

IVANHOE MINES LTD.

For Immediate Release

July 21, 1999

IVANHOE MINES COMPLETES PURCHASE OF 100% INTEREST IN THREE EXPLORATION BLOCKS IN KALIMANTAN

SINGAPORE – Robert M. Friedland, Chairman, and R. Edward Flood, Deputy Chairman, announced today that Ivanhoe Mines has received formal approval from the Indonesian Government for the company's purchase of the 10% interest in the company's three contracts of work (COWs) in Northeast Kalimantan, Indonesia, that it did not previously own. As a result, Ivanhoe Mines, through its Indonesian subsidiaries, now holds a 100% interest in each of the three COWs, which together cover approximately 2.94 million hectares.

Ivanhoe Mines commenced exploration activities in Indonesia in 1994. Since then, the company has identified a number of prospective targets within the three COWs. Exploration work is ongoing at the four most advanced prospects — Seruyung, Sekatak, Jelai-Mewet and Long Laai. The company will release additional information on further developments involving its exploration activities in Northeast Kalimantan in the near future.

Ivanhoe Mines has 74.1 million shares outstanding and had a cash balance of approximately US\$53 million at June 30, 1999. The company's shares trade on the Toronto and Australian stock exchanges under the symbol IVN.

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