

March 21, 2017

## **New discovery hole intersects a shallow, 3.8-kilometre extension – now known as Kakula West – of the Kakula Copper Discovery at the Kamo-a-Kakula Project**

**Length of copper-rich mineralized system at Kakula essentially doubled to more than 10 kilometres and remains open for expansion**

**Five of 14 drill rigs now on site targeting additional Kakula West drilling and high-priority targets on the 400-square-kilometre project**

**KOLWEZI, DEMOCRATIC REPUBLIC OF CONGO – Ivanhoe Mines (TSX: IVN; OTCQX: IVPAF) Executive Chairman Robert Friedland and Chief Executive Officer Lars-Eric Johansson announced today that a new step-out hole – drilled 5.4 kilometres west of the present boundary of Kakula’s current Inferred Resources – intersected a relatively shallow, 16.3-metre zone of typical Kakula-style, chalcocite-rich copper mineralization similar to holes drilled in the centre of the high-grade Kakula Deposit on the company’s Tier One Kamo-a-Kakula Copper Project.**

**The DD1124 discovery hole is 3.8 kilometres west of the current limit of Kakula drilling and 4.1 kilometres west of the last drill hole with returned assays – DD1093 – that was announced on January 23 this year.**

**The target area where DD1124 was drilled – now named Kakula West – was selected by the Kamo-a-Kakula geological team at the intersection of the axis of the interpreted Kakula trend with a southwesterly-northeasterly-trending antiform (the Kakula West antiform). DD1124 intersected 16.3 metres of visually moderate-strong chalcocite copper mineralization, similar to the mineralization encountered within the core of the chalcocite-rich Kakula Deposit, beginning at a downhole depth of 422.2 metres (410 metres below surface), which included a 4.0-metre zone of strong-to-very-strong mineralization beginning at a downhole depth of 432.4 metres (see Figure 1). Assays for DD1124 are expected in approximately two weeks. Up to five rigs are being mobilized to fast-track the drilling at the Kakula West discovery.**

**Hole DD1124 now has extended the length of the Kakula mineralized trend to approximately 10.1 kilometres (see figures 2 and 3), essentially doubling the previously estimated strike length of 5.5 kilometres contained in Ivanhoe’s January 23, 2017 news release. The continuing success also means that the discovery has grown to become six kilometres longer than the deposit’s 4.1-kilometre strike length that was used in calculating the initial Kakula resource estimate in October 2016.**

**The Kakula Discovery remains open along a westerly-southeasterly strike (see Figure 2). Importantly, the chalcocite-rich zone of mineralization in DD1124 was intersected at a depth of approximately 400 metres, indicating that the Kakula mineralized zone extends significantly closer toward the surface in the area around the new discovery hole (see Figure 4).**

**The Kamo-Kakula Project, a joint venture between Ivanhoe Mines, Zijin Mining and the DRC government, is near the mining centre of Kolwezi on the Central African Copperbelt in the Democratic Republic of Congo (DRC).**

**“In the mining exploration business, the very idea that a crew would drill a step-out hole almost four kilometres away from the last known mineralization is virtually unheard of,” Mr. Friedland said.**

**“Nonetheless, our geologists and independent advisors have become so confident in the proven consistency of Kakula’s chalcocite-rich mineralization that they expected we would find more thick, near-surface, Kakula-style mineralization in the vicinity of where it actually was discovered. The remarkable success with DD1124 is further validation of our team’s judgment and expertise.”**

**Mr. Friedland added: “Bear in mind that the Kakula Discovery now is vastly larger and more important than it was last year when Kamo-Kakula was independently ranked among the 10 largest copper deposits in the world. In fact, the resource estimate that we announced for Kakula last October only covers approximately 40% of the presently defined 10.1-kilometre strike length of Kakula’s mineralized trend.”**

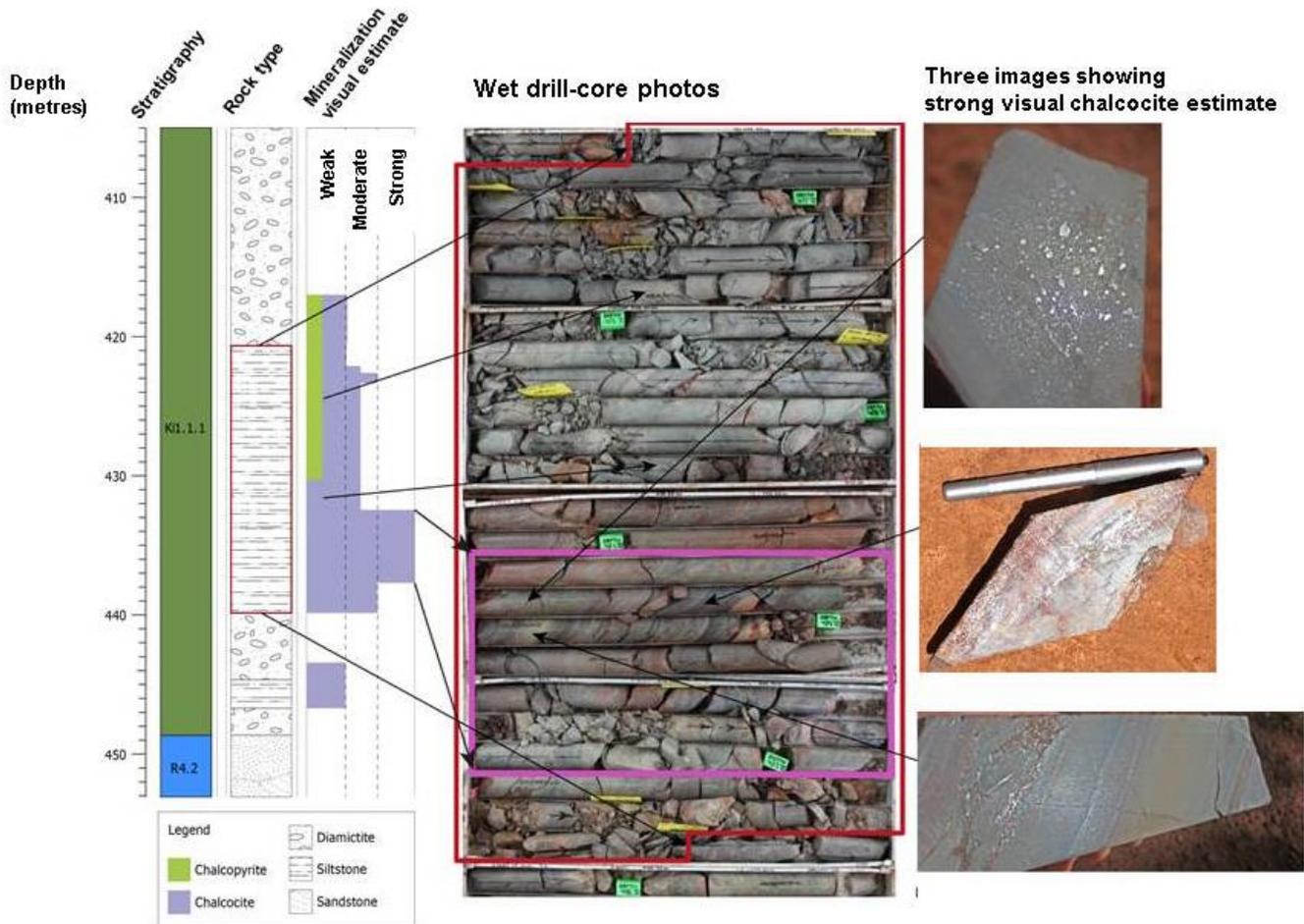
### **Expanded exploration program now testing Kamo-Kakula grass-roots targets**

**Ongoing studies have highlighted numerous Kakula-style targets to the west and east of the Kakula Dome and elsewhere in the 400-square-kilometre Kamo-Kakula Project Area. The Kakula West target was the first of these to be tested.**

**“The Kamo-Kakula exploration team is continuing to enhance its understanding of the unique geological controls influencing the project’s very-high-grade copper mineralization,” Mr. Friedland said.**

**In response to the ongoing exploration success, Ivanhoe Mines and Zijin Mining have accelerated the Kamo-Kakula exploration program with the mobilization of additional contractor drill rigs that has expanded the available fleet to 14 rigs.**

Figure 1. Strip log of drill hole 1124, with drill-core images showing strong chalcocite.



**Figure 2. Kamoia-Kakula mining licence, showing copper grade of Indicated and Inferred Resources at a 2% copper cut-off, untested areas, current target areas and location of Kakula West Discovery.**

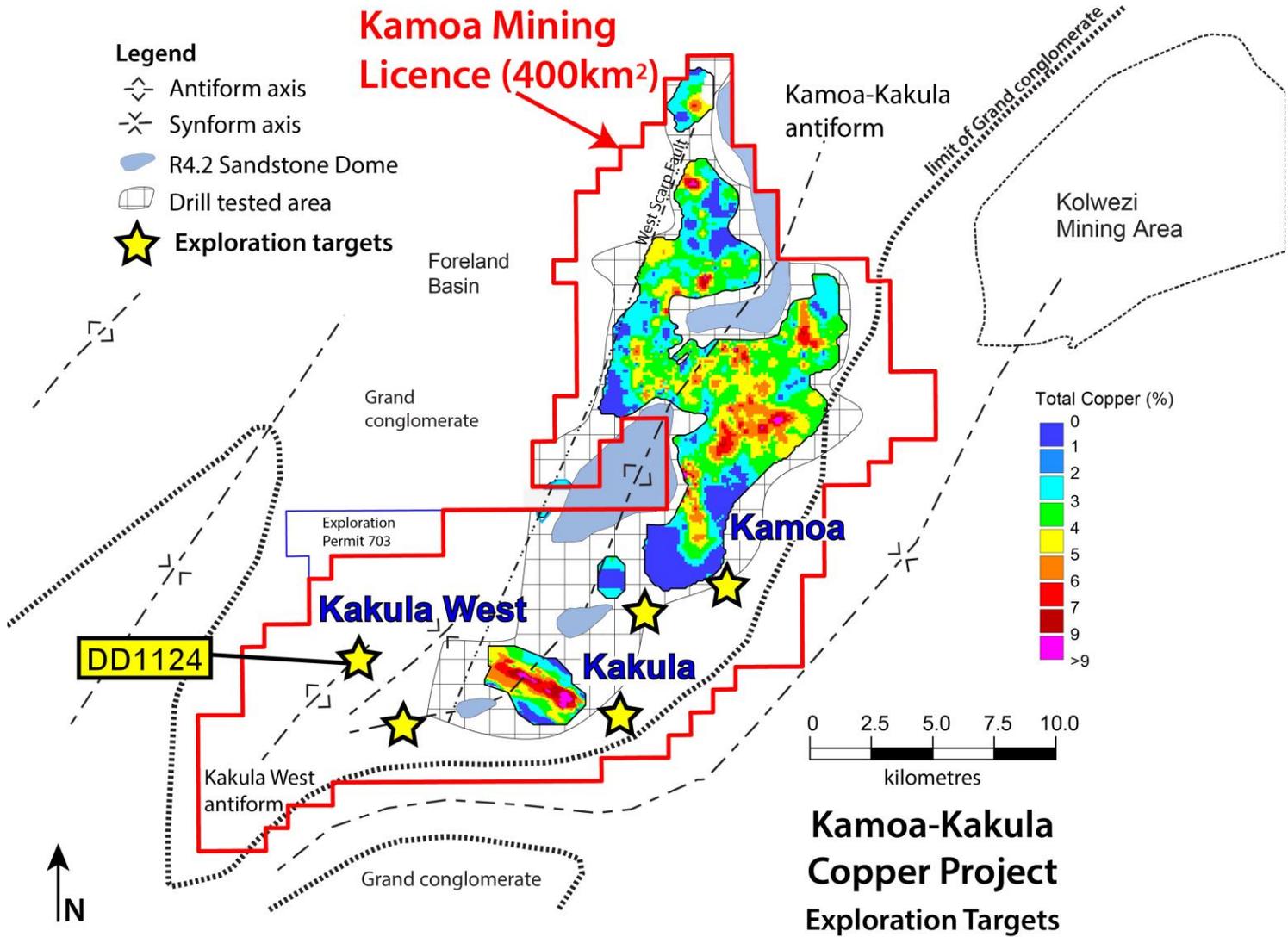
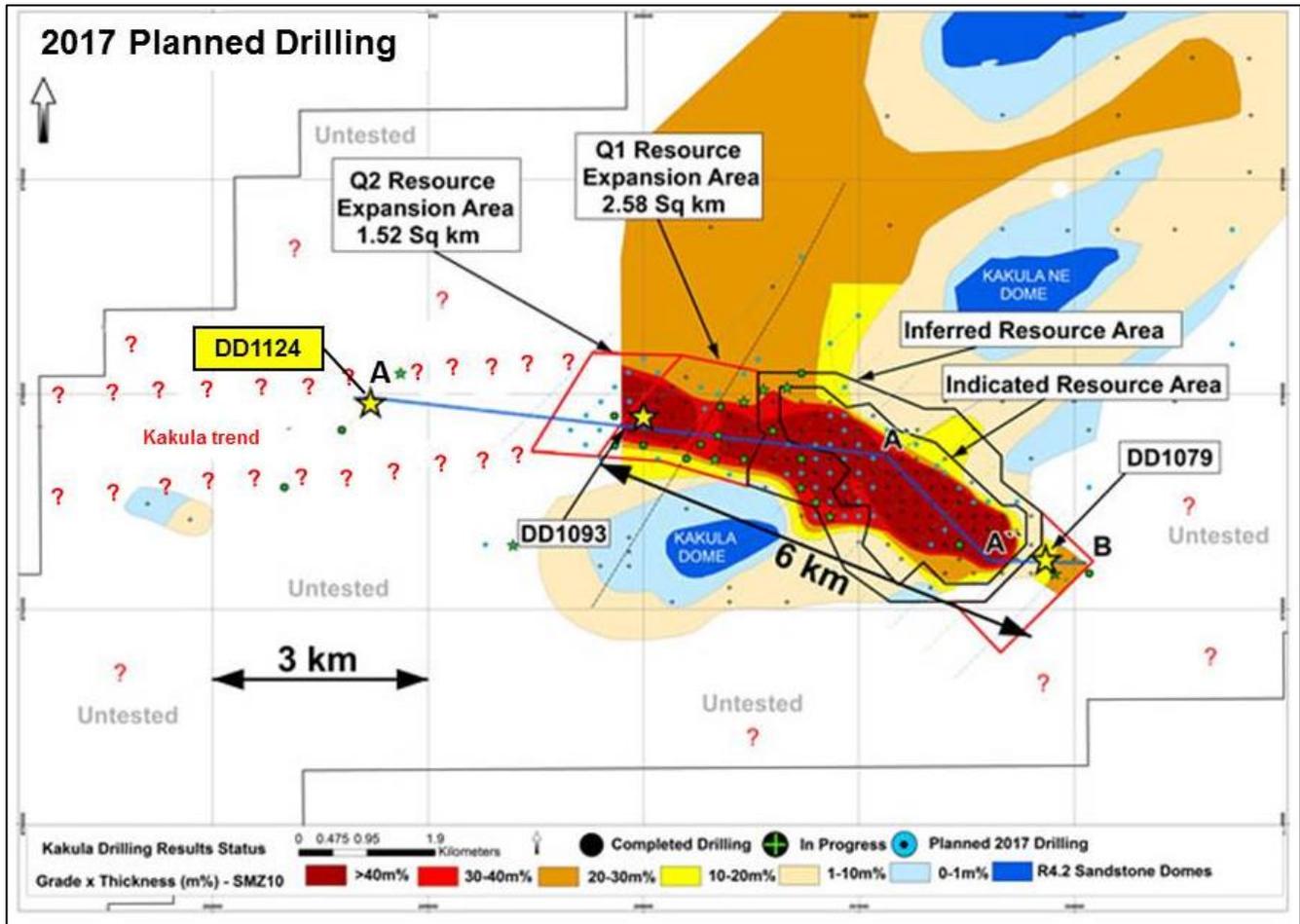
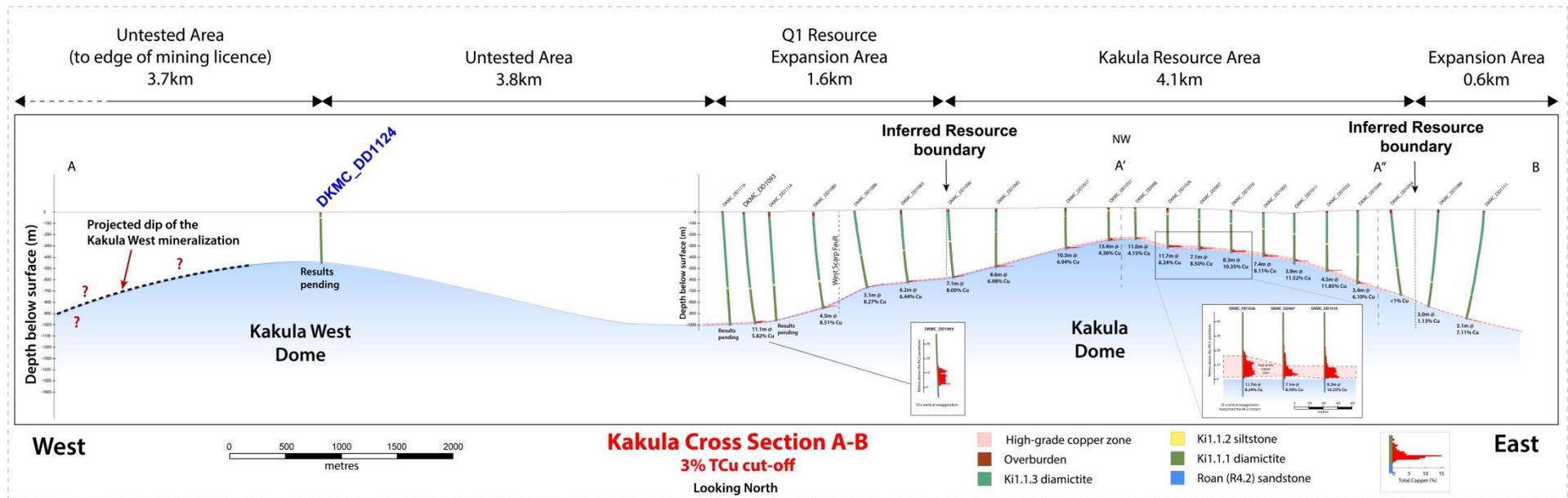


Figure 3. Planned drilling over the Kakula Exploration Area for Q1 2017 and Q2 to Q4 2017, showing current and future drilling areas and location of recent significant intersections.



**Figure 4. Section along the axis on the Kakula Deposit on the section A - A' - A'' - B showing drilling completed to date and composites at a 2.5 % copper cut-off.**



As shown in Figure 4, the Kakula Deposit is a gently-dipping blanket of thick, chalcocite-rich copper mineralization. Initial mine development is planned to focus on the flat, near-surface mineralized section (highlighted in the inset) which, along the deposit’s axis, has mineralized zones ranging between 7.1 and 11.7 metres thick and grading between 8.11% and 10.35% copper, at a 3% copper cut-off.

## 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, and 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 Kamoakakula Project. Half-sawn core is processed at Kamoakakula's on-site preparation laboratory and 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 January 2017 technical report on the Kamoakakula Project titled "Kakula 2016 Preliminary Economic Assessment" on the SEDAR profile of Ivanhoe Mines at [www.sedar.com](http://www.sedar.com) and on the Ivanhoe Mines website at [www.ivanhoemines.com](http://www.ivanhoemines.com).

## About Ivanhoe Mines

Ivanhoe Mines is advancing its three principal projects in Sub-Saharan Africa: Mine development at the [Platreef](#) platinum-palladium-gold-nickel-copper discovery on the Northern Limb of South Africa's Bushveld Complex; mine development and exploration at the [Kamoakakula](#) copper project on the Central African Copperbelt in the DRC; and upgrading at the historic, high-grade [Kipushi](#) zinc-copper-silver-germanium mine, also on the DRC's Copperbelt. For details, visit [www.ivanhoemines.com](http://www.ivanhoemines.com).

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## 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: (1) statements regarding assays for DD1124 are expected in approximately two weeks; (2) statements regarding up to five rigs are being mobilized to fast-track the drilling at the Kakula West discovery; (3) statements regarding Kakula Discovery remains open along a westerly-southeasterly strike; and (4) statements regarding initial mine development at Kakula is planned to focus on the flat, near-surface mineralized section which, along the deposit's axis, has mineralized zones ranging between 7.1 and 11.7 metres thick and grading between 8.11% and 10.35% copper, at a 3% copper cut-off.

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.

All such forward-looking information and statements are based on certain assumptions and analyses made by Ivanhoe Mines' management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances. These statements, however, 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 in the forward-looking information or statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; social or labour unrest; changes in commodity prices; unexpected failure or inadequacy of infrastructure, or delays in the development of infrastructure, and the failure of exploration programs or other studies to deliver anticipated results or results that would justify and support continued studies, development or operations. Other important factors that could cause actual results to differ from these forward-looking statements also include those described under the heading "Risk Factors" in the company's most recently filed MD&A as well as in the most recent Annual Information Form filed by Ivanhoe Mines. Readers are cautioned not to place undue reliance on forward-looking information or statements. The factors and assumptions used to develop the forward-looking information and statements, and the risks that could cause the actual results to differ materially are 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](http://www.sedar.com).

Although the forward-looking statements contained in this news 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 news 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 news release.