

IVANHOE

M I N E S

2012 Annual Meeting of Shareholders

Kay Priestly, Chief Executive Officer

June 28, 2012



Forward-looking statements

This presentation includes certain “forward-looking statements.” All statements, other than statements of historical fact, are forward-looking statements that involve various risks and uncertainties. There can be no assurances that such statements will prove accurate and actual results and future events could differ materially from those anticipated in such statements. Such information contained herein represents management’s best judgment as of the date hereof based on information currently available. The company does not assume the obligation to update any forward-looking statement. For a more detailed list of specific forward-looking statements applicable to the company, refer to the “Forward-Looking Statements” section of the Rights Offering prospectus.

Cautionary Note to U.S. Investors

The United States Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms on this website such as "measured," "indicated," and "inferred" "resources," which the SEC guidelines generally prohibit U.S. registered companies from including in their filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 40-F which may be secured from us, or from the SEC's website at www.sec.gov/edgar.shtml.

Qualified Persons

The technical information in this presentation is derived from Ivanhoe’s news releases, each of which has been reviewed by one or more qualified persons (QPs), as defined by NI 43-101. Copies of the releases naming the QPs for the Ivanhoe group of companies are available at SEDAR (www.sedar.com) or on the companies’ websites.

IVANHOE

M I N E S
NEW HORIZONS

Ivanhoe Mines Board of Directors



Jill Gardiner
(Independent)



Peter Gillin
(Independent)



**Andrew
Harding**



**Isabelle
Hudon**
(Independent)



Dan Larsen



Livia Mahler
(Independent)

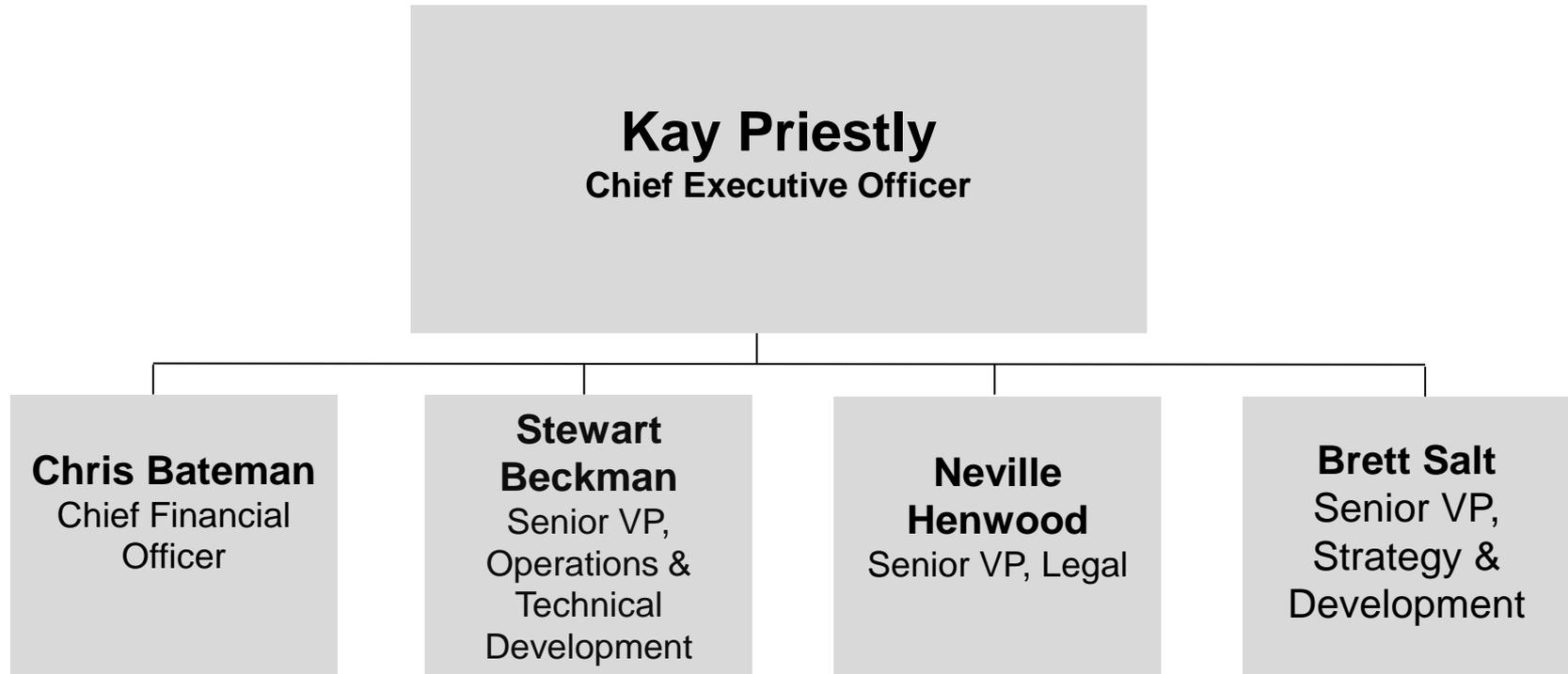


Peter Meredith



Kay Priestly

Ivanhoe Mines Senior Management



Ivanhoe's Project Portfolio



- **OYU TOLGOI PROJECT, MONGOLIA**
Copper-gold mining complex under construction, with ongoing regional exploration (Oyu Tolgoi LLC, 66%-owned by Ivanhoe Mines).
- **OVOOT TOLGOI MINE, MONGOLIA**
Thermal and coking coal exports to China, with continuing exploration and development (SouthGobi Resources, 58%-owned by Ivanhoe Mines).
- **KYZYL GOLD PROJECT, KAZAKHSTAN**
Development underway of established gold resources (Altynalmas Gold, 50%-owned by Ivanhoe Mines).
- **CLONCURRY PROJECT, AUSTRALIA**
Copper-gold-molybdenum-rhenium discoveries, mine development and exploration (Ivanhoe Australia, 59%-owned by Ivanhoe Mines).
- **TENNANT CREEK, AUSTRALIA**
Regional and ongoing exploration on major, established gold field (Ivanhoe Australia, 59%-owned by Ivanhoe Mines).
- **ONGOING EXPLORATION**
Various projects in Indonesia and the Philippines.

Comprehensive financing plan provides funds to continue development of Oyu Tolgoi

- Comprehensive funding plan expected to fund the completion of phase 1 and phase 2 development
- \$1.8 billion rights offering
 - Supported by Rio Tinto
 - Rio Tinto provided standby commitment for full \$1.8 billion, subject to certain limitations
- \$3-4 billion project financing
 - Completion support agreed with Rio Tinto, subject to receiving more favorable terms
 - Targeting completion end of 2012
 - Rio Tinto lead negotiator
- \$1.5 billion bridge-loan facility
 - To be repaid with funds from project financing
- Issued Series D warrants to Rio Tinto
 - Exercise price at US\$10.84 per share, subject to adjustment following rights issue

The rise of a giant in only two years

July 2010



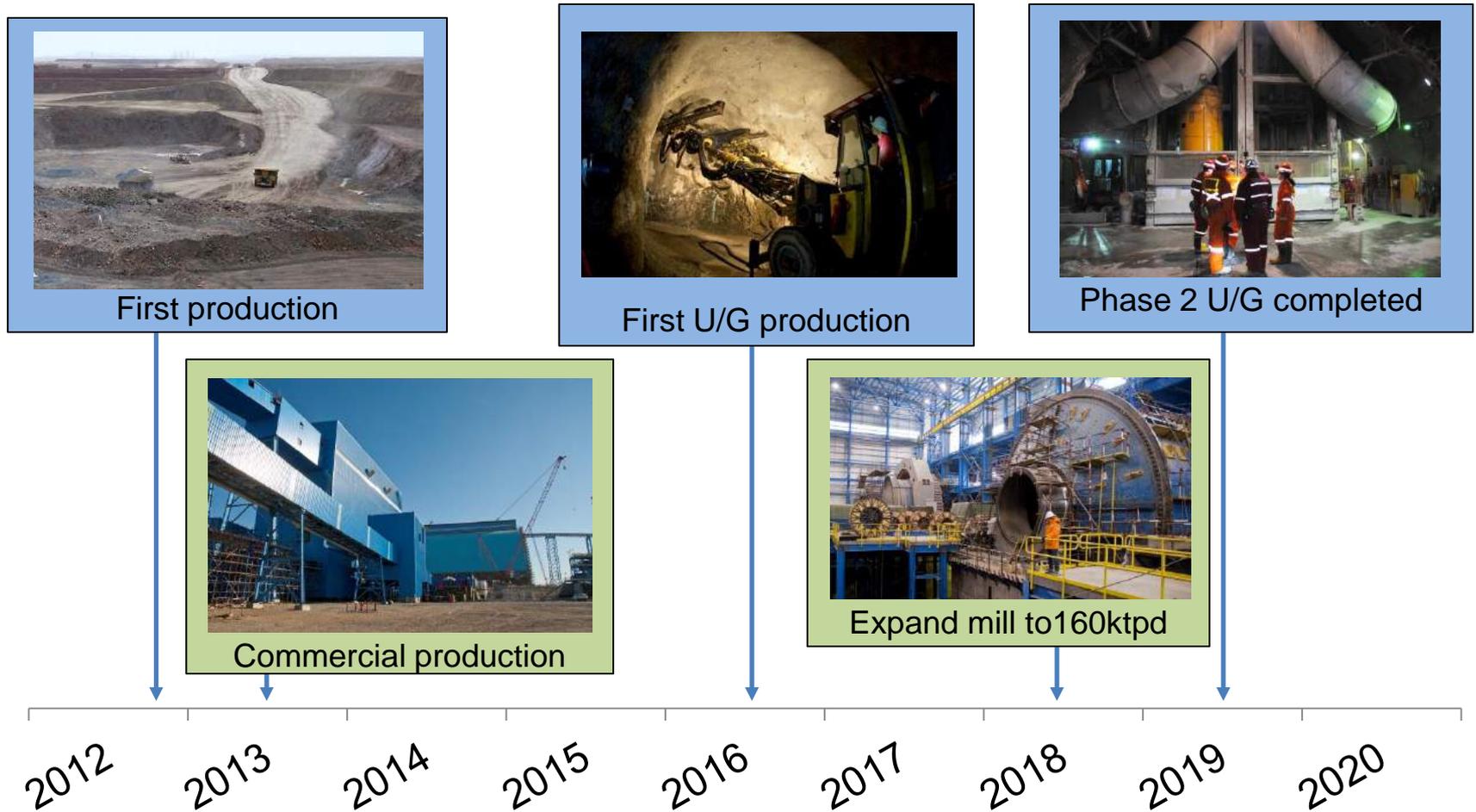
August 2011



June 2012



Oyu Tolgoi development timeline



Based on IDOP. The feasibility study (DIDOP) is expected to be completed by the end of 2012.

Power solutions progressing

- Power line infrastructure expected in place by end of July 2012
- Discussions on power agreement continue
- Diesel generation to support equipment commissioning
- Onsite power plant to be constructed within four years of commercial production
 - Evaluating acceleration of power plant timeline
 - US\$52 million approved for early works
 - Full project approval to be considered in coming months

Infrastructure for a world-scale mine

Permanent regional airport ▶

- 100-passenger terminal
- Concrete runway to handle Boeing 737-sized aircraft
- Control tower and hangar for passenger aircraft



105-km highway to China ▶

- Paved highway to the Mongolia-China border will facilitate the initial export of concentrate



70-km water pipeline

- Part of extensive new water system

Now, in 2012, we're counting down to start up

- Overall construction topped 90% completion in late June 2012
- Mining and stockpiling of first ore began in April 2012
- Initial production from phase 1 open pit mine in second half of 2012
- Start of commercial production planned in first half of 2013
- Phase 2 feasibility study expected to be completed in second half of 2012
- Production from Hugo Dummett phase 2 underground mine expected to follow in 2016



Supporting social development through jobs and community support



- Mongolians will fill at least 90% of the jobs at Oyu Tolgoi during operations
- US\$85 million technical and vocational training program underway
- Domestic and international scholarship programs for Mongolian students
- Established community partnerships and support programs to promote sustainable communities



Strategic review underway on other assets



SouthGobi Resources (57.6% owned)

- Chalco intends to make a proportional takeover bid for up to 60%, but not less than 56%, at C\$8.48
- Proportional takeover offer is subject to statutory and regulatory approval



Ivanhoe Australia (58.9% owned)

- Began production at Osborne in Q1 2012
- Engaged UBS to assist with securing a strategic partner



Kyzyl Gold Project (50% owned)

- Independent feasibility study in February 2012

Conclusion



- **Oyu Tolgoi making good progress**
 - **Construction 90% complete**
 - **First production expected in H2 2012 with commercial production in H1 2013**
 - **Power line infrastructure to be completed by July 2012**
 - **Mongolian and Chinese discussions for power purchase agreement ongoing**
 - **Smelting contracts for 75% of expected production**
- **Comprehensive financing plan expected to fund the completion of phase 1 and phase 2 development**
- **Strategic review on other assets underway**
- **New Board of Directors and management focused on the continued development of Oyu Tolgoi**