joint venture will increase from 50% to 83%. It is one of the first times the national government has agreed to majority private ownership of a mineral concession.

Ivanhoe Myanmar's geologic staff have collected check samples from existing artisanal workings on Block 10, where a zone of gold-bearing breccias have assayed up to 7.7 grams per tonne over 15 metres in a complex structural zone that can be traced for approximately 1.8 kilometres. The company is planning to conduct a drilling program on Block 10 in the third and fourth quarters of this year.

Mr. Friedland said that with copper prices hovering at or near their 20-year lows, the performance of the Monywa Copper Project during the first quarter this year demonstrates its long-term value as the company's flagship asset. During the quarter, the S&K Mine produced 6,181 tonnes (13.6 million pounds) of LME Grade A cathode copper at a total minegate cash cost of approximately US\$0.25 per pound and it expects to achieve similar costs in the second quarter. Daily copper production continues to exceed the annualized design rate of 25,000 tonnes (55 million pounds).

Encouraged by the successful start-up, Ivanhoe Mines and its joint-venture partner have developed a planned sequence of expansions at the Monywa Copper Project. As an interim step, Ivanhoe Mines believes it is possible to achieve a 40% increase in production from the S&K Mine for an investment of approximately US\$7.5 million. A far greater boost to production will come from the nearby Letpadaung deposit, which has essentially the same metallurgical characteristics as the S&K deposits. Letpadaung contains a minimum of four times the copper reserves of S&K. Process and development options now being reviewed could generate at least an additional 100,000 tonnes (220 million pounds) of copper a year. The ultimate scale of the entire project has not yet been determined or limited.

The S&K Mine is expected to achieve financial completion in August, 1999, pursuant to a US\$90 million long-term project financing advanced on behalf of the project by Marubeni Corporation and Nissho Iwai Corporation, of Japan. Upon financial completion, the project's loan will no longer be guaranteed or secured by Ivanhoe Mines.

Ivanhoe Mines' current exploration programs have recorded encouraging drill intersections at the Seruyung, Sekatak and Jelai-Mewet properties in Northeast Kalimantan, Indonesia. Drilling programs are underway at the Seruyung property and the

Gasado Island property in South Korea, and will begin shortly at the Khao Wong prospect in Thailand.

Ivanhoe Mines owns approximately 18% of Emperor Mines Limited, an Australia-listed company whose Emperor Gold Mine in Fiji is expected to produce 135,000 ounces in fiscal 1999. In February, 1999, Ivanhoe Mines increased its ownership of the Bakyrchik Gold Mine, in Kazakhstan, to 100%. Bakyrchik, which has a resource of 13 million ounces, has been on care and maintenance since January, 1998, pending improved gold prices. The company is currently in advanced discussions with the Government of Kazakhstan to restructure the original Bakyrchik purchase agreement to permit a more favourable framework for the inclusion of a third party in the Bakyrchik venture.

“Thanks to the dedication of our employees and the continued support of the investment community, we have weathered a period of very low metals prices,” Mr. Friedland said. With our strong balance sheet, we are well placed to develop into a more prominent player in a mining industry that is showing signs of revitalization. We are also in the enviable position of being able to take advantage of emerging opportunities and to generate growth that will translate into benefits for our shareholders.”

The company’s shares currently trade on the Toronto and Australian stock exchanges under the symbol **ING**. The company expects that the shares will begin trading under its new symbol, **IVN**, within the next two weeks. The company’s new website address is www.ivanhoemines.com.

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FORWARD-LOOKING STATEMENTS: This news release contains certain forward-looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization and reserves, exploration results and future plans and objectives of Ivanhoe Mines Ltd. ("Ivanhoe Mines") are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Ivanhoe Mines' expectations are disclosed under the heading "Risk Factors" and elsewhere in Ivanhoe Mines' documents filed from time to time with the Toronto Stock Exchange and other regulatory authorities. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and Ivanhoe Mines does not undertake any obligation to update forward-looking statements should conditions or management's estimates or opinions change.