

June 9, 2015

Ivanhoe Mines provides interim update on discussions with the DRC government about the Zijin transaction and the DRC's acquisition of up to a further 15% interest in the Kamao Copper Project

KINSHASA, DEMOCRATIC REPUBLIC OF CONGO — Robert Friedland, Executive Chairman of Ivanhoe Mines (TSX: IVN), and Lars-Eric Johansson, Chief Executive Officer, said today that positive discussions are continuing with the government of the Democratic Republic of Congo about Ivanhoe's recent announcement of an agreement with China-based Zijin Mining Group to strategically co-develop Ivanhoe's Kamao copper discovery in the DRC's southern province of Katanga.

As part of the agreement that was announced on May 26, Zijin, through a subsidiary, intends to buy a 49.5% share interest in Kamao Holding Limited, an Ivanhoe subsidiary that presently owns 95% of the Kamao Project, for an aggregate consideration of US\$412 million.

The purchase price will be satisfied by an initial payment of US\$206 million in cash upon the closing of the transaction, which is expected on or about July 31, 2015. The remaining US\$206 million will be paid in five equal installments, payable every 3.5 months from closing – which is subject to Zijin's receipt of approvals by the government of the People's Republic of China, and certain other customary closing conditions.

Zijin has committed to use its best efforts to arrange or procure project financing for 65% of the capital required to develop the first phase of the Kamao Project, as set out in the feasibility study, estimated in the company's 2013 preliminary economic assessment to be approximately US\$1.4 billion. Zijin will provide any and all required completion guarantees relating to the securing of project financing for the Kamao Project. The balance of 35% of the required capital cost is to be funded pro rata by the shareholders. Therefore, Zijin and Ivanhoe each effectively will be required to fund 17.5% of the remaining first phase development costs.

Ivanhoe Mines concurrently is continuing negotiations with the DRC government over the future stake in the Kamao Copper Project that is to be held by the DRC state. Negotiations were held in Kinshasa last week between Ivanhoe senior executives and senior members of the DRC government on advancing Ivanhoe's standing offer to sell up to a further 15% interest in the Kamao Project to the DRC state on commercial terms.

There have been no material changes in the negotiation process and both the government and the company remain committed to finalizing an agreement that would apply to a sale to the DRC of a further interest of up to 15% in Kamao as soon as practicable.

Ivanhoe originally reported in September 2012 that the company had transferred to the DRC state, at no cost, a 5% non-dilutable interest in the company's Kamao subsidiary, as required under the DRC Mining Code in conjunction with the government's granting of exploitation permits (mining licences). At the same time in 2012, the company reported that it had offered to sell a further interest of up to 15% in the Kamao Project to the DRC State on commercial terms, to be negotiated.

About Ivanhoe Mines

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

- The Kamoa copper discovery in a previously unknown extension of the Central African Copperbelt in the Democratic Republic of Congo's southern Katanga province. Members of the Ivanhoe Mines exploration team recently received the prestigious Thayer Lindsley Award from the Prospectors & Developers Association of Canada for the Kamoa copper discovery, recognized as the year's top international mineral discovery.
- 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 National 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 D.R. Congo's Katanga province, which now is being drilled and 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.

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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, statements regarding Ivanhoe's offer to sell up to a further 15% interest in the Kamoa Copper Project to the DRC government on commercial terms, to be negotiated. 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 factors discussed above, as well as failure to receive required regulatory and stock-exchange approvals, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities.

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 the Annual Information Form for the year ended December 31, 2014, which is available at www.ivanhoemines.com and at www.sedar.com.