

Ivanhoe Mines' exploration team makes major new copper discovery at the Kamoia Copper Project in the Democratic Republic of Congo, five kilometres southwest of Kamoia's currently defined resources

The final two drill holes in the 2015 exploration program rank among the highest grade-thickness intersections drilled to date within the Kamoia Mining Licence area

KOLWEZI, DEMOCRATIC REPUBLIC OF CONGO — Robert Friedland, Executive Chairman of Ivanhoe Mines (TSX: IVN), and Lars-Eric Johansson, Chief Executive Officer, announced today that the Kamoia exploration team has made a new tier-one, high-grade and flat-lying stratiform copper discovery, ideally situated for low-cost mechanized mining, in the Kakula exploration area, approximately five kilometres southwest of the currently defined resources at the Kamoia copper deposit in the Democratic Republic of Congo (DRC).

The Kakula Discovery is situated within the 400-square-kilometre Kamoia Mining Licence area and represents a major extension of the Kamoia copper deposit, which the company discovered in 2008. The Kamoia Copper Project is a joint venture between Ivanhoe Mines and Zijin Mining.

Two exploration drill holes completed in late 2015 in the Kakula exploration area — DKMC_DD996 and DKMC_DD997 — rank among the highest-grade and highest-grade-thickness intersections drilled to date within the Kamoia copper deposit licence area.

DKMC_DD996 intersected 24.16 metres (24.13 metres true width) of 3.48% copper, at a 1% copper cut off. At a higher cut-off of 2% copper, the intersection was 13.16 metres (13.14 metres true width) of 5.26% copper.

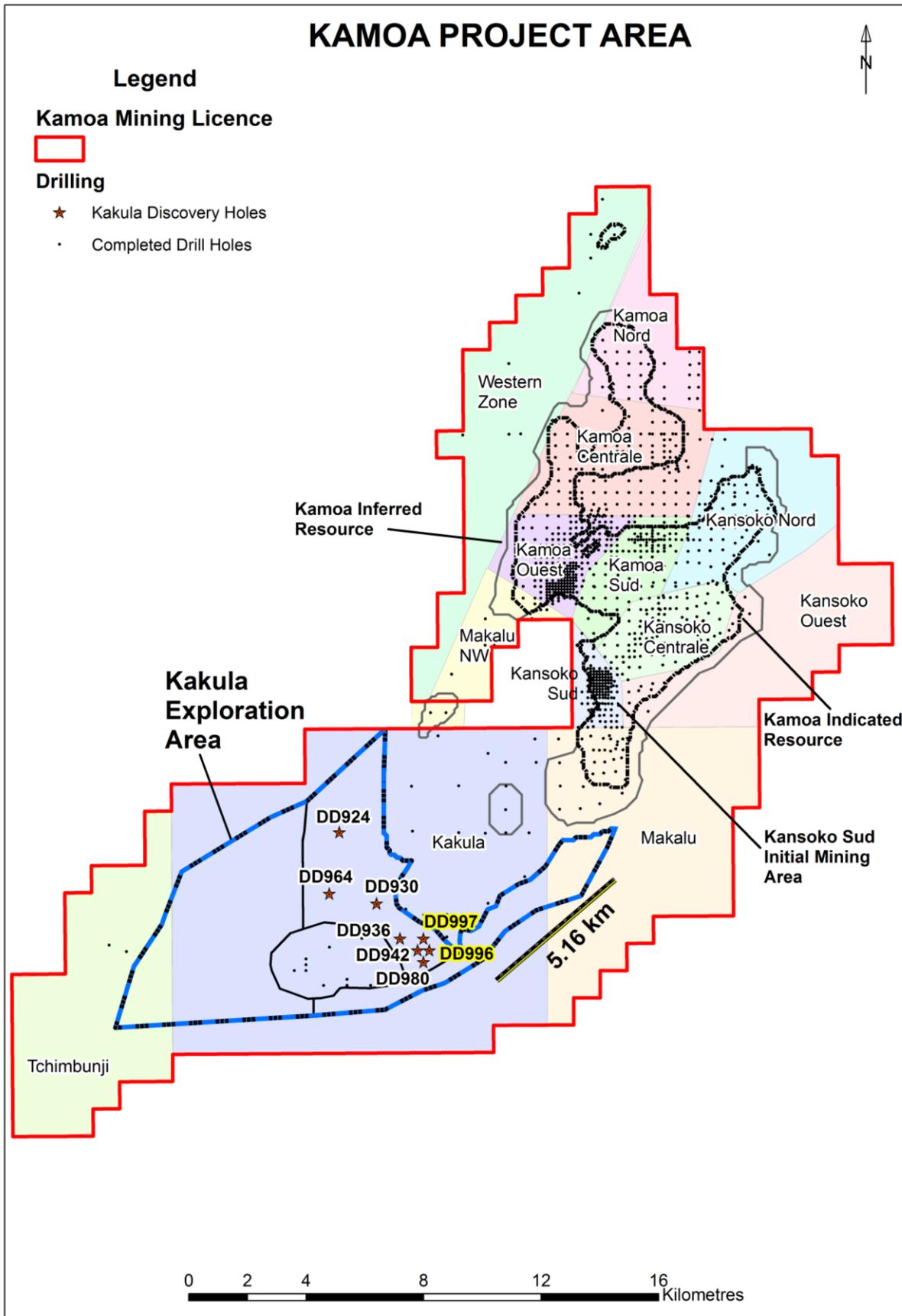
DKMC_DD997 intersected 18.75 metres (18.47 metres true width) of 4.64% copper at a 1% copper cut-off and 15.17 metres (14.94 metres true width) of 5.33% copper at a 2% copper cut-off.

The two holes were drilled into an area of thick, high-grade copper mineralization first identified in 2014 — now called the Kakula Discovery area — within the large, 60-square-kilometre Kakula exploration area. The two holes represent 400-metre step-outs north and east from the high-grade copper intersected in drill hole DKMC_DD942 (13.50 metres (13.49 metres true width) of 4.15% copper, at a 2% copper cut off). Completion of an 800-metre-spacing infill grid over the Kakula Discovery area is planned for 2016.

“The Kamoia copper deposit already is distinguished as the world's largest, undeveloped, high-grade copper discovery,” said Mr. Friedland. “The Kakula Discovery has the combination of significant thickness, high grades and strike length that holds promise for significant and rapid expansion of the Kamoia copper deposit.

“The Kakula discovery not only shows the potential to substantially increase the size of the Kamoia Copper Deposit, it also highlights the potential for new discoveries to the west of Kolwezi in the Congolese copperbelt.”

Figure 1: Kamoia plan map showing Kakula exploration area and discovery drill holes.



Kakula Exploration Target

Significant mineralization in the Kakula area was discovered in 2014 by a wide-spaced exploration program. By the end of 2014, 21 holes had been drilled in the area, of which six had intersected significant copper mineralization.

Based on the wide-spaced drilling results from the 2014 program, Ivanhoe defined three areas of exploration potential at Kakula, covering a total area of 60 square kilometres. The central Kakula Discovery area covers 19 square kilometres and is the primary focus of the current exploration program. The planned Kakula exploration drilling program consists of 19,000 metres in 58 holes, of which approximately 10,000 metres of drilling is planned on an 800-metre infill grid at the Kakula Discovery area. The other approximately 9,000 metres of drilling will be used to test the other two areas of exploration potential within the Kakula exploration area.

Using the results from the eight holes drilled in the 19-square-kilometre Kakula Discovery area, Ivanhoe has defined an exploration target of between 580 million and 870 million tonnes at grades ranging from 1.5% to 2.3% copper. Ivanhoe cautions that the potential quantity and grade of the Kakula Discovery target is conceptual in nature, and there has been insufficient exploration to delineate a mineral resource. It is uncertain if further exploration will result in the target being delineated as a mineral resource.

Mineralization at Kakula appears to be consistent in nature with downward vertical zonation from chalcopyrite to bornite to chalcocite in every hole. Mineralization 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 and the base of an overlying diamictite unit. These units overlie a less mineralized, thin, sandy clast-rich diamictite above the Mwashia sandstone contact.

The bottom-loaded nature of Kakula mineralization could support the definition of selective mineralized zones at cut-offs above the 1% copper cut-off used to define resources at Kamoia. Drill composites at a 1% and a 2% cut-off, assuming a minimum mining width of 3.0 metres, are shown in Table 2.

Figure 2: Coarse chalcopyrite in DKMC_DD996 at a depth of 345.00 metres.

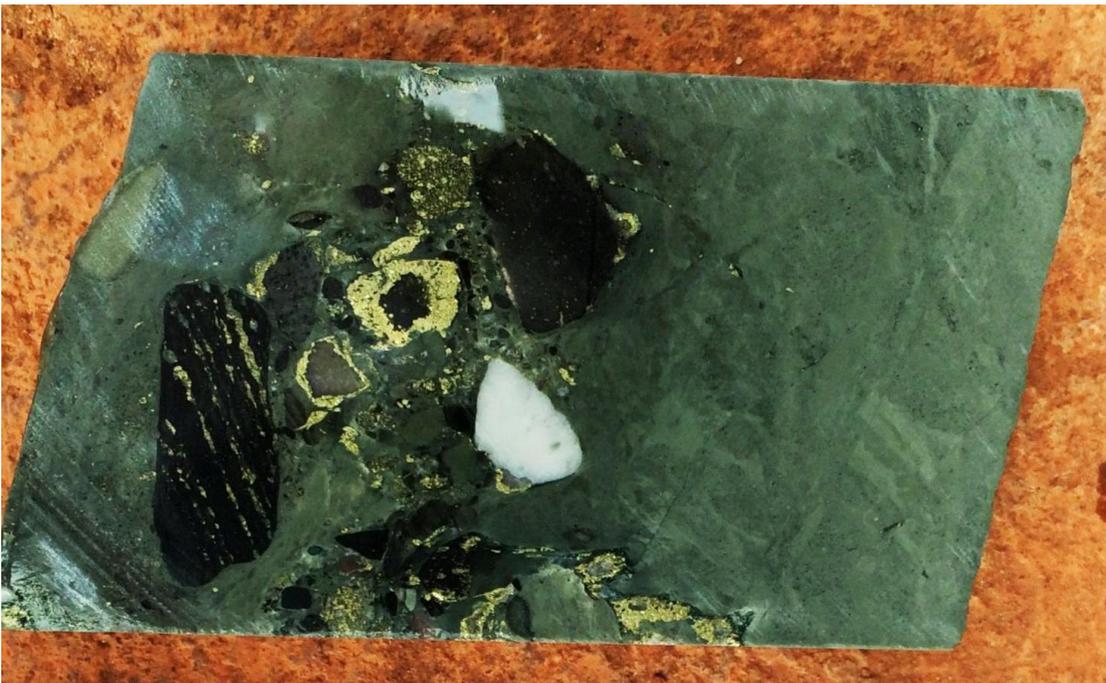


Figure 3: Coarse bornite replacing clasts and in veins, within diamictite, in DKMC_DD996 at a depth of 353.50 metres.

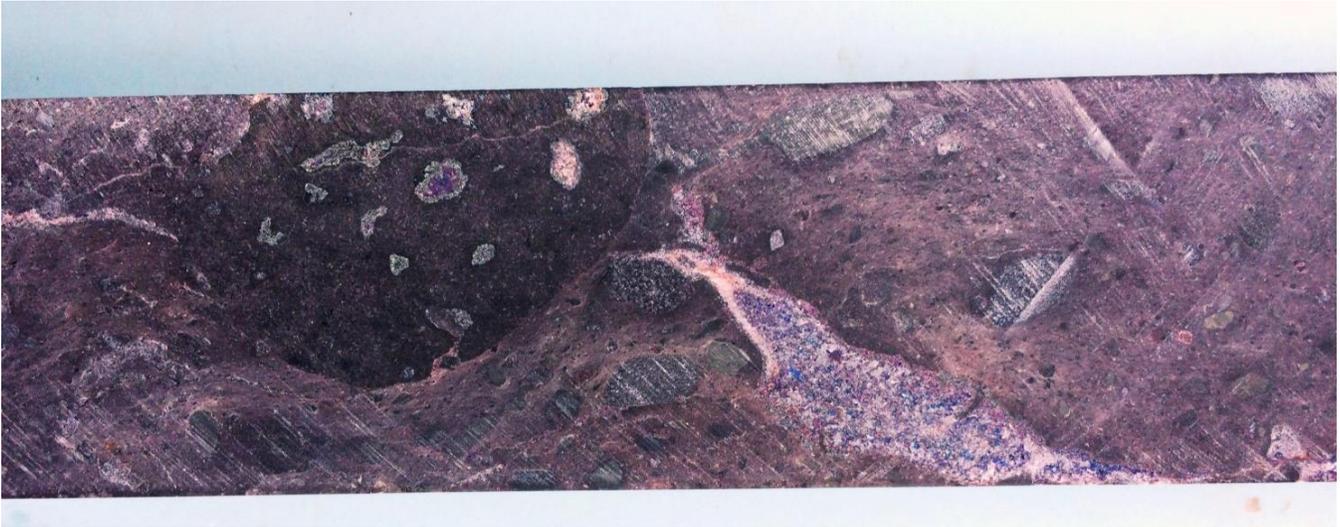


Figure 4: Finely disseminated chalcocite within bedded sandstone-siltstone. Sample grades at 15.00% copper from 375.45 metres to 376.00 metres in DKMC_DD996.



Figure 5: Kamoia Mining Licence area showing grade-thickness contours across the Kamoia Copper Project and the area of the Kakula Discovery holes.

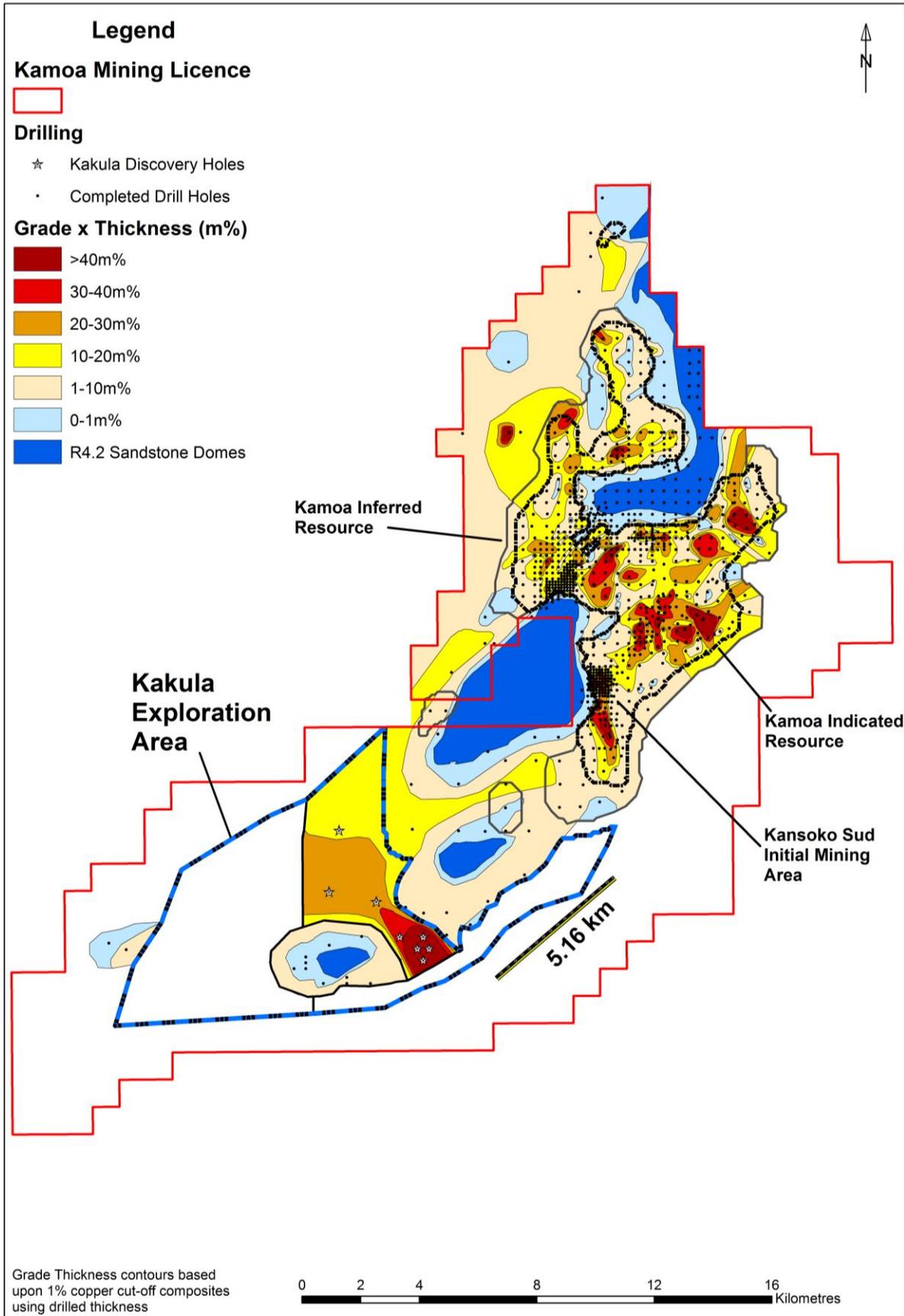


Figure 6: Map showing Kakula exploration area, showing the Kakula Discovery area and the discovery drill holes.

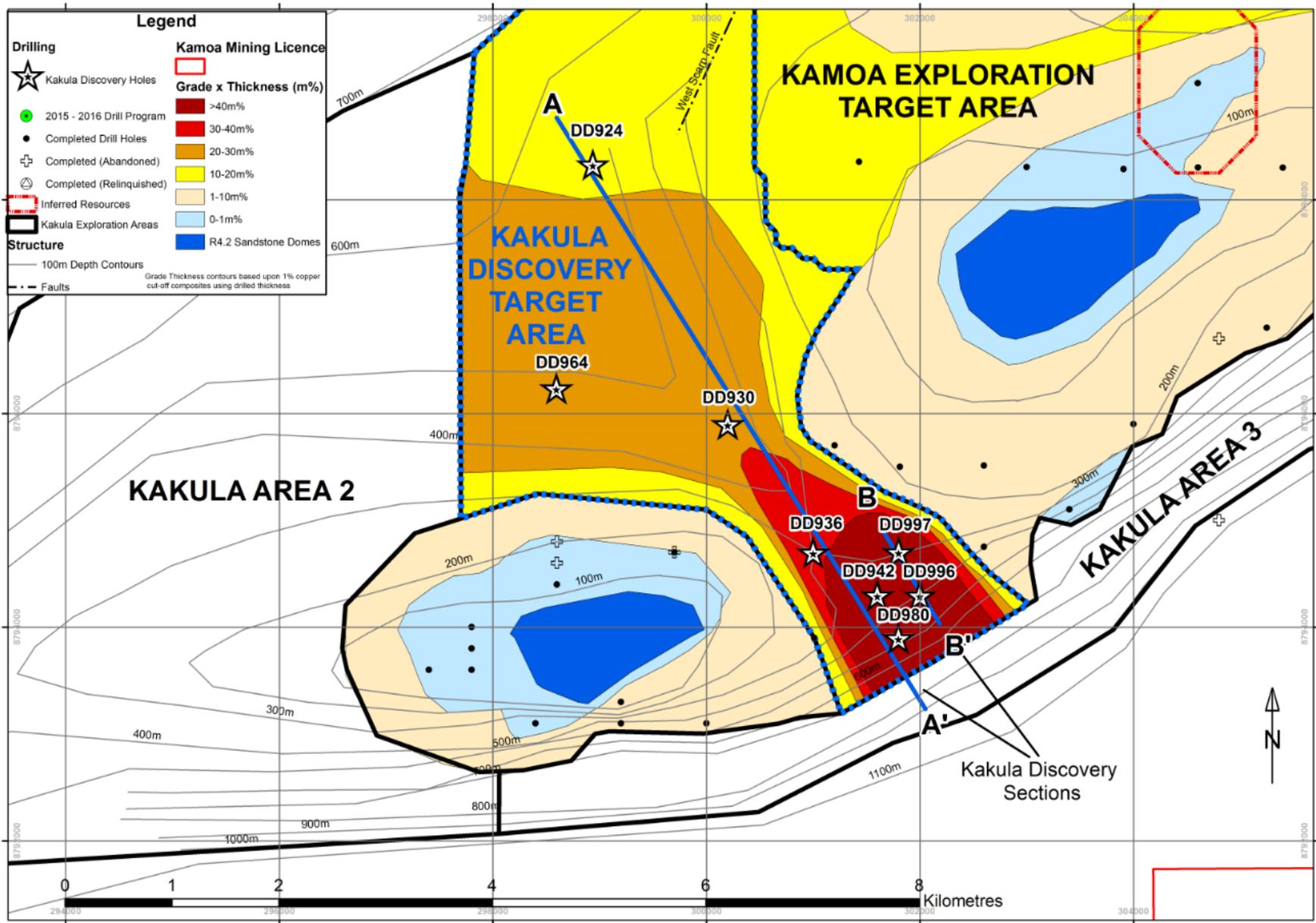


Figure 7: Drilling on initial discovery sections through Kakula (intercepts at a 2% copper cut-off).

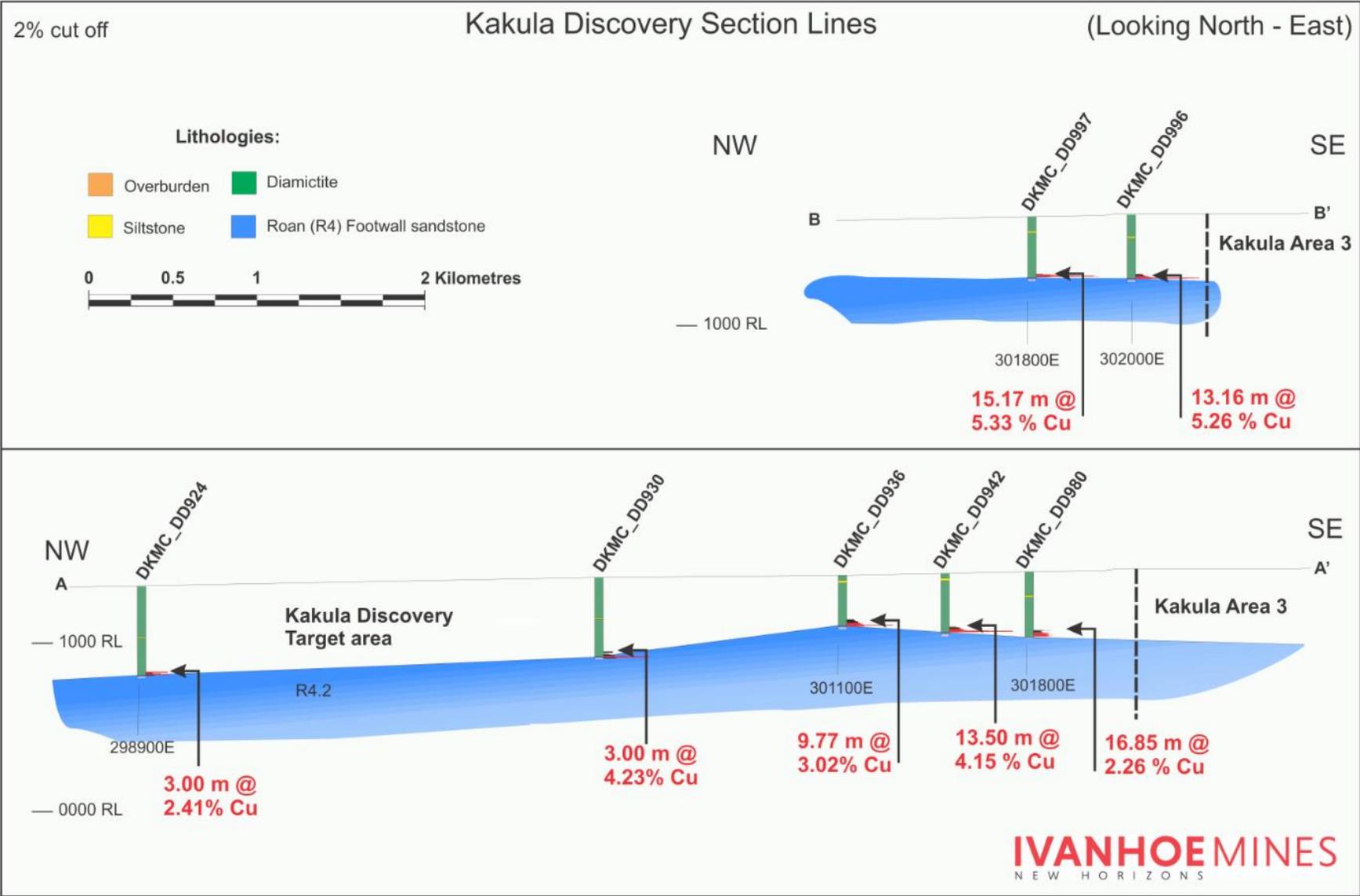


Figure 8: DKMC_DD997 strip log showing bottom-loaded distribution of copper mineralization at 1%, 2% and 3% copper cut-offs.

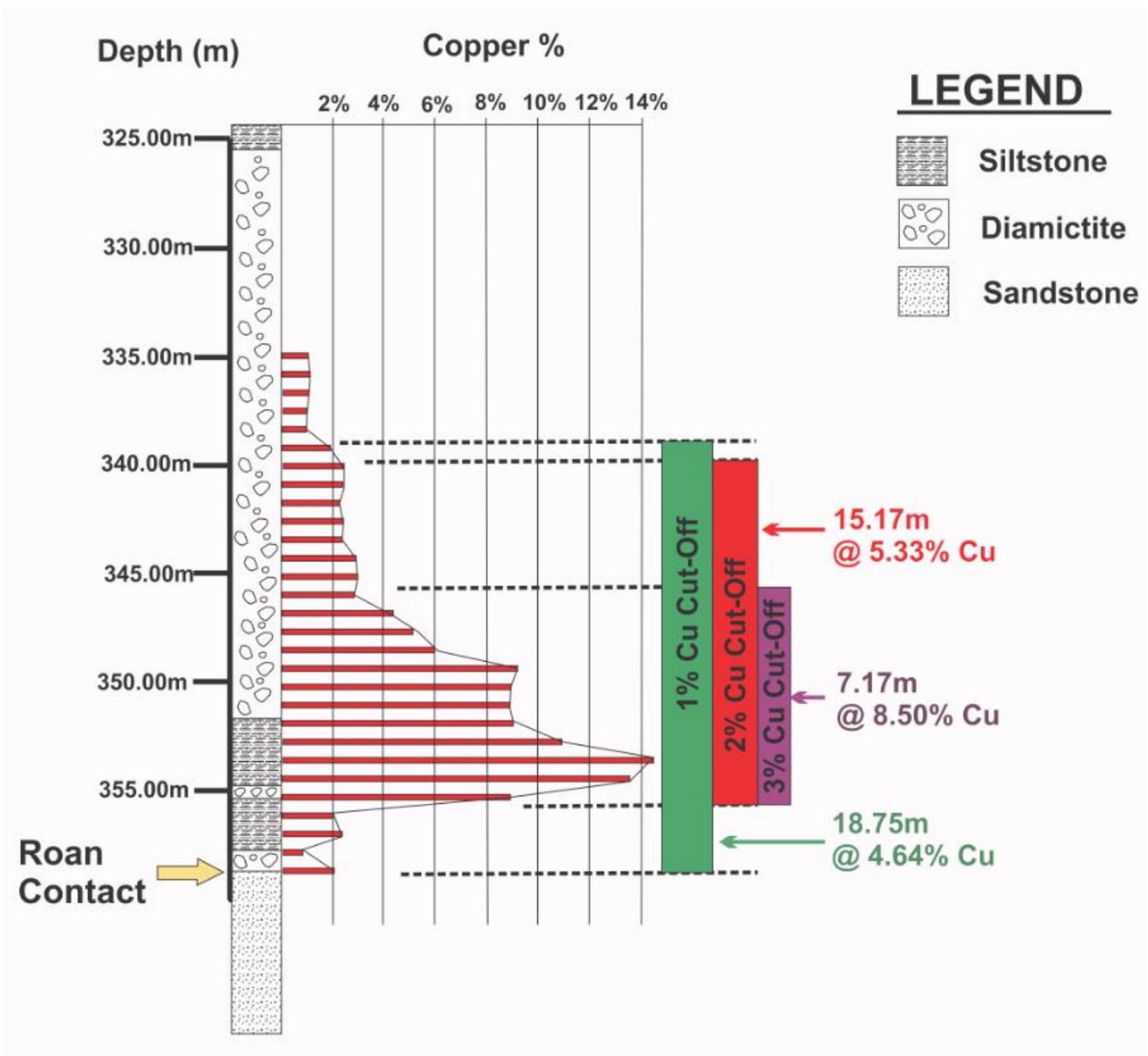


Table 1: Collars of discovery holes.

Hole ID	Easting	Northing	Elevation	Dip
DKMC_DD924	298928	8798343	1339	-90
DKMC_DD930	300186	8795911	1392	-90
DKMC_DD936	300999	8794714	1405	-90
DKMC_DD942	301604	8794372	1381	-90
DKMC_DD964*	298596	8796235	1357	-90
DKMC_DD980*	301800	8793902	1358	-90
DKMC_DD996*	301998	8794297	1398	-90
DKMC_DD997*	301800	8794702	1389	-90

Table 2: Composites at 1% copper cut-off and 2% copper cut-off.

Hole ID	1 % cut off					2 % cut off				
	From	To	Length (m)	True width (m)	Copper grade (%)	From	To	Length (m)	True width (m)	Copper grade (%)
DKMC_DD924	513.94	528.50	14.56	14.06	1.68	525.00	528.00	3.00	2.90	2.41
DKMC_DD930	458.00	472.50	14.50	14.49	2.02	469.00	472.00	3.00	3.00	4.23
DKMC_DD936	284.45	299.18	14.73	14.73	2.58	289.00	298.77	9.77	9.77	3.02
DKMC_DD942	317.00	343.30	26.30	26.28	2.88	328.00	341.50	13.50	13.49	4.15
DKMC_DD964	864.20	883.00	18.80	18.78	1.38	878.75	882.00	3.25	3.25	2.17
DKMC_DD980	349.16	380.85	31.69	31.64	1.86	364.00	380.85	16.85	16.82	2.26
DKMC_DD996	353.00	377.16	24.16	24.13	3.48	364.00	377.16	13.16	13.14	5.26
DKMC_DD997	340.00	358.75	18.75	18.47	4.64	341.00	356.17	15.17	14.94	5.33

*Note: DD964, DD980, DD996 and DD997 are new drilling results; results for the other drill holes listed in the above tables were released in Ivanhoe Mines' Q3 2014 Management Discussion and Analysis.

Kamoa Copper Project description

The Kamoa Copper Project 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. The original Kamoa copper deposit was discovered by Ivanplats in 2008, which subsequently adopted the Ivanhoe Mines name as part of a corporate restructuring in 2013.

In August 2012, the DRC government granted mining licences to Ivanhoe Mines for the Kamoa Copper Project that cover a total of 400 square kilometres. The licences are valid for 30 years and can be renewed at 15-year intervals. Mine development work at the Kamoa Copper Project began in July 2014 with construction of a box cut for the decline ramps that will provide underground access to the initial high-grade mining area in Kansoko Sud.

In December 2012, an independent Mineral Resource estimate was prepared by Amec Foster Wheeler E&C Services of Reno, Nevada. Based on this estimate, the Kamoa copper deposit was ranked by Wood Mackenzie as Africa's largest high-grade copper discovery and the world's largest undeveloped high-grade copper discovery.

As of January 2013, Ivanhoe Mines had reported Indicated Mineral Resources at the Kamoa Copper Project totalling 739 million tonnes grading 2.67% copper and containing 43.5 billion pounds of copper, plus Inferred Mineral Resources of 227 million tonnes grading 1.96% copper and containing 9.8 billion pounds of copper. A 1% copper cut-off grade and a minimum vertical mining thickness of three metres were applied in each classification.

The true thickness of the Kamoa copper mineralization within the currently defined resources varies from 2.4 metres to 17.6 metres, at a 1% copper cut-off. The deposit is relatively flat lying, dipping between 0 and 20 degrees. The deposit dips generally west to east and at its deepest has been intersected at more than 1,500 metres below surface. High-grade bornite-chalcocite mineralization remains open down-dip to the east and along strike to the south.

Today, Ivanhoe Mines owns a 49.5% share interest in Kamoa Holding Limited (Kamoa Holding), an Ivanhoe subsidiary that presently owns 95% of the Kamoa Copper Project. Zijin Mining Group Co., Ltd. owns a 49.5% share interest in Kamoa Holding, which it acquired from Ivanhoe in December 2015 for an aggregate cash consideration of US\$412 million. The remaining 1% interest in Kamoa Holding is held by privately-owned Crystal River Global Limited.

A 5%, non-dilutable interest in Kamoa Copper SA, the Ivanhoe Mines subsidiary that owns the Kamoa Project, was transferred to the DRC government on September 11, 2012, for no consideration, in accordance with 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 and senior DRC government officials have been continuing in this regard.

The 2013 Kamoa preliminary economic assessment (PEA), available at www.sedar.com, presented a two-phased approach to development of the Kamoa Copper Project (<https://www.youtube.com/watch?v=Tb3v8OBHhs0>). The first phase of mining will target high-grade copper mineralization from shallow, underground resources to produce approximately 100,000 tonnes of contained copper per year in a high-value concentrate. The Kamoa PEA estimated that the pre-production capital required for the project's first phase of development would be approximately US\$1.4 billion. The proposed second phase will entail a major expansion of the mine and mill, and construction of a smelter to produce approximately 300,000 tonnes of blister copper each year. The Kamoa pre-feasibility study is progressing and the completed report is expected to be finalized in early 2016. The

updated Independent Technical Report based on the pre-feasibility study also will include revised exploration target information.

Qualified Person and Quality Control and Assurance

The scientific and technical information in this release has been reviewed and approved by Stephen Torr, P.Geol., 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 Kamoanga Project. Half-sawn core is processed at its on site preparation laboratory in Kamoanga, 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 Kamoanga 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:

- The Kamoanga Copper Discovery in a previously unknown extension of the Central African Copperbelt in the DRC's Lualaba Province.
- The Platreef Discovery of platinum, palladium, nickel, copper, gold and rhodium on the Northern Limb of the Bushveld Complex in South Africa.
- The historic, high-grade Kipushi zinc-copper mine, also on the Copperbelt in the DRC.

Information contacts

Investors

Bill Trenaman +1.604.331.9834

Media

North America: Bob Williamson +1.604.512.4856

South Africa: Jeremy Michaels +27.82.939.4812

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) a pre-feasibility study at the Kamoanga Project in early 2016; (ii) the timing and terms of transfer of an additional 15% interest in the Kamoanga Copper Project to the DRC government; (iii) the delineation of a mineral resource at the Kakula exploration target, and (iv) initiation and completion of the planned 2015-2016 drilling program of 15,000 metres in 21 holes. 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.

As well, the results of the preliminary economic assessment of the Kamoa Project constitute forward-looking information, including estimates of internal rates of return, net present value, future production, estimates of cash cost, proposed mining plans and methods, mine life estimates, cash flow forecasts, metal recoveries, and estimates of capital and operating costs. Furthermore, with respect to this specific forward-looking information concerning the development of the Kamoa Project, the company has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include among others: (i) the adequacy of infrastructure; (ii) geological characteristics; (iii) metallurgical characteristics of the mineralization; (iv) the ability to develop adequate processing capacity; (v) the price of copper; (vi) the availability of equipment and facilities necessary to complete development, (vii) the cost of consumables and mining and processing equipment; (viii) unforeseen technological and engineering problems; (ix) accidents or acts of sabotage or terrorism; (x) currency fluctuations; (xi) changes in regulations; (xii) the availability and productivity of skilled labour; (xiii) the regulation of the mining industry by various governmental agencies; and (xiv) political factors.

This 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 (including estimated future production from the Kamoa Project, 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 estimates may have to be re-estimated based on: (i) fluctuations in copper price; (ii) results of drilling, (iii) metallurgical testing and other studies; (iv) 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 licenses.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indicators of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed here, as well as unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts with the company to perform as agreed; social or labour unrest; changes in commodity prices; and the failure of exploration programs or studies to deliver anticipated results (including the actual results of drilling and exploration activities,) or results that would justify and support continued exploration, studies, development or operations.

Although the forward-looking statements contained in this 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 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 release.

The company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of the factors 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.