

July 10, 2014

Executive Chairman Robert Friedland exercises option to acquire an additional 2.5 million units in Ivanhoe Mines

VANCOUVER, CANADA – Ivanhoe Mines (TSX: IVN) announced today that Robert Friedland, the company's Executive Chairman, has fully exercised his option to purchase an additional 2.5 million units, consisting of one Class A common share and one Class A common share purchase warrant, at a price of C\$1.50 per unit for gross proceeds to the company of C\$3.75 million.

Mr. Friedland's option to purchase additional units was part of the original terms of the Ivanhoe Mines private-placement financing that was announced on May 20, 2014, and which closed on June 10, 2014. As part of the financing, Mr. Friedland purchased 16,666,667 units – under the same terms and conditions as the Ivanhoe Mines' bought-deal financing (C\$1.50 per unit) that was conducted concurrently. His investment provided additional gross proceeds to the company of C\$25 million. The terms of the private-placement financing also allowed Mr. Friedland 30 days after the June 10, 2014, closing date to exercise his option to purchase an additional 2.5 million units, which became effective when the underwriters exercised their over-allotment option in whole. Details of the financings can be found in Ivanhoe Mines' news releases dated May 20, 2014, and June 10, 2014.

Mr. Friedland now beneficially owns 167,133,422 common shares, or 23.8% of the company's outstanding common shares. Mr. Friedland also beneficially owns 19,166,667 warrants issued in connection with the financings. Mr. Friedland has acquired the common shares for investment purposes.

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