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## IVANHOE MINES AND CITIC FORM ALLIANCE TO JOINTLY DEVELOP ASIAN MINERAL PROJECTS, INCLUDING EARLY DEVELOPMENT OF RAILWAYS AND MINING INFRASTRUCTURE

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BEIJING -- Wang Jun, Chairman of China International Trust & Investment Corporation (CITIC), and Robert Friedland, Chairman of Ivanhoe Mines Ltd. (Ivanhoe) (TSX and ASX: IVN), announced today that they have signed an agreement enabling the two companies to form a strategic alliance to work together in mineral exploration, development and production projects to be selected throughout the world.

The principal objectives of the strategic alliance are to investigate, explore and develop base- and precious-metals projects to help meet China's current and future metals requirements. Consumer spending and urban growth powered by China's huge population base and demographics are expected to underpin continued strong Chinese demand for metals for the foreseeable future. Investment in the transportation, telecommunications and energy sectors also is key to China's economic growth.

CITIC is a giant Chinese state-owned enterprise that reports directly to the governing State Council. It holds major interests in many industries throughout the world that have strategic value to the expanding Chinese economy, including energy, banking, airlines, information technology, investment services, real estate, engineering services, heavy industries, infrastructure investment and resource industries. At the end of 2001, CITIC's total assets exceeded 400 billion RMB (US\$48 billion). CITIC reported an after tax net profit of 2.4 billion RMB (approximately US\$290 million) in 2001.

The Ivanhoe/CITIC agreement provides for several areas of mutual cooperation. CITIC has agreed to help the alliance to raise capital in international financial markets for investment in, and development of, projects selected with the support of Ivanhoe's technical expertise. On a project-specific basis, CITIC has agreed to help facilitate discussions between senior Chinese and Mongolian government officials regarding a proposed 290-kilometre rail line that would link the Chinese city of Bayan Obo with Ivanhoe's gold and copper discovery at Oyu Tolgoi (Turquoise Hill) in southern Mongolia. Bayan Obo is connected to the Chinese national railway network and is approximately 100 kilometres north of Baotou, a major industrial centre serving a very large regional steel industry.

The proposed rail line, which would enhance the value of Ivanhoe's copper/gold project and increase trade and the movement of goods and people between the two countries, was initially discussed in early 2002 between the Mongolian Prime Minister, Nambaryn Enkhbayar, and China's Minister of Railways during a visit to China by a senior Mongolian Government delegation.

The new Ivanhoe/CITIC alliance will investigate strategies to optimize the development of the following key projects in which either Ivanhoe or CITIC is involved:

1. Copper/Gold Exploration and Development in Mongolia. Ivanhoe and CITIC have expressed a willingness to jointly invest in the Oyu Tolgoi copper/gold project and also to participate in the planning, construction, development and exploitation of the project. Ivanhoe and CITIC have agreed to seek the assistance

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of the Chinese and Mongolian governments to fast-track the approval and construction of a rail link between Oyu Tolgoi and the Chinese rail network. The CITIC Group will be primarily responsible for liaising with various Chinese government authorities, while Ivanhoe will be primarily responsible for liaising with Mongolian government authorities.

2. Expansion of the Monywa Copper Project in Myanmar. Ivanhoe and CITIC will work together to facilitate the proposed expansion of the Monywa Copper Project, 50%-owned by Ivanhoe, which currently produces approximately 28,000 tonnes per year of LME grade A copper cathode. A recent scoping study by Ausenco Limited called for Monywa's production rate to increase to 129,000 tonnes in stages spread over six years --- a level that would establish Monywa as Asia's largest and lowest-cost copper producer, using the advanced heap-leach, solvent-extraction and electrowinning (SX/EW) copper recovery process.

3. Development of Joint Ventures with CITIC Gold. CITIC Gold and Ivanhoe will examine possible arrangements to collaborate on various Chinese gold projects held by CITIC Gold, as well as other mining projects around the world. CITIC Gold, a wholly-owned subsidiary of CITIC, controls 15 operating mines in China.

4. Introduction of Advanced Processing Technology. Ivanhoe and CITIC will work together to introduce advanced mineral processing technologies to various Asian mining projects. One example of an advanced technology is the Intec Process, a hydrometallurgical technology being advanced by Ivanhoe. The Intec Process provides substantial cost and environmental advantages over conventional smelting and refining processes and can be used to refine copper, zinc, nickel and precious metals from raw concentrates.

In 2002, Ivanhoe acquired a major stake in Pacific Minerals, a Canadian company that is exploring several base- and precious-metals projects in China. The acquisition was made to position Ivanhoe to capitalize on opportunities available in the mining industry in China. Ivanhoe has the right to acquire up to 80% of Pacific Minerals' interests in all of that company's projects in China and currently owns approximately 37% of the issued shares of Pacific Minerals.

Ivanhoe has a 100% interest in the Turquoise Hill gold and copper project and exploration rights covering approximately 90,000 square kilometres in central and southern Mongolia, where additional copper and gold discoveries have been made. Ivanhoe produces LME Grade A copper from its Monywa joint venture in Myanmar and iron ore products from ABM Mining's Savage River mine in Australia.

Ivanhoe shares are listed on the Toronto and Australian stock exchanges under the symbol IVN.

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Forward-Looking Statements: Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the corporation's periodic filings with Canadian and Australian securities regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The company does not

assume the obligation to update any forward-looking statement.

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