

July 11, 2016

Ivanhoe Mines receives second US\$41.2 million installment payment from Zijin Mining Group as part of Zijin's US\$412 million investment in the Kamao Copper Project in D.R. Congo

VANCOUVER, CANADA – Ivanhoe Mines (TSX:IVN) announced today that it has received the second installment of US\$41.2 million owing from a subsidiary of Zijin Mining Group Co., Ltd. as part of a strategic co-development agreement under which Zijin acquired 49.5% of Ivanhoe's majority stake in the Kamao copper discovery now being jointly developed by Ivanhoe and Zijin in the Democratic Republic of Congo.

Zijin – through its subsidiary, Gold Mountains (H.K.) International Mining Company Limited – agreed to pay US\$412 million for a 49.5% interest in Ivanhoe subsidiary Kamao Holding Limited that presently owns 95% of the Kamao Project. Zijin paid an initial US\$206 million at closing in December last year, followed by the payment of the first of five scheduled US\$41.2 million installments in March this year.

The receipt of the second installment from Zijin has increased Ivanhoe's consolidated working capital to approximately US\$455 million (C\$593 million). This represents approximately C\$0.76 per issued and outstanding common share of Ivanhoe Mines.

The remaining US\$123.6 million is required to be paid in three further equal installments, every 3.5 months, with the next installment due on October 24, 2016. The installment payments are secured by a pledge of shares of Kamao Holding Limited with proportionate releases of the security on the pledged shares following receipt of each installment payment.

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Forward-looking statements

Certain statements in this news release may constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws, including, without limitation, the payment by a subsidiary of Zijin of US\$123.6 million in three equal installments of US\$41.2 million every 3.5 months. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Ivanhoe Mines to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These statements reflect Ivanhoe Mines' current expectations regarding future events, performance and results and speak only as of the date of this news release.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indicators of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the failure of parties to contracts to honor contractual obligations.

Although the forward-looking statements contained in this news release are based upon what management of Ivanhoe Mines believes are reasonable assumptions, Ivanhoe Mines cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this news release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, Ivanhoe Mines does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this news release.

Ivanhoe's actual results could also differ materially from those anticipated in these forward-looking statements as a result of the factors set forth in the "Risk Factors" section in Ivanhoe's Annual Information Form for the year ended December 31, 2015, which is available at www.ivanhoemines.com and at www.sedar.com.