

January 8, 2015

Ivanhoe Mines releases positive results of independent pre-feasibility study for planned first phase of its Platreef platinum-group elements, nickel, copper and gold mine in South Africa

First phase of development envisages an annual production rate of 433,000 ounces of platinum, palladium, rhodium and gold, plus 31 million pounds of nickel and copper

Platreef mine is projected to be Africa's lowest-cost producer of platinum-group metals

Estimated 150,000 local residents to participate in Platreef's development as equity partners in broad-based, black economic empowerment structure

Initial mineral reserve of 15.5 million ounces of platinum, palladium, rhodium and gold

Optimization study underway by Whittle Consulting

MOKOPANE, SOUTH AFRICA – Ivanhoe Mines (TSX: IVN) Executive Chairman Robert Friedland and Chief Executive Officer Lars-Eric Johansson today welcomed the positive findings of an independent pre-feasibility study of the planned initial four million tonnes per annum (Mtpa) mine and concentrator in the first phase of development of the company's Platreef platinum, palladium, rhodium, gold, nickel and copper mine.

The Platreef Project is a Tier One discovery by Ivanhoe Mines' geologists – which contains the Flatreef deposit – on the Northern Limb of South Africa's Bushveld Igneous Complex, the world's premier platinum producing region.

Ivanhoe Mines plans to develop the Platreef Mine in three phases: an initial annual rate of four Mtpa to establish an operating platform to support future expansions; followed by a doubling of production to eight Mtpa; and then a third expansion phase to a steady-state 12 Mtpa. At a projected production rate of 12 Mtpa, Platreef would be among the largest platinum-group metals mines in the world.

Mr. Friedland said that the pre-feasibility study validates the results of Phase 1 of the independent preliminary economic assessment (PEA) released in March 2014, which outlined the phased approach to Platreef's development. A feasibility study of the four Mtpa first phase and a pre-feasibility study of the eight Mtpa second phase are scheduled to begin in the near future.

"The completion of the pre-feasibility study for the first phase of production is another important milestone in Ivanhoe's planned transformation of the Platreef discovery into one of the pre-eminent South African platinum-group metals producers," said Mr. Friedland.

"The results demonstrate the robust nature of the project, which was first highlighted in the March 2014 PEA. Now this latest study has confirmed the excellent economics and technical viability of what is expected to be Africa's lowest-cost producer of platinum-group metals.

"We are proud to have shared our 14 years of exploration and development achievements at Platreef with supportive stakeholders who see international investment and professionally managed development of natural resources as keys to unlock opportunities and prosperity that will be widely shared among Mokopane area residents," Mr. Friedland added.

"With the support of our partners – including our local Mokopane empowerment beneficiaries, our employees, local South African entrepreneurs and our Japanese investors – Ivanhoe's Platreef team is committed to building Africa's safest, large-scale, mechanized, underground platinum-group and base metals mine."

The recently completed pre-feasibility study (PFS) covers the first phase of development that would include construction of a state-of-the-art underground mine, concentrator and other associated infrastructure to support initial concentrate production by 2019. As Phase 1 is being developed and commissioned, there would be opportunities to refine the timing and scope of subsequent phases of expanded production.

Key features of the Platreef PFS include:

- Development of a large, mechanized, underground mine with an initial four-million-tonne per year concentrator and associated infrastructure.
- Planned initial average annual production rate of 433,000 ounces (oz) of platinum, palladium, rhodium and gold (3PE+Au), plus 19 million pounds of nickel and 12 million pounds of copper per year.
- Estimated pre-production capital requirement of approximately US\$1.2 billion, including US\$114 million in contingencies, at a ZAR:USD exchange rate of 11 to 1.
- Platreef would rank at the bottom of the cash-cost curve, at an estimated US\$322 per ounce of 3PE+Au, net of by-products.
- After-tax Net Present Value (NPV) of US\$972 million, at an 8% discount rate.
- After-tax Internal Rate of Return (IRR) of 13%.

Ivanhoe Mines owns 64% of the Platreef Project through its subsidiary, Ivanplats, and is directing all mine development work. The South African beneficiaries of the approved broadbased, black economic empowerment structure have a 26% stake in the Platreef Project and the remaining 10% is owned by a Japanese consortium of ITOCHU Corporation; Japan Oil, Gas and Metals National Corporation; ITC Platinum Development Ltd., an ITOCHU affiliate; and Japan Gas Corporation.

The Platreef PFS was prepared for Ivanhoe Mines by OreWin Pty. Ltd.; Amec Foster Wheeler E&C Services Inc.; SRK Consulting Inc.; Stantec Consulting International LLC; and DRA Projects (Pty.) Ltd. The full technical report will be filed on SEDAR at www.sedar.com and on the Ivanhoe Mines website at www.ivanhoemines.com within 45 days of the issuance of this news release.

Major investment in skills training for mining and other jobs

The planned Platreef mine is projected to require a workforce of approximately 2,200 within four years of the start of production.

Ivanhoe Mines intends to invest a total of R160 million (C\$14.5 million) in its social and labour plan for Platreef during the next five years. The plan includes R67.2 million (C\$6.1 million) for the development of job skills among local residents and R87.7 million (C\$8.0 million) for local economic development projects.

"In establishing our social and labour plan, Ivanhoe has been mindful of the South African government's National Development Plan and its priority of securing undertakings that create jobs and advance socio-economic development to alleviate poverty and unemployment," said Dr. Patricia Makhesha, Managing Director of the Platreef Project.

"The programs, which we will be rolling out during the development schedule, demonstrate lvanhoe's commitment to ensuring that people in our host communities benefit from our operations, directly and indirectly, in ways that contribute to improving their quality of life and expanding their opportunities.

"We will run training programs to prepare young people to qualify for jobs in what will be a world-scale, mechanized mine. Our plan commits to giving priority to local people from Platreef's host communities for enrolment in training programs and in hiring to fill available jobs. We have created a comprehensive database, in partnership with the Department of Labour, to be used in selecting candidates for employment and skills training," Dr. Makhesha added.

Dedicated training centre to be built in Mokopane area

Ivanhoe Mines also has committed to building a community skills development and training facility in the Mokopane area at a cost of R26 million (C\$2.4 million), within five years, as part of the company's objective of helping to establish a base of qualified, local candidates for jobs at the mine and its associated minerals processing plant. The facility would be accredited by the Mining Qualifications Authority of South Africa.

Other goals include equipping people with portable skills to help enable them to become selfemployed or to be productively employed in sectors other than mining, such as construction or agriculture.

In addition, Platreef plans to launch five local economic development projects under the social and labour plan that will result in the creation of at least 820 jobs, including 660 positions that will be created for unskilled and semi-skilled candidates.

Table 1.0: Platreef PFS results.

Item	Units	Total / Average Life of Mine
Mined and Processed		
Mineral Reserves	Mt	120
Platinum	g/t	1.76
Palladium	g/t	1.87
Gold	g/t	0.26
Rhodium	g/t	0.13
3PE+Au	g/t	4.02
Copper	%	0.15
Nickel	%	0.32
Concentrate Produced		
Concentrate	kt	4,915
Platinum	g/t	37.5
Palladium	g/t	39.8
Gold	g/t	4.8
Rhodium	g/t	2.8
3PE+Au	g/t	85.0
Copper	%	3.3
Nickel	%	5.4
Saleable Metal		
Platinum	koz	5,927
Palladium	koz	6,295
Gold	koz	761
Rhodium	koz	448
3PE+Au	koz	13,431
Copper	Mlb	358
Nickel	Mlb	588
Key financial results		
Life of Mine	years	31
Pre-production capital	US\$M	1,168
Mine site cash cost	US\$/oz 3PE+Au	401
Total cash costs after credits	US\$/oz 3PE+Au	322
Site operating costs	US\$/t milled	44.86
After tax NPV ₈	US\$M	972
After tax IRR	%	13
Project payback period	years	7

- 1. The economic analysis is based on probable mineral reserves only.
- 2. 3PE + Au = Pt + Pd + Rh + Au.
- 3. Metal prices used in the mineral reserve estimate are as follows.US\$1,699/oz Pt, US\$667/oz Pd, US\$1,315/oz Au, US\$1,250/oz Rh, US\$8.81/lb Ni, US\$2.73/lb Cu.
- 4. A declining Net Smelter Return (NSR) cut-off of US\$100/t-\$80/t was used in the mineral reserve estimate.
- 5. Metal price assumptions used for the PFS economic analysis are: US\$1,630/oz Pt, US\$815/oz Pd, US\$1,300/oz Au, US\$2,000/oz Rh, US\$8.90/lb Ni, US\$3.00/lb Cu.

Summary of Financial Results

The PFS economic analysis used life-of-mine (LoM) price assumptions of US\$1,630/oz platinum, US\$815/oz palladium, US\$1,300/oz gold, US\$2,000/oz rhodium, US\$8.90/lb nickel, and US\$3.00/lb copper. The prices were based on a review of consensus price forecasts from financial institutions and similar studies that had been recently published. The tax and legal framework of the mine used in the analysis is Republic of South Africa legislation.

The results of the financial analysis show an after tax NPV_8 of US\$972M, an after tax IRR of approximately 13% and a payback period of less than seven years. The cash flow estimates have been prepared on a real basis, as at January 1, 2015, and using mid-year discounting to calculate the NPV. A summary of the financial results is shown in Table 1.1.

Table 1.1: Financial results.

	Discount Rate	Before Taxation	After Taxation
Net Present Value (US\$M)	Undiscounted	9,619	6,981
	5.0% 3,024		2,113
	8.0%	1,491	972
	10.0%	885	519
	12.0%	473	210
Internal Rate of Return		15%	13%
Project Payback Period	(Years)	7	7
Exchange Rate	(ZAR:USD)		11:1

Table 1.2: Cash costs after credits.

	US\$/oz Payable 3PE+Au					
	Life-of-Mine Average	First 5-Year Average	First 10-Year Average			
Mine Site Cash Cost	401	454	429			
Realisation	390	384	390			
Total Cash Costs Before Credits	792	838	819			
Nickel Credits	389	438	419			
Copper Credits	80	90	86			
Total Cash Costs After Credits	322	310	314			

^{1.} Totals may vary due to rounding.

Table 1.3: Production summary of key average annual production results.

Item	Units	Average LoM
Steady State Production	Mtpa	4
Platinum	g/t	1.76
Palladium	g/t	1.87
Gold	g/t	0.26
Rhodium	g/t	0.13
3PE+Au	g/t	4.02
Copper	%	0.15
Nickel	%	0.32
Recoveries		
Platinum	%	87.2
Palladium	%	86.9
Gold	%	76.7
Rhodium	%	92.0
Copper	%	87.7
Nickel	%	68.8
Concentrate Produced		
Concentrate	ktpa	159
Platinum	g/t	37.5
Palladium	g/t	39.8
Gold	g/t	4.8
Rhodium	g/t	2.8
3PE + Au	g/t	85.0
Copper	%	3.3
Nickel	%	5.4
Recovered Metal		
Platinum	kozpa	191
Palladium	kozpa	203
Gold	kozpa	25
Rhodium	kozpa	14
3PE + Au	kozpa	433
Copper	Mlbpa	12
Nickel	Mlbpa	19

 ³PE+Au is the sum of the grades for Pt, Pd, Rh, and Au.
 Production over 31 years LoM for Phase 1, 4 Mtpa steady-state production.

Table 1.4: Total pre-production and sustaining capital costs, including contingency.

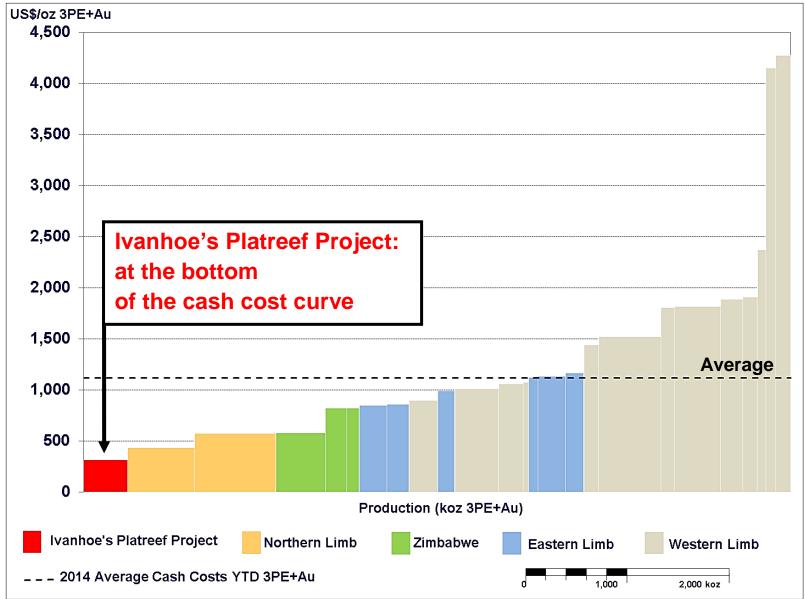
US\$M	Pre-Production	Sustaining	Total
Mining			
Underground	542	956	1,498
Surface Infrastructure	64	-	64
Backfill Plant	21	14	34
Capitalised Operating Costs	35	-	35
Subtotal	661	970	1,631
Processing & Tailings			
Concentrator	93	181	274
Rietfontein TSF	30	30	59
Subtotal	123	211	334
<u>Infrastructure</u>			
General Infrastructure	115	63	178
Site Pre-Production	8	1	9
Closure Costs	-	18	18
Subtotal	123	83	206
Indirects			
Exploration & Geology	3	0.4	4
Engineering Procurement Contract Management (EPCM)	59	17	75
Capitalized G&A & Other Costs	15	6	21
Subtotal	77	23	100
Owners Cost	71	4	75
Capex Before Contingency	1,054	1,291	2,345
Contingency	114	110	224
Capex After Contingency	1,168	1,401	2,569

^{1.} Sustaining capital expenditure includes capital expenditure for construction in 2019.

The significant nickel and copper grades contribute to lower operating cash costs for operations on the Northern Limb of South Africa's Bushveld Igneous Complex, as illustrated by Figure 1.0. Among the current and future Northern Limb producers, Platreef's estimated cash cost of US\$322 per 3PE+Au ounce, net of copper and nickel by-product credits, ranks at the bottom of the cash-cost curve.

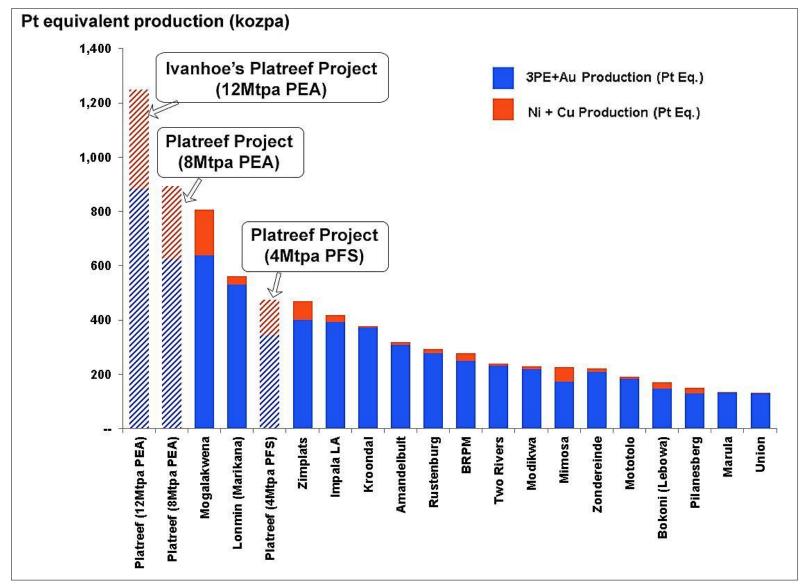
^{2.} Totals may vary due to rounding.

Figure 1.0: Net total cash cost (2013 mines in production and selected projects), US\$/3PE+Au oz.



Source: SFA (Oxford). Data for Platreef Project and Waterberg are based on each project's reported PFS and PEA parameters respectively, and are not representative of SFA's view.

Figure 2.0: Total 2014E platinum equivalent production in Africa.



Source: Production estimates for projects other than Ivanhoe's Platreef Project have been prepared by SFA (Oxford). Production data for the Platreef Project (platinum, palladium, rhodium, gold, nickel and copper) are based on reported PFS and PEA data and are not representative of SFA's view. All metals have been converted by SFA (Oxford) to platinum equivalent ounces at price assumptions of US\$1,384/oz platinum, US\$803/oz palladium, US\$1,265/oz gold, US\$1,173/oz rhodium, US\$7.66/lb nickel, and US\$3.11/lb copper. Note: As the figures are platinum equivalent ounces of production they will not be equal to 3PE+Au production.

Mineral Resources

The resources used as the basis of the PFS were those amenable to underground selective mining. Information on Platreef Project geology and mineralization is contained in the Platreef Project NI 43-101 Technical Report dated March 25, 2014, filed on SEDAR.

Table 1.5: Mineral Resources Amenable to Underground Selective Mining Methods (base case is highlighted).

Indicated Mineral Resources Tonnage and Grades									
Cut-off 3PE+Au	Mt	Pt (g/t)	Pd (g/t)	Au (g/t)	Rh (g/t)	3PE+A u (g/t)	Cu (%)	Ni (%)	
3 g/t	137	2.27	2.31	0.35	0.15	5.09	0.18	0.38	
2 g/t	214	1.83	1.89	0.29	0.12	4.13	0.17	0.34	
1 g/t	387	1.28	1.34	0.21	0.09	2.92	0.14	0.28	
			Indicated Co	Mineral F ntained M		3			
Cut-off 3PE+Au		Pt (Moz)	Pd Moz)	Au (Moz)	Rh (Moz)	3PE+A u (Moz)	Cu (Mlb)	Ni (MIb)	
3 g/t		10.0	10.2	1.53	0.67	22.4	558	1,133	
2 g/t		12.6	13.0	2.00	0.85	28.5	794	1,610	
1 g/t		15.9	16.7	2.67	1.09	36.3	1,189	2,408	
				Mineral R age and G					
Cut-off 3PE+Au	Mt	Pt (g/t)	Pd (g/t)	Au (g/t)	Rh (g/t)	3PE+A u (g/t)	Cu (%)	Ni (%)	
3 g/t	211	2.09	2.06	0.34	0.14	4.63	0.18	0.38	
2 g/t	415	1.57	1.59	0.27	0.11	3.54	0.16	0.33	
1 g/t	1,054	0.96	1.02	0.18	0.07	2.23	0.13	0.26	
				Mineral R ntained M					
Cut-off 3PE+Au		Pt (Moz)	Pd Moz)	Au (Moz)	Rh (Moz)	3PE+A u (Moz)	Cu (Mlb)	Ni (Mlb)	
3 g/t		14.2	14.0	2.29	0.97	31.5	855	1,764	
2 g/t		20.9	21.3	3.58	1.44	47.2	1,490	3,032	
1 g/t		32.7	34.7	5.95	2.32	75.7	3,035	5,934	

- 1. Mineral Resources have an effective date of April 3, 2013. The Qualified Persons for the estimate are Dr. Harry Parker, RM SME, and Mr Timothy Kuhl, RM SME.
- 2. Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- 3. Mineral Resources estimated assuming underground selective mining methods. The 2 g/t 3PE+Au cut-off is considered the base case estimate; the rows are not additive.
- 4. Mineral Resources are reported on a 100% basis. Mineral Resources are stated from approximately -200 m

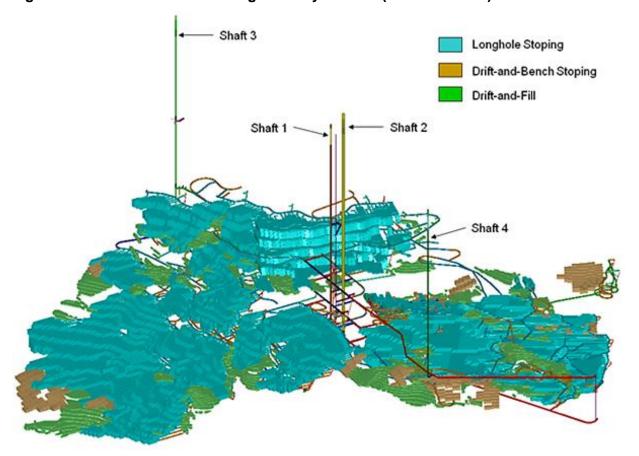
- to 650 m elevation (from 500 m to 1,350 m depth). Indicated Mineral Resources are drilled on approximately 100×100 m spacing; Inferred Mineral Resources are drilled on 400×400 m (locally to 400×200 m and 200×200 m) spacing.
- 5. Reasonable prospects for eventual economic extraction were determined using the following assumptions. Assumed commodity prices are Pt: \$1,699/oz, Pd: \$667/oz, Au: \$1,315/oz, Rh: \$2,065/oz, Cu: \$2.73/lb and Ni: \$8.81/lb. It has been assumed that payable metals would be 82% from smelter/refinery and that mining costs (average \$38/t) and process, general & administrative costs, and concentrate transport costs (average \$12.50/t of mill feed for a 4 Mtpa operation) would be covered. The processing recoveries vary with block grade but typically would be 85%–90% for Pt, Pd and Rh; 75% for Au, 85% for Cu and 70% for Ni.
- 6. 3PE+Au = Pt + Pd + Rh + Au.
- 7. Totals may not sum due to rounding.

Proposed mining methods

Mining zones in the current Platreef mine plan occur at depths ranging from approximately 700 metres to 1,200 metres (below surface). Access to the mine will be via four vertical shafts. Shaft No. 2 will have the main personnel, material and ore handling system, while Shaft Nos. 1, 3 and 4 are designated ventilation shafts. Shaft No. 1 is under development and will be used for initial access, bulk-sample collection and early underground development.

Mining will be performed using highly productive mechanized methods, including long-hole stoping and drift-and-fill mining. The ore will be hauled from the stopes to the bottom of Shaft No. 2, where it will be crushed and hoisted to surface. Figure 3.0 shows an overview of the planned underground mine workings (looking northeast).

Figure 3.0: Elevated view of mining areas by method (isometric view).



Initial Mineral Reserves at Platreef Project

Ivanhoe has declared an initial Probable Mineral Reserve of 15.5 million ounces of platinum, palladium, rhodium and gold, using a declining NSR cut-off of \$100-\$80. Tables 1.6 and 1.7 show Probable Mineral Reserves for Platreef.

Table 1.6: Platreef Probable Mineral Reserves – tonnage and grades as at January 8, 2015.

Method	Mt	NSR (\$/t)	Pt (g/t)	Pd (g/t)	Au (g/t)	Rh (g/t)	3PE+Au (g/t)	Cu (%)	Ni (%)
Longhole Stopes	106	133.5	1.73	1.86	0.25	0.12	3.97	0.16	0.32
Drift-and-Fill	10	144.3	1.99	1.95	0.29	0.13	4.36	0.14	0.30
Drift-and-Bench	5	146.4	1.95	2.01	0.28	0.14	4.38	0.15	0.32
Total	120	134.9	1.76	1.87	0.26	0.13	4.01	0.15	0.32

Table 1.7: Platreef Probable Mineral Reserves – contained metal as at January 8, 2015.

Method	Mt	Pt (Moz)	Pd (Moz)	Au (Moz)	Rh (Moz)	3PE+A u (Moz)	Cu (Mlb)	Ni (Mlb)
Longhole Stopes	106	5.88	6.33	0.86	0.42	13.49	362	758
Drift-and-Fill	10	0.63	0.62	0.09	0.04	1.39	30	65
Drift-and-Bench	5	0.28	0.29	0.04	0.02	0.64	15	32
Total	120	6.80	7.24	0.99	0.49	15.51	408	855

- Mineral Reserves have an effective date of January 8, 2015. The Qualified Person for the estimate is Mel Lawson, RM SME.
- 2. Metal prices used in the reserve estimate are as follows: Pt: \$1,699/oz, Pd: \$667/oz, Au: \$1,315/oz, Rh: \$1,250/oz, Cu: 2.73/lb, and Ni: \$8.81/lb.
- 3. Tonnage and grade estimates include dilution and mining recovery allowances.
- 4. A declining NSR cut-off of \$100/t \$80/t was used in the mineral reserve estimates.
- 5. Total may not add due to rounding.
- 6. 3PE+Au = (Pt + Pd + Rh) + Au (g/t).

Based on the cut-off grade and mining criteria applied to the Platreef resource model, the Probable Mineral Reserve will support a 31-year mine life at a steady state production rate of 4 Mtpa.

Metallurgy and Processing Methods

Metallurgical test work has focused on maximizing recovery of platinum-group elements (PGE) and base metals, mainly nickel, while producing an acceptably high-grade concentrate suitable for further processing and/or sale to a third party. The three main geo-metallurgical units and composites tested produced smelter-grade final concentrates of approximately 85 g/t PGE + Au at acceptable PGE recoveries. Testwork has also shown that the material is amenable to treatment by conventional flotation without the need for re-grinding. Batch open-circuit flotation testwork was performed as well as locked-cycle flotation testwork.

Comminution and flotation testwork has indicated that the optimum grind is 80% passing $75 \mu m$. Improved flotation performance has been achieved using stainless steel grinding media and/or high chrome grinding media as opposed to carbon steel media. The inclusion of post-mill conditioning of solids prior to flotation, as well as a split-cleaner flotation circuit configuration in which the fast-floating fraction is treated in a separate cleaner circuit to the medium- and slow-floating fractions, resulted in improved PGE, copper and nickel recoveries.

Platreef ore is classified as being hard to very hard and thus not suitable for semi-autogenous grinding; a multi-stage crushing and ball-milling circuit is the preferred option.

A two-phased development approach was used for PFS flow-sheet design. The selected flow sheet comprises a common 4 Mtpa three-stage crushing circuit, feeding crushed material to two parallel milling-flotation modules, each with a capacity of 2 Mtpa. Flotation is followed by a common 4 Mtpa tailings handling and concentrate thickening, filtration and storage circuit.

Supply of water and electricity

The Olifants River Water Resource Development Project (ORWRDP) is designed to deliver water to the Eastern and Northern limbs of South Africa's Bushveld Igneous Complex. The project consists of the new De Hoop Dam, the raised wall of the Flag Boshielo Dam, and related pipeline infrastructure that ultimately will deliver water to Pruissen, southeast of the Northern Limb. The Pruissen Pipeline Project will be developed to deliver water onward from Pruissen to the municipalities, communities and mining projects on the Northern Limb. Ivanhoe Mines is a member of the ORWRDP's Joint Water Forum.

Participants in the water development scheme are required to indicate their water requirements so that total water demand may be calculated relative to the scheme's capacity. The Platreef Project's water requirement for the first phase of development is projected to peak at approximately 10 million liters per day. Ivanhoe also is investigating alternative water sources.

The Platreef Project's power requirement for a 4 Mtpa underground mine, concentrator and associated infrastructure has been estimated at approximately 100 MVA. As power is required for the initial mine development (shaft sinking), prior to the main power supply being available, an agreement with Eskom has been reached for the supply of 5 MVA of temporary construction power.

Optimization study underway by Whittle Consulting

Ivanhoe has retained Whittle Consulting of Melbourne, Australia to conduct an optimization study based on the Platreef PFS. The work is progressing and the recommendations from the study are intended to provide guidance for the feasibility study and subsequent expansion phases.

"Whittle's unique approach to Enterprise Optimization helps mining companies significantly improve their economic performance by developing long-term plans with substantially better cash flow profiles. As we move from pre-feasibility to the feasibility stage, we expect to benefit from this optimization study," said Mark Farren, Ivanhoe's Executive Vice President of Operations.

Sufficient capital for this year's planned development to progress

Development work at Platreef in 2015 will be focused on the Shaft No. 1 sinking program, which is expected to be covered by existing dedicated working capital. The funds were provided by an investment of US\$280 million made in 2011 by the Japanese consortium that holds a 10% interest in the Platreef Project. At December 31, 2014, a total of US\$109 million remained available for development work at Platreef. The cumulative investment by Ivanhoe Mines on the Platreef Project to date now totals approximately US\$241 million.

Photos 1 to 3: Earthworks for sinking of Shaft No. 1.



Photos 4 & 5: Platreef's community, construction and development teams.





Conference call with senior management on Friday, January 9, at 9:00AM EST

Ivanhoe Mines' senior management team will host a conference call on Friday, January 9, at 9:00AM EST (6:00AM PST / 2:00PM GMT) to discuss the details of the pre-feasibility study. The conference call may be accessed by dialing 1-800-355-4959 or 1-416-340-2216 in Canada and the United States, or 001-800-514-3134 or 1-416-340-2216 internationally.

Qualified persons

The following companies have undertaken work in preparation of the PFS:

- OreWin Overall report preparation and economic analysis.
- Amec Foster Wheeler Mineral Resource estimation.
- SRK Consulting Mine geotechnical recommendations.
- Stantec Consulting International Mineral Reserve estimation and mine plan.
- DRA Mineral Projects- Process and infrastructure.

The independent qualified persons responsible for preparing the Platreef pre-feasibility study, on which the technical report will be based include Bernard Peters (OreWin); Dr. Harry Parker (Amec Foster Wheeler); Timothy Kuhl (Amec Foster Wheeler); William Joughin, (SRK); Mel Lawson (Stantec); Val Coetzee (DRA Projects); and Graham Smith (DRA Projects). Each person has reviewed and approved the information in this news release relevant to the portion of the Platreef pre-feasibility study for which they are responsible.

Other scientific and technical information in this news 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.

Sample preparation, analyses and security

Over the duration of Ivanhoe's work programs, sample preparation and analyses were performed by accredited independent laboratories, including Set Point Laboratories (Set Point) in Johannesburg; Lakefield Laboratory (now part of the SGS Group) in Johannesburg; Ultra Trace (Ultra Trace) Laboratory in Perth; Genalysis Laboratories, Perth and Johannesburg (Genalysis); SGS Metallurgical Services (SGS) in South Africa; Acme in Vancouver; and ALS Chemex in Vancouver. Bureau Veritas Minerals Pty. Ltd. (Bureau Veritas) assumed control of Ultra Trace on June 2007 and is responsible for assay results after that date.

Sample preparation and analytical procedures for samples that support mineral resource estimation have followed similar protocols since 2001. The preparation and analytical procedures are in line with industry-standard methods for Pt, Pd, Au, Cu, and Ni deposits. Drill programs included insertion of blank, duplicate, standard reference material (SRM), and certified reference material (CRM) samples. The results from the quality assurance and quality control (QA/QC) programs do not indicate any problems with the analytical protocols that would preclude use of the data in Mineral Resource estimations.

Ivanhoe Mines maintains a secure, well documented chain of custody for core samples to ensure sample security.

Information on sample preparation, analyses and security is contained in the Platreef Project NI 43-101 Technical Report dated March 25, 2014, filed on SEDAR at www.sedar.com and on the Ivanhoe Mines website at www.ivanhoemines.com.

Data verification

Amec Foster Wheeler E&C Services reviewed the sample chain of custody, QA/QC procedures, and qualifications of analytical laboratories. In addition, Amec Foster Wheeler audited the assay database, core logging, and geological interpretations. Based on these reviews, Amec Foster Wheeler considers that the data are acceptable to support Mineral Resource estimation.

Details of the data verification supporting the Mineral Resource estimate are set out in the Platreef Project NI 43-101 Technical Report dated March 25, 2014, available on Ivanhoe Mines' SEDAR profile at www.ivanhoemines.com.

About Platreef and Ivanhoe Mines

Ivanhoe Mines is planning a multi-phased mine development on its 64%-owned Platreef discovery of platinum, palladium, nickel, copper, gold and rhodium in South Africa's Bushveld Complex.

With offices in Canada, the United Kingdom and South Africa, Ivanhoe Mines also is advancing and developing two additional principal projects:

- The Kamoa copper discovery in a previously unknown extension of the Central African Copperbelt in the Democratic Republic of Congo's southern Katanga province.
- The historic, high-grade Kipushi zinc, copper and germanium mine, also on the Copperbelt in the D.R. Congo's Katanga province, which now is being drilled and upgraded by Ivanhoe following its acquisition of a majority interest in the mine in 2011. Kipushi was operated by previous owners between 1924 and 1993.

Ivanhoe Mines is evaluating other opportunities as part of its objective to become a broadly based, international mining company.

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FORWARD-LOOKING STATEMENTS

Certain statements in this release are forward-looking statements and are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in the company's periodic filings with Canadian securities regulators. When used in this release, the words such as "will", "could," "plan," "estimate," "expect," "intend," "may," "potential," "should" and similar expressions, are forward-looking statements.

The results of the Platreef PFS constitute forward-looking statements and information. The forward-looking statements includes metal price assumptions, cash flow forecasts, projected capital and operating costs, metal recoveries, mine life and production rates, the financial results of the PFS (including NPV and IRR conclusions) as well as other assumptions used in the Platreef PFS. Readers are cautioned that actual results may vary from those presented.

Specific statements in this release that constitute forward-looking statements or information include, but are not limited to, the Platreef Project IRR of 13% after tax, the project's NPV of US\$972 million at an 8% discount rate after tax (as well as all other before and after taxation NPV calculations), future production from the Platreef Project (including a life of mine annual production of 433,000 ounces of platinum, palladium, rhodium and gold production and 31 million pounds of nickel and copper, as well as cumulative production of 13,431 koz 3PE + Au), estimated cash costs (including the life-of-mine average estimate of US\$322 per ounce of 3PE+Au net of copper and nickel by-product credits), capital cost estimates (including pre-production capital of US\$1,168 million with a US\$114 million contingency and total capital costs of US\$2,569 after contingency), proposed mining plans and methods, a mine life estimate of 31 years, a project payback period of 7 years; metal recoveries (including LoM recoveries of 87.2% of platinum, 86.9% for palladium, 92.0% for rhodium, 76.7% for gold and 68.8% for nickel), future commodity price assumptions including life of mine assumptions used in the PFS of US\$1,630/oz platinum, US\$815/oz palladium, US\$1,300/oz gold, US\$2,000/oz rhodium, US\$8.90/lb nickel and US\$3.00/lb copper, commencement of a feasibility study for the 4 Mtpa production scenario and commencement of a pre-feasibility study for the 8 Mtpa production scenario in the near future; the completion of Shaft #1 sinking and development; Shaft #2 development works; the planned work programs and expenditures; the expected number of people to be employed at the project; and the availability and development of water and electricity for the Platreef Project.

Forward-looking statements and information 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 or estimated in the forward-looking information or statements. These include changes in commodity prices (including for platinum, palladium, gold, rhodium, nickel and copper); the inability to source and obtain adequate water and electricity; the incurrence of unexpected or unusual geological formations; customary risks associated with underground mining and mine development include equipment failure, cave-ins and similar hazards of mining; the failure of contracted parties to perform as expected, changes in currency (including between the South African Rand and US Dollar in particular), unexpected changes in the price of consumables and construction materials (including oil, diesel, steel, and concrete), the possibility that war, civil strife, sabotage, terrorism or civil disobedience (lawful or unlawful) impact or delay the development plans for the Platreef Project, and that that laws, rules and regulations remain fairly and impartially observed and enforced in a predictable manner. Important other factors that could cause actual results to differ from these forward-looking statements include those described under the heading "Risk Factors" in the company's most recently filed MD&A and Annual Information Form.

Forward-looking statements and information are also based on certain assumptions including those that will be in the 2015 PFS Technical Report, which will be filed on SEDAR within 45 days of the date of this release. All of the assumptions used in the PFS constitute forward-looking information and statements. Such forward-looking statements and information are based on certain assumptions, opinions and estimates of management and qualified persons at the date the statements are made in light of their experience and perception of historical trends, current conditions and expected future developments, and are subject to a variety of risks, uncertainties and factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Such assumptions include the accuracy of commodity price forecasts; the continued reliability of costing and quoting used in the PFS; exchange rate stability; and that the Platreef Project will be developed and operated under the minerals legislation, rules, regulations and permits currently in effect without material amendment.

This news release also includes reference to estimates of Mineral Resources and Mineral Reserves. The estimation of Mineral Resources and Mineral Reserves 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, the anticipated tonnages and grades that will be mined and the estimated level of recovery that will be realized), 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 or Mineral Reserve estimates may have to be reestimated based on, among other things: (i) fluctuations in the price of platinum, palladium, gold, rhodium, nickel or copper; (ii) results of drilling; (iii) metallurgical testing and other studies; (iv) changes in proposed mining operations, including dilution; or (v) the possible failure to receive required permits, approvals and licences. Readers are cautioned not to place undue reliance on forward-looking information or statements. The company undertakes no obligation to update any forward-looking information or statements except as required by law.