**Copper intercepts include 8.86 metres (true width) of 6.56% and 10.23 metres (true width) of 6.18%, at a 2.5% copper cut-off**

**Twin declines for access to Kamoa's planned initial mining area at Kansoko Sud progressing ahead of schedule**

KOLWEZI, DEMOCRATIC REPUBLIC OF CONGO--(Marketwired - Jun 20, 2016) - Robert Friedland, Executive Chairman of Ivanhoe Mines (TSX:IVN), and Lars-Eric Johansson, Chief Executive Officer, today announced assay results from the first six holes of the 2016 drilling campaign at the Kakula Discovery on the company's Tier One Kamoa Copper Project, near the mining centre of Kolwezi in the Democratic Republic of Congo. Kamoa is a joint venture between Ivanhoe Mines and Zijin Mining.

The primary objective of the current drilling program is to confirm and expand a thick, flat-lying, bottom-loaded zone of very high-grade copper mineralization at the southern part of the Kakula Discovery area (see Figure 1) that has the potential to have a significant, positive impact on the Kamoa Project's future development plans.

Highlights of the latest drill results, which confirm the exceptional grades and shallow, flat-lying geometry of the Kakula mineralized zone that were identified by previous Ivanhoe drilling, include:

- • DD998 intersected 11.82 metres (true width) of 4.06% copper at a 2.5% copper cut off, 11.82 metres (true width) of 4.06% copper at a 2% copper cut off and 13.79 metres (true width) of 3.68% copper at a 1% copper cut-off.
- • DD999 intersected 8.86 metres (true width) of 6.56% copper at a 2.5% copper cut-off, 11.62 metres (true width) of 5.52% copper at a 2% copper cut-off and 13.65 metres (true width) of 4.93% copper at a 1% copper cut-off.
- • DD1002 intersected 6.42 metres (true width) of 5.70% copper at a 2.5% copper cut-off, 14.68 metres (true width) of 3.71% copper at a 2% copper cut-off and 32.55 metres (true width) of 2.49% copper at a 1% copper cut-off.
- • DD1003 intersected 10.23 metres (true width) of 6.18% copper at a 2.5% copper cut-off, 10.23 metres (true width) of 6.18% copper at a 2% copper cut-off and 18.71 metres (true width) of 3.88% copper at a 1% copper cut-off.

"These initial results are consistent with our earlier drill intercepts in this remarkable discovery made by the Ivanhoe Mines geological team and confirm the consistent, high-grade nature of the Kakula copper mineralization," said Mr. Friedland.

"The bottom-loaded nature of the nearly flat-lying, stratabound chalcocite and bornite mineralization at Kakula offers the potential for selective, mechanized underground mining at significantly higher copper grades than other large-scale mining projects."

Kakula's drilling program is now fully mobilized with seven rigs operational in the field and two rigs on standby. The planned 25,000 metres of drilling are scheduled to be completed later this year. Initial interpretation of the drilling confirms the shallow, flat-lying geometry of the target stratigraphy and the presence of mineralization with typical Kakula characteristics. Figure 4 shows the structure contours of depth below surface of the top of the Mwashia sandstone, which marks the approximate footwall of mineralization.

The 60-square-kilometre Kakula exploration area is approximately 10 kilometres southwest of the Kamoa Project's planned initial mining area at Kansoko Sud.

Ongoing drilling results with pending assays confirm Kakula as a shallow, nearly flat, consistent zone of high-grade copper mineralization

In addition to the six holes for which assays results have been reported in this release, an additional 14 drill holes in the Kakula area have completed drilling and ICP-OES assay results are pending.

Of particular significance is hole DD1011 - a 450-metre, step-out hole south-east from DD996, which intercepted 9.96 metres (true width) of 6.61% copper in 2015, at a 2.5% copper cut-off. DD1011 intersected comparable stratigraphy and associated chalcocite mineralization to DD996. DD1011 intersected intense, fine-grained chalcocite mineralization within the basal siltstone from a depth of 423.35 metres to 427.45 metres below surface, followed by 0.36 metres of diamictite, before intersecting Mwashia sandstone at a depth of 427.81 metres to the end of hole. Niton XRF results on pulverized core from DD1011 confirm the visual presence of significant copper mineralization and indicate comparable grades and thicknesses to the drill holes in the center of the high-grade zone, such as DD996.

Hole 1011 is highly significant as it confirms the flat-lying, thick, high-grade Kakula mineralized zone encountered in the drill holes reported to date extends at least 450 metres further to the south. The high-grade zone remains open to the south and drilling will continue to test the extent of the mineralized zone in this direction.

Ivanhoe conducts Niton XRF analyses routinely as part of its sample preparation and analysis. Sawn drill core is sampled on

nominal 1-metre intervals, and then the sawn core is crushed to nominal 2 mm using jaw crushers. A quarter split (500 grams to 1,000 grams) is pulverized to >90% -75 μm, using LM2 puck and bowl pulverizes. The remaining coarse reject material is retained. A 60-gram split is sent for ICP assay and a 15-gram split is used for used for pXRF. The pXRF split is placed in a powder cup and covered with film prior to analysis. Ivanhoe inserts blanks and standards into the Niton pXRF sample stream in the same way it does for its assays, with a 5% insertion rate for standards and blanks. Ivanhoe monitors the pXRF results for accuracy and precision, although results are used for indicative purposes only.

To view *Figure 1, Kamoa Project map shows the planned initial mining area at Kansoko Sud and the adjacent Kakula exploration area*, visit the following link: http://media3.marketwire.com/docs/1059595-F1.pdf

To view the Image *Kakula Discovery area showing drill holes DD1021 and DD1020 in progress*, visit the following link: http://media3.marketwire.com/docs/1059595-B1.pdf

To view *Figure 2, Kakula infill drill hole location plan*, visit the following link: http://media3.marketwire.com/docs/1059595-F2.pdf

Kakula-style mineralization - consistently bottom-loaded and chalcocite dominant

The recent results confirm that mineralization at Kakula is consistently bottom-loaded, with grades increasing downhole toward the contact between the host Grand Conglomerate and the underlying Mwashia sandstone. The highest copper grades are associated with a siltstone/sandstone unit occurring within the Grand Conglomerate, approximately one metre above the top of Mwashia sandstone contact (see Figure 7 for a section across the Kakula Discovery area).

Mineralization displays vertical mineral zonation from chalcopyrite to bornite to chalcocite, with the highest grades associated with the siltstone unit consistently characterized by chalcocite dominant mineralization (See Figure 3 for a strip log showing typical Kakula-style mineralization).

To view *Figure 3, DKMC_DD997 strip log showing typical Kakula-style mineralization*, visit the following link: http://media3.marketwire.com/docs/1059595-F3.pdf

The consistent nature of Kakula mineralization supports the creation of selective mineralized zones at cut-offs up to 2.5% and 3% copper. The recent results are shown at various cut-offs in tables 2 and 3, while the accumulation of metal and thickness at 1% and 2.5% cut-offs are shown in figures 5 and 6.

Table 1. Assay composites from newly released Kakula drill holes at copper cut-offs of 1% and 2%.

| | 1% Copper cut-off | | | | | 2% Copper cut-off | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Borehole ID | From | To | Length (m) | True Width (m) | Copper Grade (%) | From | To | Length (m) | True Width (m) | Copper Grade (%) |
| DKMC_DD998 | 265.00 | 279.00 | 14.00 | 13.79 | 3.68 | 267.00 | 279.00 | 12.00 | 11.82 | 4.06 |
| DKMC_DD999 | 319.64 | 333.50 | 13.86 | 13.65 | 4.93 | 320.20 | 332.00 | 11.80 | 11.62 | 5.52 |
| DKMC_DD1000* | 332.00 | 335.00 | 3.00 | 2.60 | 0.82 | 332.00 | 335.00 | 3.00 | 2.60 | 0.82 |
| DKMC_DD1001 | 278.00 | 282.37 | 4.37 | 4.11 | 2.47 | 279.00 | 282.37 | 3.37 | 3.17 | 2.67 |
| DKMC_DD1002 | 307.50 | 341.20 | 33.70 | 32.55 | 2.49 | 326.00 | 341.20 | 15.20 | 14.68 | 3.71 |
| DKMC_DD1003 | 393.00 | 412.00 | 19.00 | 18.71 | 3.88 | 400.00 | 410.39 | 10.39 | 10.23 | 6.18 |

Table 2. Assay composites from newly released Kakula drill holes at copper cut-offs of 2.5% and 3%.

| | 2.5% Copper cut-off | | | | | 3% Copper cut-off | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Borehole ID | From | To | Length (m) | True Width (m) | Copper Grade (%) | From | To | Length (m) | True Width (m) | Copper Grade (%) |
| DKMC_DD998 | 267.00 | 279.00 | 12.00 | 11.82 | 4.06 | 267.80 | 279.00 | 11.20 | 11.03 | 4.15 |
| DKMC_DD999 | 323.00 | 332.00 | 9.00 | 8.86 | 6.56 | 327.40 | 332.00 | 4.60 | 4.53 | 10.35 |
| DKMC_DD1000* | 332.00 | 335.00 | 3.00 | 2.60 | 0.82 | 332.00 | 335.00 | 3.00 | 2.60 | 0.82 |
| DKMC_DD1001* | 279.00 | 282.37 | 3.37 | 3.17 | 2.67 | 279.00 | 282.37 | 3.37 | 3.17 | 2.67 |
| DKMC_DD1002 | 334.00 | 340.65 | 6.65 | 6.42 | 5.70 | 337.90 | 340.65 | 2.75 | 2.66 | 10.25 |
| DKMC_DD1003 | 400.00 | 410.39 | 10.39 | 10.23 | 6.18 | 400.00 | 409.50 | 9.50 | 9.36 | 6.51 |

Note * If a composite cannot be made at a certain cut-off, the best composite at approximately 3.0 metres is shown.

To view *Figure 4, Structure contours showing the depth below surface of the bottom of the stratabound copper mineralization at*

*Kakula*, visit the following link: http://media3.marketwire.com/docs/1059595-F4a.pdf

To view *Figure 5*, *Grade-thickness contours from current results at a 1% cut-off*, visit the following link: http://media3.marketwire.com/docs/1059595-F5.pdf

To view *Figure 6, Grade-thickness contours from current results at a 2.5% cut-off,* visit the following link: http://media3.marketwire.com/docs/1059595-F6.pdf

To view *Figure 7, Cross-section of Kakula Discovery area, showing true thicknesses of drill intercepts at a 2.0% copper cut-off,* visit the following link: http://media3.marketwire.com/docs/1059595-F7.pdf

Kamoa underground development advancing ahead of plan

Underground development at Kamoa is progressing ahead of plan and within budgeted costs. The twin declines at Kansoko Sud each have advanced more than 30 metres since the first excavation blast occurred on May 12. Development of the mine is designed to reach the high-grade copper mineralization during the first quarter of 2017.

The Kansoko Sud initial mining footprint contains high-grade intercepts of up to 7.04% copper and a potential mining thickness of more than 15 metres. The mineralized horizon is expected to be intersected by the declines at approximately 150 metres vertically below surface, where initial mining operations will commence.

Byrnecut Underground Congo SARL is the contractor for the development of the declines.

To view the Image *Preparations underway for another excavation blast in the service decline,* visit the following link: http://media3.marketwire.com/docs/1059595-B2.pdf

Commenting on the achievements to date, Louis Watum, Kamoa Copper's General Manager, said, "We're delighted with the progress being made at Kakula.

"The underground mining ramp-up is on the critical path of our project and naturally it is extremely important that we maintain our progress and complete the decline development to enable us to access the Kansoko Sud deposit as quickly as possible. This new, high-grade discovery at Kakula opens further opportunities for us to design and construct Kamoa as one of the world's greatest copper mines."

To view the Image *Kamoa box-cut, showing entrances to twin declines (at right) and surface facilities*, visit the following link: http://media3.marketwire.com/docs/1059595-B3.pdf

Table 3. Collar locations of Kakula drill holes.

| Borehole ID | Easting | Northing | Elevation | BRG | INCL | Status |
|---|---|---|---|---|---|---|
| DKMC_DD998 | 301397 | 8795104 | 1411 | 360 | -90 | Assays Received |
| DKMC_DD999 | 301399 | 8794698 | 1398 | 360 | -90 | Assays Received |
| DKMC_DD1000 | 301402 | 8793499 | 1363 | 360 | -90 | Assays Received |
| DKMC_DD1001 | 302199 | 8795100 | 1414 | 360 | -90 | Assays Received |
| DKMC_DD1002 | 301400 | 8794301 | 1388 | 360 | -90 | Assays Received |
| DKMC_DD1003 | 302403 | 8794501 | 1382 | 360 | -90 | Assays Received |
| DKMC_DD1004 | 300200 | 8793900 | 1370 | 360 | -90 | Assays Pending |
| DKMC_DD1005 | 302200 | 8794300 | 1368 | 360 | -90 | Assays Pending |
| DKMC_DD1006 | 302000 | 8794100 | 1381 | 360 | -90 | Assays Pending |
| DKMC_DD1007 | 302200 | 8794700 | 1395 | 360 | -90 | Assays Pending |
| DKMC_DD1008 | 301200 | 8794900 | 1406 | 360 | -90 | Assays Pending |
| DKMC_DD1009 | 302000 | 8794900 | 1381 | 360 | -90 | Assays Pending |
| DKMC_DD1010 | 302600 | 8796300 | 1406 | 360 | -90 | Assays Pending |
| DKMC_DD1011 | 302400 | 8794100 | 1362 | 360 | -90 | Assays Pending |
| DKMC_DD1012 | 301600 | 8794500 | 1391 | 360 | -90 | Assays Pending |
| DKMC_DD1013 | 301800 | 8796300 | 1399 | 360 | -90 | Assays Pending |
| DKMC_DD1014 | 300800 | 8794500 | 1401 | 360 | -90 | Assays Pending |
| DKMC_DD1015 | 301600 | 8793700 | 1364 | 360 | -90 | Assays Pending |

| | | | | | |
|---|---|---|---|---|---|
| DKMC_DD1016 | 302000 | 8794498 | 1395 | 360 | -90 | Assays Pending |
| DKMC_DD1017 | 300800 | 8795299 | 1407 | 360 | -90 | Assays Pending |

Kamoa Copper Project description

The Kamoa Copper Project, a joint venture between Ivanhoe Mines and Zijin Mining Group Co. Ltd.., is a very large, stratiform copper deposit with adjacent prospective exploration areas within the Central African Copperbelt, approximately 25 kilometres west of the town of Kolwezi and about 270 kilometres west of Lubumbashi. Ivanhoe sold a 49.5% share interest in Kamoa Holding Limited, the company that presently owns 95% of the Kamoa Project on an indirect basis, to Zijin Mining for an aggregate cash consideration of US$412 million. In addition, Ivanhoe sold a 1% share interest in Kamoa Holding to privately-owned Crystal River Global Limited for US$8.32 million - which Crystal River will pay through a non-interest-bearing, 10-year promissory note.

A 5%, non-dilutable interest in the Kamoa Project was transferred to the DRC government on September 11, 2012, for no consideration, pursuant to the DRC Mining Code. Ivanhoe also has offered to transfer an additional 15% interest to the DRC government on terms to be negotiated. Constructive and cordial negotiations between Ivanhoe Mines, Zijin Mining and senior DRC government officials have been continuing on this matter.

Kamoa is the world's largest, undeveloped, high-grade copper deposit. On February 23, 2016, an updated Mineral Resource estimate was issued for the Kamoa Project, with an effective date of May 5, 2014. Kamoa's Indicated Mineral Resources presently total 752 million tonnes grading 2.67% copper and containing 44.3 billion pounds of copper at a 1% copper cut-off grade and minimum thickness of three metres. In addition to the Indicated Resources, the updated estimate included Inferred Mineral Resources of 185 million tonnes grading 2.08% copper and containing 8.5 billion pounds of copper, also at a 1.0% copper cut-off grade and a minimum thickness of three metres.

Qualified Person and Quality Control and Assurance

The scientific and technical information in this release has been reviewed and approved by Stephen Torr, P.Geo., 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.

Ivanhoe Mines maintains a comprehensive chain of custody and QA-QC program on assays from its Kamoa Project. Half-sawn core is processed at its on site preparation laboratory in Kamoa, prepared samples then are shipped by secure courier to Bureau Veritas Minerals (BVM) Laboratories in Australia, an ISO17025 accredited facility. Copper assays are determined at BVM by mixed-acid digestion with ICP finish. Industry-standard certified reference materials and blanks are inserted into the sample stream prior to dispatch to BVM. For detailed information about assay methods and data verification measures used to support the scientific and technical information, please refer to the current technical report on the Kamoa Copper Project on the SEDAR profile of Ivanhoe Mines at www.sedar.com.

About Ivanhoe Mines

Ivanhoe Mines is advancing and developing its three principal projects in Sub-Saharan Africa: the Platreef platinum-palladium-gold-nickel-copper discovery in South Africa; and the Kamoa copper discovery and the high-grade Kipushi zinc-copper-lead-germanium mine in the DRC.

Cautionary statement on forward-looking information

Certain statements in this release constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws, including without limitation, the timing and results of: (i) statements regarding the drilling program at the Kakula Discovery area and statements regarding primary objective of the current drilling program is to confirm and expand a thick, flat-lying, bottom-loaded zone of very high-grade copper mineralization at the southern part of the Kakula Discovery area that has the potential to have a significant, positive impact on the Kamoa Project's future development plans; (ii) statements regarding the bottom-loaded nature of the nearly flat-lying, stratabound chalcocite and bornite mineralization at Kakula offers the potential for selective, mechanized underground mining at significantly higher copper grades than other large-scale mining projects; (iii) statements regarding the planned 25,000 metres of drilling are scheduled to be completed later this year; (iv) statements regarding the high-grade Kakula zone remains open to the south and drilling will continue to test the extent of the mineralized zone in this direction; (v) statements regarding the development of the twin declines at Kamoa and the expectation that development will reach the high-grade copper mineralization during the first quarter of 2017; (vi) statements regarding the expectation that the mineralized horizon at Kansoko Sud is to be intersected by the declines at approximately 150 metres vertically below surface and the expectation that initial mining operations will commence in this location; (vii) statements regarding the high-grade discovery at Kakula opens further opportunities to design and construct Kamoa as one of the world's greatest copper mines; (vii) and statements regarding the timing and terms of transfer of an additional 15% interest in the Kamoa Project to the DRC government. Such statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company, 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.

All such forward-looking information and statements are based on certain assumptions and analyses made by Ivanhoe Mines' management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; social or labour unrest; changes in commodity prices; unexpected failure or inadequacy of infrastructure, or delays in the development of infrastructure, and the failure of exploration programs or other studies to deliver anticipated results or results that would justify and support continued studies, development or operations. Other important factors that could cause actual results to differ from these forward-looking statements also include those described under the heading "Risk Factors" in the company's most recently filed MD&A as well as in the most recent Annual Information Form filed by Ivanhoe Mines. Readers are cautioned not to place undue reliance on forward-looking information or statements. The factors and assumptions used to develop the forward-looking information and statements, and the risks that could cause the actual results to differ materially are set forth in the "Risk Factors" section and elsewhere in the company's most recent Management's Discussion and Analysis report and Annual Information Form, available at www.sedar.com.

This news release also contains references to estimates of Mineral Resources. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on, among other things: (i) fluctuations in platinum, palladium, gold, rhodium, copper, nickel or other mineral prices; (ii) results of drilling; (iii) results of metallurgical testing and other studies; (iv) changes to proposed mining operations, including dilution; (v) the evaluation of mine plans subsequent to the date of any estimates; and (vi) the possible failure to receive required permits, approvals and licences.

Although the forward-looking statements contained in this news 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 news 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 news release.

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