

August 18, 2014

Ivanhoe Mines appoints financial advisers for strategic review of its Kamao and Kipushi projects

VANCOUVER, CANADA – Ivanhoe Mines (TSX: IVN) today announced the appointment of BMO Capital Markets Limited and Morgan Stanley & Co. International plc as financial advisers to conduct a strategic review of its Kamao and Kipushi projects in the Democratic Republic of Congo (DRC). The appointment follows Ivanhoe's announcement on May 15, 2014, that both corporate and project level options were being examined to help realize the potential value of the company's world-scale mineral projects.

The strategic review initially will focus on the potential introduction of third-party strategic investors and/or joint-venture parties for the Kamao and Kipushi projects. Ivanhoe also will continue to examine other corporate and project-level options such as a corporate reorganization; project spin-offs (including potentially separating its South African platinum assets and its DRC copper and zinc assets into separately listed public companies); sales or joint-ventures; project- or corporate-level debt and/or equity investments; and additional and/or alternative stock-exchange listings for certain of the company's projects.

The company will provide further comment on the evaluation of strategic alternatives only if a specific transaction or process is concluded, or if further disclosure is required or deemed appropriate. There can be no assurance that this review will result in the company pursuing any transaction or that a transaction, if pursued, will be completed, and no firm timetable has been set for the completion of this process.

Information Contacts

Investors

Bill Trenaman +1.604.688.6630

Media

North America: Bob Williamson +1.604.512.4856

South Africa: Jeremy Michaels +27.11.088.4300

Website www.ivanhoemines.com

About Ivanhoe Mines

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

- The Kamao copper discovery in a previously unknown extension of the Central African Copperbelt in the Democratic Republic of Congo's southern province of Katanga.

- The Platreef discovery of platinum, palladium, nickel, copper, gold and rhodium on the Northern Limb of the Bushveld Complex in South Africa.
- The historic, high-grade Kipushi zinc, copper and germanium mine, also on the Copperbelt in the Democratic Republic of Congo's Katanga province, now being drilled and upgraded by Ivanhoe. Kipushi was operated and maintained by previous owners between 1924 and 2011, when Ivanhoe acquired its majority interest in the mine.

Cautionary statement on forward-looking information

This news release contains "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian securities legislation. Such statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company 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 the company's current expectations regarding future events, performance and results and speak only as of the date of this news release.

Specific statements contained in this news release that constitute forward-looking statements or information include, but are not limited to statements regarding the potential introduction of third-party strategic investors and/or joint-venture parties for the Kamao and Kipushi projects, and the potential for other corporate or project-level transactions including a corporate reorganization; project spin-offs; sales or joint-ventures; project- or corporate-level debt and/or equity investments; and additional and/or alternative stock-exchange listings for certain of the company's projects.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including without limitation, the factors discussed in the Annual Information Form of the company.

Although the forward-looking statements contained in this news release are based upon what management of the company believes are reasonable factors and assumptions, the company cannot assure readers that actual results will be consistent with these forward-looking statements. The company's actual results could differ materially from those anticipated in these forward-looking statements, as a result of, among others, those factors noted above and those listed in the Annual Information Form under the heading "Risk Factors". Accordingly, readers should not place undue reliance on forward-looking information. 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 Canadian securities laws, the company assumes no obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this news release.

BMO Capital Markets Limited and Morgan Stanley & Co. International plc are acting as financial advisers to Ivanhoe Mines in relation to the strategic review, will not regard any other person (whether a recipient of this announcement or not) as a client in relation to the strategic review and will not be responsible to anyone other than Ivanhoe Mines for providing the protections afforded to clients of BMO Capital Markets Limited and Morgan Stanley & Co. International plc nor for providing advice to any such other person.