IVANHOE MINES
NEW HORIZONS

August 3, 2021

Kamoa-Kakula Phase 1 concentrator plant achieved commercial production on July 1, 2021

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Copper production exceeded 500 tonnes per day towards the end of July

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Phase 1 concentrator copper recoveries averaged approximately 81% during July as commissioning advances

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Phase 2 concentrator expansion to 7.6 Mtpa more than 35% complete; well on track to begin operations in Q3 2022

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Mining crews set a new record for underground development in July, at 3,876 metres, and deliver a record 414,000 tonnes of ore grading 5.16% copper, including 85,000 tonnes grading 7.70% copper from the centre of the Kakula Mine

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Surface ore stockpiles continue to grow; now hold 3.54 million tonnes grading 4.77% copper, containing more than 168,000 tonnes of copper

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Study work to accelerate Phase 3 mine and concentrator expansion progressing

KOLWEZI, DEMOCRATIC REPUBLIC OF CONGO – Ivanhoe Mines (TSX: IVN; OTCQX: IVPAF) Co-Chairs Robert Friedland and Yufeng "Miles" Sun are pleased to announce that Kamoa-Kakula's Phase 1, 3.8 million-tonne-per-annum (Mtpa) concentrator plant was deemed to have reached commercial production on July 1, 2021, after achieving a milling rate in excess of 80% of design capacity and recoveries very close to 70% for a continuous, seven-day period.

To date, approximately 500,000 tonnes of ore have been milled, including approximately 263,000 tonnes grading 5.7% copper in July. Copper production has steadily increased since hot commissioning began at the end of May. Copper production exceeded 500 tonnes per day toward the end of July, nearing the Phase 1 steady-state design capacity

of approximately 550 tonnes per day, or 200,000 tonnes per year. During August the focus of the commissioning team will shift from the front end crushing and milling circuit to balancing and optimizing the flotation and regrind milling areas. This is expected to further improve concentrate grade and recovery.

Copper recoveries have increased from an average of approximately 70% in June to approximately 81% in July. During the last 10 days of July, the concentrator averaged copper recoveries close to 82%, with operations progressively increasing toward the Phase 1 steady-state design copper recoveries of approximately 86%.

To date, approximately 32,700 tonnes of copper concentrate have been loaded at the mine site for delivery to either the Lualaba Copper Smelter near Kolwezi, or to international markets.

A total of 414,000 tonnes grading 5.16% copper was mined in July and comprised 367,000 tonnes grading 5.29% copper from the Kakula Mine, including 85,000 tonnes grading 7.70% copper from the mine's high-grade centre, and 47,000 tonnes grading 4.13% copper from the Kansoko Mine.

The project's pre-production surface stockpiles now contain approximately 3.54 million tonnes of high-grade and medium-grade ore at an estimated, blended average of 4.77% copper. Contained copper in the stockpiles at the end of July now totals more than 168,000 tonnes (the current copper price is approximately US$9,700 per tonne).

As the plant ramps up to full Phase 1 design capacity, and the mine toward Phase 2 production capacity, the surface stockpiles are expected to continue to build at a reduced rate.

In July, Kamoa-Kakula's mining crews set a new record for metres of underground advancement, with 3,876 metres achieved, shattering the previous record of 3,625 metres in April. July's advancement brings the total underground development to approximately 52.8 kilometres – more than 18.1 kilometres ahead of schedule.

Watch a new video showcasing the ramp up of copper production at Kamoa-Kakula and the production of blister copper at the local Lualaba Copper Smelter: https://vimeo.com/582482767/8ff4db2c92

A convoy of transport trucks loaded with Kamoa Copper's concentrate departing the Kamoa-Kakula Mine on their way to the port of Durban, South Africa.

Pouring Kamoa Copper blister ingots, containing approximately 99% copper, at the at the local Lualaba Copper Smelter.

Mark Farren, Kamoa Copper's CEO, commented: "July marks another month of solid performance by our mining and concentrator teams, as we continue to add to the surface stockpiles even as Phase 1 copper production ramps up. We expect to maintain these ore production levels over the upcoming quarters in preparation for the commissioning of the Phase 2 concentrator plant, and the potential strategic stockpiling for the Phase 3 expansion.

"Commissioning of the Phase 1 concentrator is progressing well. We now have milled approximately 500,000 tonnes of ore and gradually have lifted recoveries from an average of approximately 70% in June to approximately 81% in July, with the last 10 days of July averaging close to 82%. We also have seen steady improvement in the production of copper over the last month, with daily production exceeding 500 tonnes several times during July. Both recoveries and copper production are approaching Phase 1 steady-state design parameters."

"During August, the focus of the commissioning team will shift from the front-end crushing and milling circuit to balancing and optimizing the flotation and regrind milling areas. This is expected to further improve concentrate grade and recovery."

Ivanhoe's guidance for contained copper in concentrate expected to be produced by Kamoa-Kakula in 2021 is 80,000 to 95,000 tonnes. The figures are on a 100%-project basis and metal reported in concentrate is prior to refining losses or deductions associated with smelter terms.

From August 2021 onwards, Kamoa Copper will change the monthly reporting cut-off for concentrator operations from the final day of the month to the 20th day of the month, in order to allow more time for analysis and reconciliations, which will result in truncated monthly production statistics in next month's news release.

Kakula is projected to be the world's highest-grade major copper mine, with an initial mining rate of 3.8 Mtpa at an estimated, average feed grade of more than 6.0% copper over the first five years of operations and 5.9% copper over the initial 10 years of operations. Phase 1 is expected to produce approximately 200,000 tonnes of copper per year, while the Phase 2 expansion is forecast to increase production to approximately 400,000 tonnes of copper annually. The project is on track to complete the Phase 2 expansion in Q3 2022. Based on independent benchmarking, the project's phased expansion scenario to 19 Mtpa would position Kamoa-Kakula as the world's second-largest copper mining complex, with peak annual copper production of more than 800,000 tonnes.

The Kamoa-Kakula Copper Project is a joint venture between Ivanhoe Mines (39.6%), Zijin Mining Group (39.6%), Crystal River Global Limited (0.8%) and the Government of the Democratic Republic of Congo (20%). A 2020 independent audit of Kamoa-Kakula's greenhouse gas intensity metrics performed by Hatch Ltd. of Mississauga, Canada, confirmed that the project will be among the world's lowest greenhouse gas emitters per unit of copper produced.

Pre-production ore stockpiles total 3.5 million tonnes grading 4.77% copper

Chart 1: Cumulative tonnes and grade of pre-production ore stockpiles at the Kakula and Kansoko mines – May 2020 to July 2021.

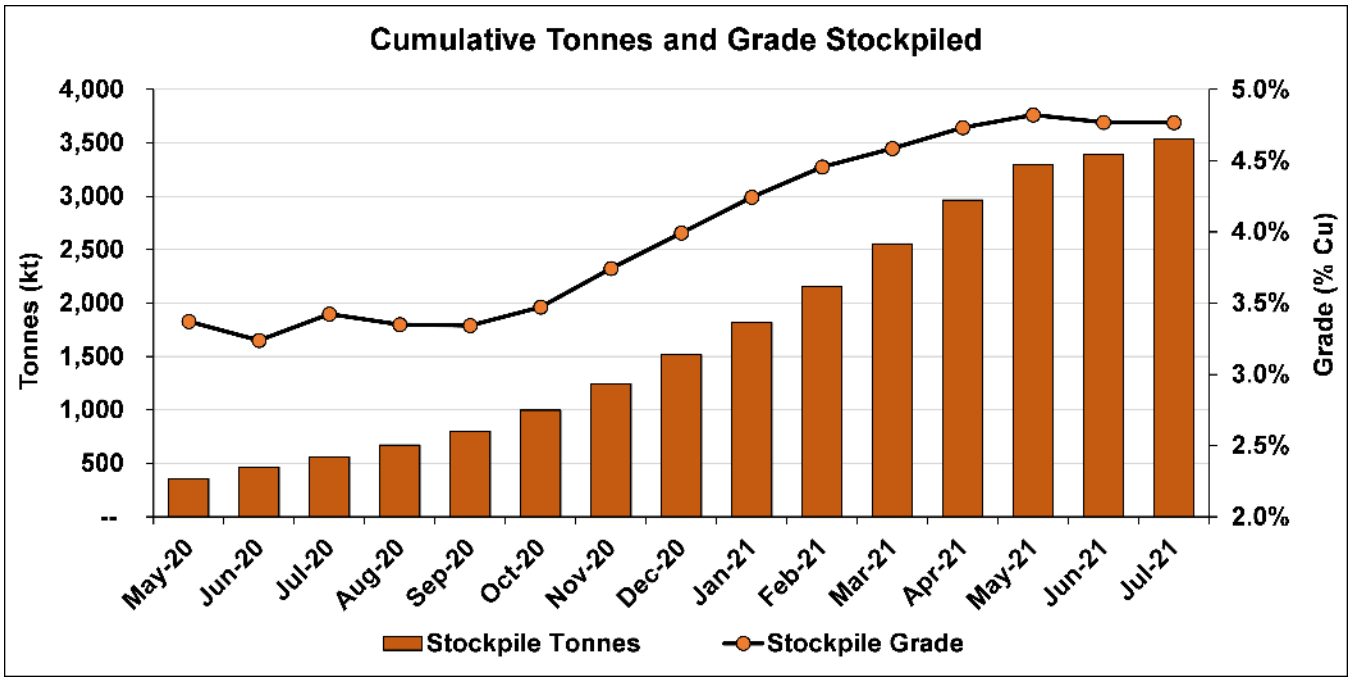
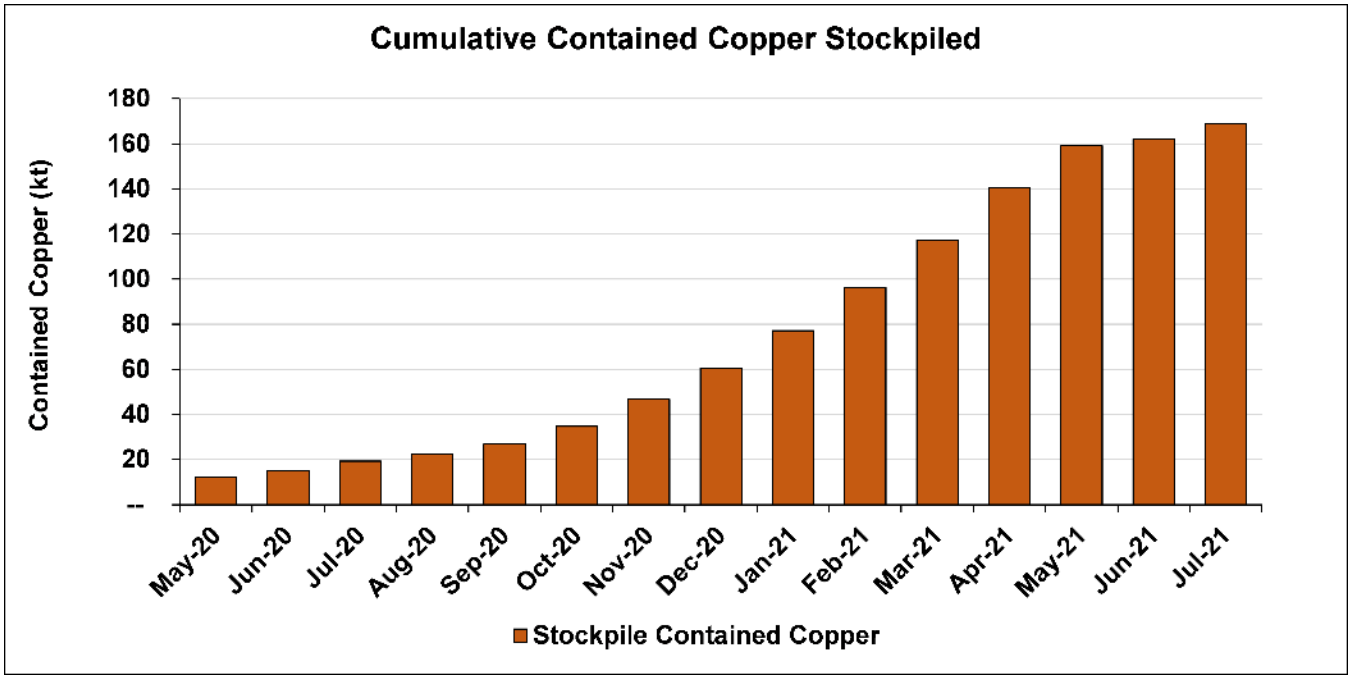


Chart 2: Growth in contained copper in pre-production ore stockpiles at the Kakula and Kansoko mines – May 2020 to July 2021.

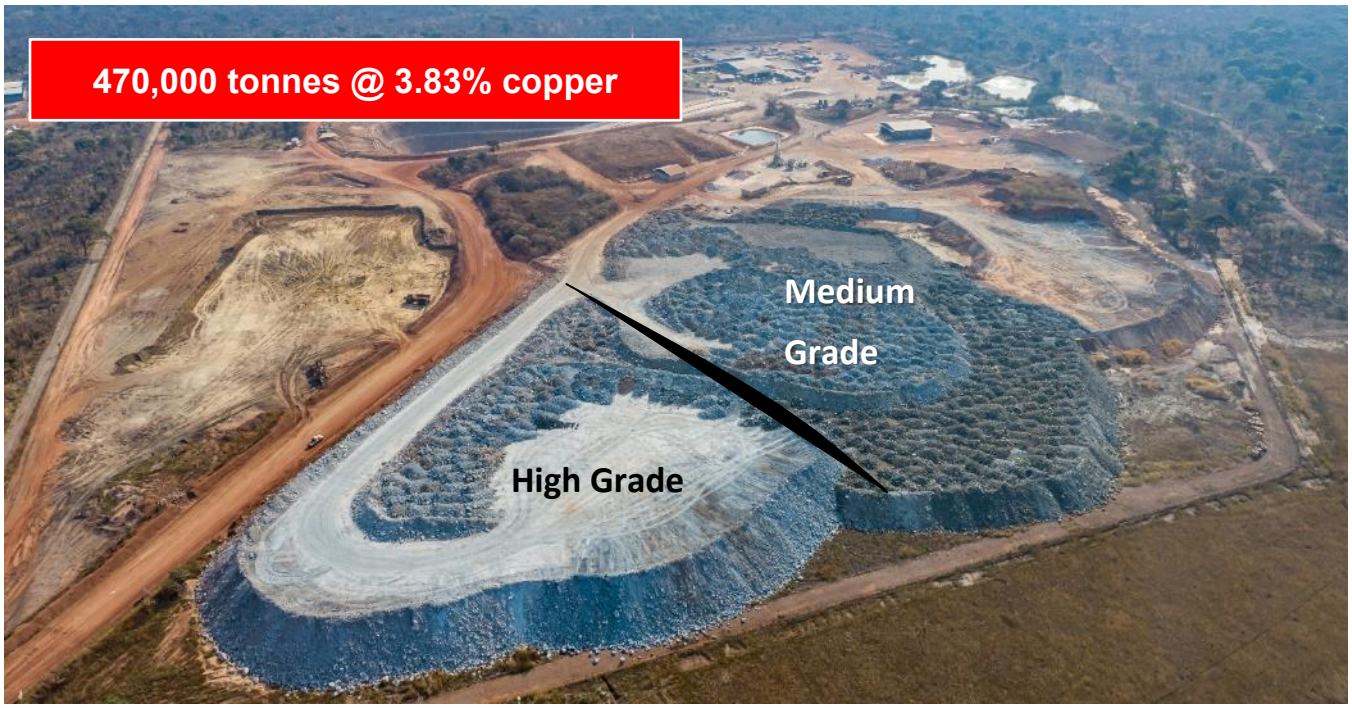


Kakula's main pre-production stockpiles at the northern declines. The blended stockpiles currently contain approximately 1.78 million tonnes grading 5.03% copper.

Drift-and-fill stoping operations are progressing well at the Kakula Mine, with the majority of the ore production coming from stoping operations and the remainder coming from mine development activities. Drift-and-fill stoping is a highly-productive mining method of extracting underground ore, where a single tunnel, known as a stope, is extracted leaving an open void that is subsequently backfilled to allow for the extraction of the neighbouring stope in sequence. The backfill plant, which will mix tailings from the processing plant with cement to produce paste backfill, will begin pumping backfill to the underground operations in August.

Kakula South ore stockpiles containing a combined 1.30 million tonnes grading 4.75% copper (consisting of 613,000 high-grade tonnes @ 6.19% copper and 682,000 medium-grade tonnes @ 3.45% copper).

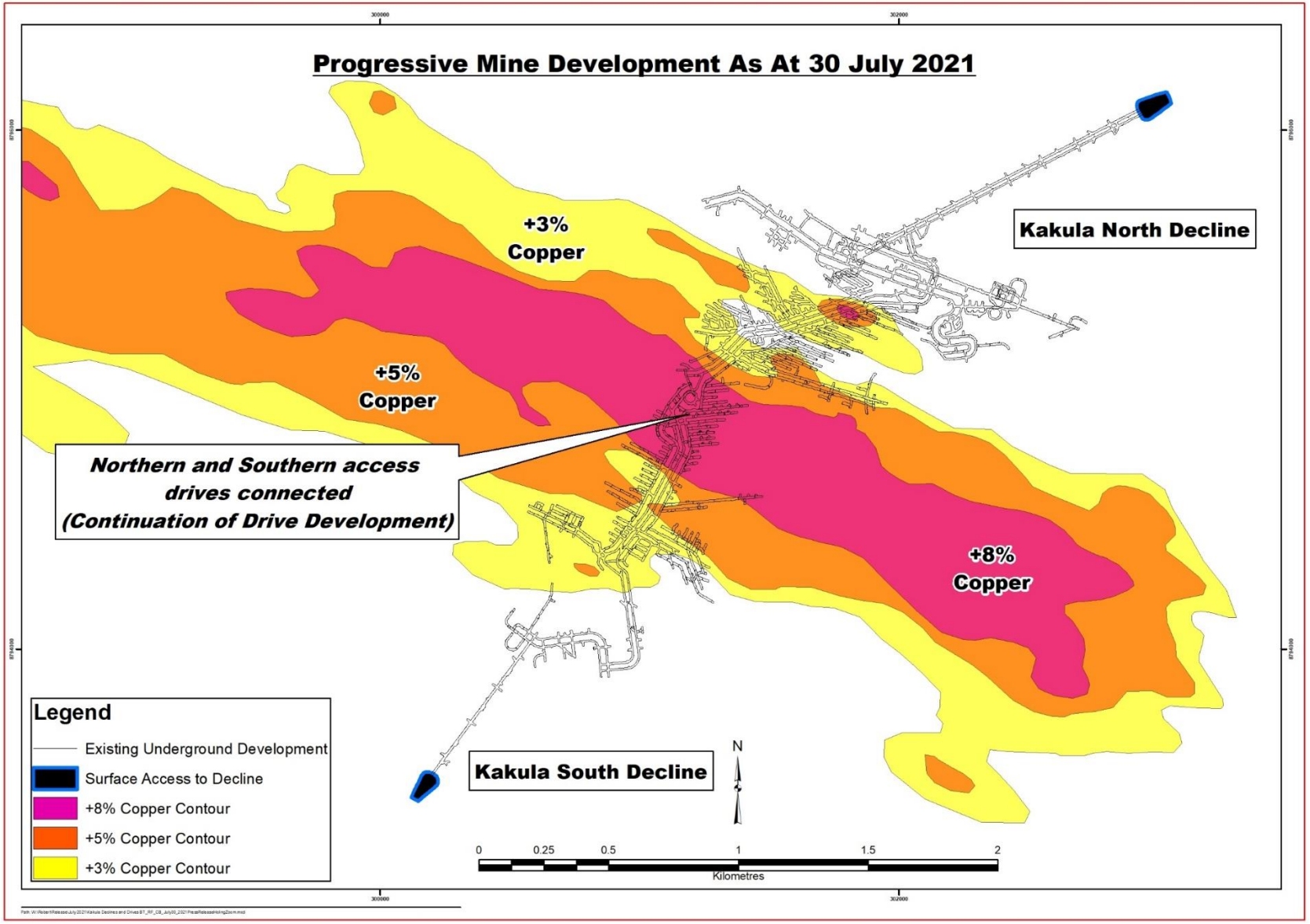
Kansoko ore stockpiles containing a combined 470,000 tonnes grading 3.83% copper (consisting of 133,000 high-grade tonnes @ 6.04% copper and 337,000 medium-grade tonnes @ 2.95% copper).



Technicians Harrison Simmanza (left) and Peter Chama with new Sandvik ore haul trucks and scooptrams that will be used to accelerate underground mining operations at the Kakula and Kansoko mines.

Rodrigue Uzan inside one of the two ball mills in the Phase 1 concentrator plant.

Figure 1: Underground development completed at Kakula Mine to July 30, 2021 (in black).



Ilunga Banza Siri (left) and Tegwy Agi, Truck Operators, at Kakula's underground shotcrete loading bay.

Kaimba Mwanza (left), Equipment Operator, and Jacques Muyumba, Technical Officer with AEL Mining Services, loading emulsion into one of the Normet Charmec explosives-charging machines.

C4 (hot commissioning) of the project's first phase 3.8-Mtpa concentrator advancing toward steady-state operations

The concentrator plant is fully operational with hot commissioning activities advancing toward design parameters. The current focus is on balancing the flotation circuit to target design recovery and concentrate grade. Main areas of focus include the roughers, scavengers, cleaners, re-cleaners and regrind mill.

The first truckloads of concentrate were delivered to a local smelter on June 1, 2021, and the first bagged concentrate dispatched for export on July 17, 2021. Concentrate dispatch now is occurring daily as logistics operations ramp-up to steady-state in terms of truck arrivals and loading, sampling and customs clearing processes. To date, approximately 32,700 dry metric tonnes of concentrate have been loaded for dispatch from the mine, and efforts are underway to minimize inventory levels of copper concentrates at the mine.

The concentrator plant currently is being operated and maintained by the Kamoa Copper operations and engineering teams, with assistance from the project commissioning engineers.

Construction of the backfill plant is effectively complete with C2 and C3 activities well advanced. Hot commissioning began in late July, and the first paste-backfill is expected to be delivered to the underground mining areas in August. The backfill plant will be used to mix tailings from the processing plant with cement to produce paste backfill. This backfill will be pumped back into the mine and used to help support mined-out areas. Approximately one half of the mine's tailings will be sent back underground, significantly reducing the surface tailings storage.

Phase 2 overall project 35% complete, with civil works approximately 90% complete and most areas handed over to the Steel, Mechanical, Piping and Plate (SMPP) contractor; on-site steel pre-fabrication and erection is well underway

Construction of the second 3.8-Mtpa concentrator plant (Phase 2) is progressing well, with the overall project 35% complete; engineering and procurement activities are both well over 80% complete. Civil handover (or partial handover) to the SMPP contractor has been achieved in almost all areas and the current focus is on the erection of structural steel. Both civil works and structural steel erection are tracking slightly ahead of schedule.

Deliveries of structural steel, platework and mechanical equipment continue daily with over 190 truckloads already delivered to site and another 75 en-route. Manufacturing of all long-lead items of equipment is nearing completion with several items already delivered to site. The final major contract for electrical, control and instrumentation (EC&I) supply and installation, has been awarded. The Phase 2 concentrator remains on track for completion in Q3 2022.

Kamoa-Kakula's Phase 1 concentrator plant in full operation and the adjacent, parallel Phase 2 concentrator plant under construction.

Trucks in Kamoa-Kakula's inbound parking area loaded with Phase 2 construction materials and new mining equipment.

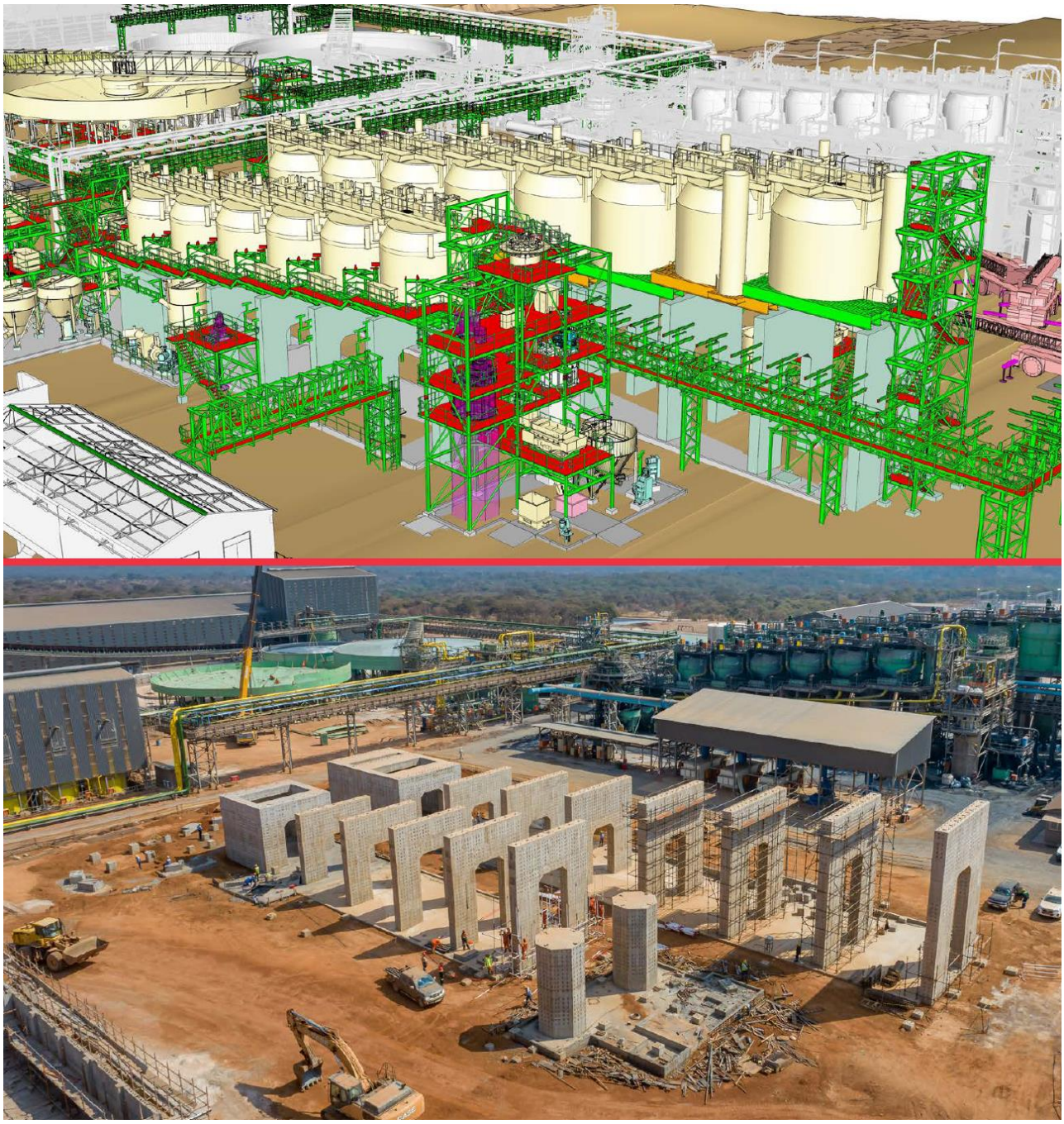
Bags of Kamoa Copper's concentrate being loaded with the spreader-beam and crane.

Trucks loaded with sealed bags of high-grade copper concentrate awaiting customs clearance before beginning their journey to international markets, via the port of Durban.

Kamoa-Kakula's new outbound truck parking lot, which will hold trucks carrying bags of high-grade copper concentrate while they await customs clearance (typically a five-day process).

Leonine Kashala Tshikuta, Forklift Operator, in the concentrate loading plant.

A 3D illustration of Kamoa-Kakula's Phase 2, 3.8-Mtpa concentrator plant. The picture below shows the current construction progress.



A 3D illustration of the new high-pressure grinding rolls and conveyor system for Kamoa-Kakula's Phase 2, 3.8-Mtpa concentrator plant. The picture below shows the current construction progress.

Study work underway to accelerate Phase 3 mine and concentrator expansion

Study work for the Phase 3 mine and concentrator expansion is underway, which includes optimization work to determine mining production capacity and costs at the various mining areas on the Kamoa-Kakula complex, including expanded facilities at the Kansoko Mine, Kamoa North (including the Bonanza Zone) and Kakula West.

This work also will inform the optimal sizing of the Phase 3 concentrator, which was outlined as a further expansion of 3.8 Mtpa in the Kamoa-Kakula Integrated Development Plan announced in September 2020. In addition, the studies will take into consideration the plans to upgrade Turbine 5 at the Inga II hydropower complex to provide 162 megawatts of renewable hydropower, as well as the construction of a direct-to-blister smelter.

Once the optimization work is completed, Kamoa Copper will advance into a more detailed phase of design and engineering work with its objective to accelerate the Phase 3 concentrator expansion.

Five of six new turbines at the Mwadingusha hydropower plant now operational and generating clean electricity

Five of the six new turbines at the Mwadingusha hydropower plant now have been synchronized to the national electrical grid, with each generating unit producing approximately 13 megawatts (MW) of power. The completion and commissioning of the hydropower plant's remaining one generating unit, is in progress. The synchronization of this last unit to the grid is expected in August 2021.

In April 2021, Kamoa-Kakula's Energy company signed a MoU with the Democratic Republic of Congo's state-owned power company (SNEL) to upgrade Turbine 5 at the Inga II hydropower complex. An addendum to the existing Financing Agreement between SNEL and Kamoa-Kakula's Energy company is being finalized for signature. Since June 2021, rehabilitation scoping works and technical visits have been conducted by Stucky of Stucky Ltd., of Renens, Switzerland, the Engineering, Procurement and Construction Management (EPCM) company. Turbine 5 is expected to produce 162 MW of renewable hydropower, providing the Kamoa-Kakula Copper Complex and associated smelter with abundant, sustainable electricity for future expansions.

The refurbished Mwadingusha hydropower dam, providing the water to generate clean electricity for Kamoa-Kakula.

Inside the Mwadingusha powerhouse, with the six new generating units.

Kamoa Copper partnership with the Democratic Republic of Congo government, UNICEF and other stakeholders continues COVID-19 vaccination efforts for employees and residents who live in host communities

Kamoa-Kakula has successfully focused on prevention, preparation, and mitigation in managing the risks associated with COVID-19. Large-scale testing, combined with focused preventative measures, ensured that positive cases were quickly identified, isolated, and treated, with cross contamination kept to a minimum. Maintaining this high standard of risk management remains the main focus to prevent future cases.

With the support of the Democratic Republic of Congo government, UNICEF and other stakeholders, Kamoa Copper SA completed its first round of COVID-19 vaccinations on June 24, 2021. In conjunction with the DRC government's extended program of vaccinations, the second round of COVID-19 vaccinations at Kamoa-Kakula is expected to begin in mid-August. The vaccine will be available for all Kamoa Copper employees, contractors and residents living in the mine's host communities.

The Kamoa COVID-19 hospital continues to treat patients when required, as construction progresses well for the expansion and upgrade of the primary healthcare wing. Kamoa-Kakula's highly experienced medical team applies the latest medical treatments, supported by a world-leading emergency response and paramedic team.

As the pandemic evolves, the medical team at the Kamoa hospital continues to review and update risk mitigation protocols, while ensuring that new medical advances are investigated and applied to protect the health and safety of employees and community members.

Excellent progress is being made on the new primary healthcare wing of the Kamoa hospital.

Construction crew putting the finishing touches on a new community church at the local village of Kapondo, another Kamoa-Kakula Livelihoods initiative. (L-R) Matondo Mavungu, Ilunga Mwadidnvita, Seraphin Mwinyi Rashid, Martin Nawej Mwadatshilabu, Victor Tshamala Kabonda, and Donacien Makwiji.

Qualified Persons

Disclosures of a scientific or technical nature regarding development scenarios at the Kamoa-Kakula Project in this news release have been reviewed and approved by Steve Amos, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of NI 43-101. Mr. Amos is not considered independent under NI 43-101 as he is the Head of the Kamoa Project. Mr. Amos has verified the technical data disclosed in this news release.

Other disclosures of a scientific or technical nature regarding the stockpiles in this news release have been reviewed and approved by George Gilchrist, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of NI 43-101. Mr. Gilchrist is not considered independent under NI 43-101 as he is the Vice President, Resources of Ivanhoe Mines. Mr. Gilchrist has verified the other technical data disclosed in this news release.

The stockpile grade estimates contained in this release are based upon bulk ore sampling from material being fed to the plant from surface stockpiles, and underground vertical channel sample profiles from recent development. Channel sample profiles are cut approximately 15 metres apart in 1-metre vertical increments across the full vertical exposure using a handheld grinder, with a 100-to-150-gram sample collected. The samples are pulverized at the project's onsite laboratory and analyzed using a portable XRF (pXRF) instrument. Kamoa Copper has routinely analyzed its exploration drill core for copper using pXRF, in addition to analysis at a commercial laboratory using four acid digest and ICP-OES. This data has demonstrated that pXRF results can be relied upon for grade control and run-of-mine sampling. Due to rounding, numbers presented throughout this news release may not add up precisely.

Ivanhoe has prepared an independent, NI 43-101-compliant technical report for the Kamoa-Kakula Project, which is available on the company's website and under the company's SEDAR profile at www.sedar.com:

- **Kamoa-Kakula Integrated Development Plan 2020 dated October 13, 2020, prepared by OreWin Pty Ltd., China Nerin Engineering Co., Ltd., DRA Global, Epoch Resources, Golder Associates Africa, KGHM Cuprum R&D Centre Ltd., Outotec Oyj, Paterson and Cooke, Stantec Consulting International LLC, SRK Consulting Inc., and Wood plc.**

The technical report includes relevant information regarding the assumptions, parameters and methods of the mineral resource estimates on the Kamoa-Kakula Project cited in this news release, as well as information regarding data verification, exploration procedures and other matters relevant to the scientific and technical disclosure contained in this news release.

About Ivanhoe Mines

Ivanhoe Mines is a Canadian mining company focused on advancing its three principal joint-venture projects in Southern Africa: the development of major new, mechanized, underground mines at the Kamoa-Kakula copper discoveries in the Democratic Republic of Congo and at the Platreef palladium-rhodium-platinum-nickel-copper-gold discovery in South Africa; and the extensive redevelopment and upgrading of the historic Kipushi zinc-copper-germanium-silver mine, also in the Democratic Republic of Congo.

Kamoa-Kakula began producing copper concentrates in May 2021 and, through phased expansions, is positioned to become one of the world's largest copper producers. Kamoa-Kakula and Kipushi will be powered by clean, renewable hydro-generated electricity and will be among the world's lowest greenhouse gas emitters per unit of metal produced. Ivanhoe Mines has pledged to achieve net-zero operational greenhouse gas emissions (Scope 1 and 2) at the Kamoa-Kakula Copper Mine when large-scale electric, hydrogen and hybrid underground mining equipment become commercially available. Ivanhoe also is exploring for new copper discoveries on its wholly-owned Western Foreland exploration licences in the Democratic Republic of Congo, near the Kamoa-Kakula Project.

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Forward-looking statements

Certain statements in this release constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws. Such statements and information involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the company, its projects, 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 the company's current expectations regarding future events, performance and results and speak only as of the date of this release.

Such statements include without limitation, the timing and results of: (i) statements regarding Ivanhoe's guidance for contained copper in concentrate expected to be produced by Kamoa-Kakula for the balance of 2021 is 80,000 to 95,000 tonnes; (ii) statements regarding the backfill plant, which will mix tailings from the processing plant with cement to produce paste backfill, will begin pumping backfill to the underground operations in July and first paste delivered to the underground stopes in August; (iii) statements regarding the expectation that Phase 2 of the project's development when the Kakula concentrator processing capacity doubles to 7.6 Mtpa is to be commissioned in Q3 2022; (iv)

statements regarding Kakula is projected to be the world's highest-grade major copper mine, with an initial mining rate of 3.8 Mtpa at an estimated, average feed grade of more than 6.0% copper over the first five years of operations and 5.9% copper over the initial 10 years of operations; (v) statements regarding Kamoa-Kakula's Phase 1 is expected to produce approximately 200,000 tonnes of copper per year, and Phases 1 and 2 combined are forecast to produce approximately 400,000 tonnes of copper per year; (vi) statements regarding based on independent benchmarking, the project's phased expansion scenario to 19 Mtpa would position Kamoa-Kakula as the world's second largest copper mining complex, with peak annual copper production of more than 800,000 tonnes; (vii) statements regarding Kamoa-Kakula will be among the world's lowest greenhouse gas emitters per unit of copper produced; (viii) statements regarding Kamoa-Kakula Phase 2 expansion civil works and structural steel erection tracking ahead of schedule; (ix) statements regarding approximately one half of the mine's tailings will be sent back underground; (x) (x) statements regarding an upgraded Turbine 5 at Inga II is expected to produce 162 megawatts of renewable hydropower, providing the Kamoa-Kakula Copper Complex and associated smelter with abundant sustainable electricity for future expansions; (xi) statements regarding surface stockpiles are expected to continue to build at a reduced rate; and (xii) statements regarding the focus of the commissioning team during August will shift from the front end crushing and milling circuit to balancing and optimizing the flotation and regrind milling areas, which is expected to further improve concentrate grade and recovery.

As well, all of the results of the Kakula definitive feasibility study, the Kakula-Kansoko pre-feasibility study and the Kamoa-Kakula preliminary economic assessment, constitute forward-looking statements or information, and include future estimates of internal rates of return, net present value, future production, estimates of cash cost, proposed mining plans and methods, mine life estimates, cash flow forecasts, metal recoveries, estimates of capital and operating costs and the size and timing of phased development of the projects. Furthermore, with respect to this specific forward-looking information concerning the development of the Kamoa-Kakula Project, the company has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include: (i) the adequacy of infrastructure; (ii) geological characteristics; (iii) metallurgical characteristics of the mineralization; (iv) the ability to develop adequate processing capacity; (v) the price of copper; (vi) the availability of equipment and facilities necessary to complete development; (vii) the cost of consumables and mining and processing equipment; (viii) unforeseen technological and engineering problems; (ix) accidents or acts of sabotage or terrorism; (x) currency fluctuations; (xi) changes in regulations; (xii) the compliance by joint venture partners with terms of agreements; (xiii) the availability and productivity of skilled labour; (xiv) the regulation of the mining industry by various governmental agencies; (xv) the ability to raise sufficient capital to develop such projects; (xvi) changes in project scope or design; and (xvii) political factors.

Forward-looking statements and information 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 or information, including, but not limited to, the factors discussed below and under "Risk Factors", and elsewhere in this release, as well as unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts with the company to perform as agreed; social or labour unrest; changes in commodity prices; and the failure of exploration programs or studies to deliver anticipated results or results that would justify and support continued exploration, studies, development or operations.

Although the forward-looking statements contained in this release are based upon what management of the company believes are reasonable assumptions, the company 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 release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the company 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 release.

The company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the factors set forth below in the "Risk Factors" section in the company's 2021 Q1 MD&A and its current annual information form.