LONDON, ENGLAND – Ivanhoe Mines’ Chief Executive Officer Robert Friedland confirmed today that Rio Tinto has exercised its subscription right to acquire an additional 27,896,570 common shares of Ivanhoe Mines.

The acquisition will generate total proceeds of C$529,476,898 for Ivanhoe Mines and raise Rio Tinto’s interest in Ivanhoe Mines from 46.5% to 48.5%. The price paid per share was C$18.98, the five-day volume weighted average share price on the Toronto Stock Exchange. The subscription right exercise was made in accordance with terms of the December 2010 Heads of Agreement between Ivanhoe Mines and Rio Tinto.

With the receipt of the proceeds from the subscription right, Ivanhoe Mines’ cash position, on a consolidated basis, will total approximately US$1.7 billion.

Rio Tinto’s maximum permitted level of ownership in Ivanhoe Mines, attainable only through open-market purchases of common shares, is capped at 49% until the current standstill limitation expires on January 18, 2012.

Rio Tinto said in a news release today announcing its move that the subscription for new shares “reinforces Rio Tinto’s commitment to the Oyu Tolgoi Project, which is a natural fit with its strategy of focusing on cost-competitive, long-life assets with significant growth potential.”

Ivanhoe Mines owns 66% of the Oyu Tolgoi copper-gold-silver project now under full-scale construction in southern Mongolia and expected to begin initial production in 2012; the Government of Mongolia owns the remaining 34%.

Rio Tinto’s combined investment in Ivanhoe Mines since October 2006 will amount to more than US$4 billion through the purchase of shares, the exercise of warrants and a converted debt facility.

About Ivanhoe Mines (www.ivanhoemines.com)

Ivanhoe Mines (NYSE, NASDAQ & TSX: IVN) is an international mining company with operations focused in the Asia Pacific region. Assets include the company’s 66% interest in the world-scale, Oyu Tolgoi copper-gold mine development project in southern Mongolia; its 57% interest in Mongolian coal miner SouthGobi Resources (TSX: SGQ; HK: 1878); a 62% interest in Ivanhoe Australia (TSX & ASX: IVA), a copper-gold-uranium-molybdenum-rhenium exploration and development company; and a 50% interest in Altynalmas Gold, a private company developing the Kyzyl Gold Project in Kazakhstan.
Forward-looking statements

This document includes forward-looking statements regarding Ivanhoe Mines’ plans. Forward-looking statements include, but are not limited to, statements concerning the development and expected start of initial production at the Oyu Tolgoi Project. When used in this document, the words such as “expected,” “intend,” “plan,” “advance” and similar expressions are forward-looking statements. Although Ivanhoe Mines believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are disclosed under the heading “Risk Factors” and elsewhere in the corporation’s periodic filings with Canadian and US securities regulators.