

December 8, 2015

Ivanhoe Mines and Zijin Mining Group complete deal for Zijin's US\$412 million investment in the Kamoia Copper Project

Total of US\$530 million in cash and future payments to be available to Ivanhoe Mines to advance its tier one copper, platinum and zinc projects

HONG KONG – Robert Friedland, Executive Chairman of Ivanhoe Mines Ltd. (TSX: IVN), and Lars-Eric Johansson, Chief Executive Officer, announced the completion today of the investment by China-based Zijin Mining Group Co., Ltd. in Ivanhoe's Kamoia Copper Project in the Democratic Republic of Congo.

Zijin, through a subsidiary company, has acquired a 49.5% interest in Kamoia Holding Limited for a total of US\$412 million in a series of payments. These funds will be paid into Ivanhoe's corporate treasury and will be utilized by the company for general corporate purposes.

Ivanhoe received an initial US\$206 million from Zijin today; the remaining US\$206 million will be received in five equal installments, payable every 3.5 months from today. The Zijin investment, combined with Ivanhoe's cash, cash equivalents and short-term deposits, will make a total of approximately US\$530 million (C\$716 million), exclusive of current liabilities, available to advance Ivanhoe's tier one projects in South Africa and the Democratic Republic of Congo.

Of this total, approximately US\$61 million (C\$82 million) is reserved for use at Ivanhoe's Platreef Project in South Africa.

The total cash, cash equivalents, short-term deposits and receivables from Zijin, exclusive of current liabilities, represent approximately C\$0.92 per issued and outstanding common share of Ivanhoe Mines.

Kamoia Holding is an Ivanhoe Mines subsidiary that presently holds the company's interest in the Kamoia Project. Ivanhoe also has sold 1% of its share interest in Kamoia Holding to Crystal River Global Limited, which is operated from Hong Kong.

"It is satisfying to complete this transaction with Zijin amid these interesting market conditions," said Mr. Friedland.

"Our partnership with Zijin will allow us to develop Kamoia into a major, tier one copper mine at a time when conditions in commodity markets are compelling virtually all others to run in the opposite direction. When the consistent, downward trend in head grades at the world's major copper mines is combined with the current drastic curtailment in exploration and development spending, as well as cutbacks in sustaining capital, we are highly confident we will see a significant copper-supply deficit and a sharp rise in copper prices as this decade draws to a close – at approximately the same time as we expect Kamoia to begin decades of commercial production. The old adage again is proving to be very true: The best cure for low prices is low prices."

Mr. Johansson said Ivanhoe “is confident that Kamoia will become one of the world’s truly great copper mines and we are proud to partner together with Zijin to build and operate it. Together with Zijin, we will work hard to ensure that Kamoia provides significant benefits to all of the stakeholders of Ivanhoe and Zijin, as well as for the Congolese people, for generations to come.”

With Indicated Mineral Resources of 739 million tonnes grading 2.67% copper, containing 43.5 billion pounds of copper, and Inferred Mineral Resources of 227 million tonnes grading 1.96% copper, containing 9.8 billion pounds of copper (at a 1% copper cut off), Kamoia is independently regarded as Africa’s largest, high-grade copper discovery¹ and the world’s biggest, undeveloped high-grade copper discovery². In March this year, members of the Ivanhoe Mines exploration team received the prestigious Thayer Lindsley Award from the Prospectors & Developers Association of Canada for the Kamoia copper discovery, recognized as 2014’s top international mineral discovery.

The 2013 Kamoia preliminary economic assessment (PEA) presented a two-phased approach to development of the Kamoia Project (<https://www.youtube.com/watch?v=Tb3v8OBHhs0>). The first phase of mining will target high-grade copper mineralization from shallow, underground resources to produce approximately 100,000 tonnes of contained copper per year in a high-value concentrate. The Kamoia PEA estimated that the pre-production capital required for Kamoia’s first phase of development would be approximately US\$1.4 billion. The proposed second phase will entail a major expansion of the mine and mill, and construction of a smelter to produce approximately 300,000 tonnes of blister copper each year. The Kamoia pre-feasibility study is progressing and the completed report is expected to be finalized in early 2016.

Key terms of Zijin’s investment

- Ivanhoe received US\$206 million of the US\$412 million total purchase today. The remaining US\$206 million will be received in five equal installments that Zijin is scheduled to pay to Ivanhoe every 3.5 months from closing.
- Ivanhoe has agreed to sell 1% of its share interest in Kamoia Holding to Crystal River for US\$8.32 million – which Crystal River will pay through a non-interest-bearing, 10-year promissory note. Crystal River is a private company controlled by So Hon Chun.
- Upon the successful arrangement or procurement of project financing by Zijin on terms approved by shareholders holding in the aggregate no less than 80.01% of the total issued and outstanding shares of Kamoia Holding, Zijin will have the right to acquire Crystal River’s 1% share interest (the 1% Option) in Kamoia Holding.
- The relationship between Ivanhoe Mines, Zijin and Crystal River will be governed by a Shareholder, Governance and Option Agreement (SGOA). The SGOA provides, among other things, that all key decisions regarding the development and operation of the Kamoia Project will be made by Kamoia Holding’s Board of Directors.

¹ According to data from Wood Mackenzie, a leading industry expert. Based on the ten largest undeveloped copper deposits in the world, by Measured and Indicated Mineral Resources, inclusive of Mineral Reserves.

² According to data from Wood Mackenzie, a leading industry expert. Based on Measured & Indicated Mineral Resources, inclusive of Mineral Reserves, for top ten global deposits with grades >2.5% Cu.

Additional details of the transaction and the SGOA are contained in the news release issued by Ivanhoe Mines on May 26, 2015.

Qualified Person, Quality Control and Assurance

The scientific and technical information in this news release has been reviewed and approved by Stephen Torr, P.Geol., Ivanhoe Mines' Vice President, Project Geology and Evaluation, a Qualified Person under the terms of National Instrument 43-101. Mr. Torr has verified the technical data disclosed in this news release.

About Ivanhoe Mines

Ivanhoe Mines, with offices in Canada, the United Kingdom and South Africa is advancing and developing its three principal projects.

- The Kamo a copper discovery in a previously unknown extension of the Central African Copperbelt in the Democratic Republic of Congo.
- A multi-phased mine development on its 64%-owned Platreef discovery of platinum, palladium, nickel, copper, gold and rhodium in South Africa's Bushveld Complex. The South African beneficiaries of a broad-based, black economic empowerment structure have a 26% stake in the Platreef Project and the remaining 10% is owned by a Japanese consortium of ITOCHU Corporation; Japan Oil, Gas and Metals Corporation; ITC Platinum Development Ltd., an ITOCHU affiliate; and Japan Gas Corporation.
- The historic, high-grade Kipushi zinc, copper and germanium mine, also on the Copperbelt in the DRC, which now is being upgraded by Ivanhoe following its acquisition of a majority interest in the mine in 2011. Kipushi was operated by previous owners between 1924 and 1993.

About Zijin Mining

Zijin is principally engaged in the exploration, mining, smelting and sale of gold, copper and other metal minerals, and is one of the largest gold producers, the second largest mined-copper producer, and an important zinc, tungsten and iron ore producer in the People's Republic of China. Zijin currently employs over 21,000 people with a presence in China, Australia, South Africa, Peru, Russia, PNG, Tajikistan, Kyrgyzstan and the Democratic Republic of Congo.

Zijin is listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange with a current market capitalization of approximately US\$11 billion.

Ivanhoe Mines information contacts

Investors

Bill Trenaman +1.604.331.9834

Media

North America: Bob Williamson +1.604.512.4856

South Africa: Jeremy Michaels +27.82.939.4812

Website www.ivanhoemines.com

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 completion of the Kamoā pre-feasibility study in early 2016, obtaining project financing for the Kamoā Project, production rates of 100,000 tonnes of contained copper in the first phase of mining, and construction of a smelter to produce approximately 300,000 tonnes of blister copper each year. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Ivanhoe Mines, or industry results, 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's 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, the failure to receive required regulatory approvals, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities, the inability to obtain capital (including project funding) or to obtain capital on economically acceptable terms and conditions, changes in commodity prices, and changes to studies and mine plans resulting from any of the foregoing.

Although the forward-looking statements contained in this news release are based upon what management of Ivanhoe believes are reasonable assumptions, Ivanhoe 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 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, 2014, which is available at www.ivanhoemines.com and at www.sedar.com.