IVANHOE MINES
NEW HORIZONS

October 30, 2013

Ivanhoe Mines reports ongoing dewatering at historic Kipushi Mine in D.R. Congo now 76% complete toward initial objective of restoring underground access to the mine's main working level by year end

Drilling expected to begin in early 2014 to confirm and expand Kipushi's bonanza-grade zinc and copper resources

LUBUMBASHI, DRC – Robert Friedland, Executive Chairman of Ivanhoe Mines (TSX: IVN; formerly Ivanplats, TSX: IVP), and Lars-Eric Johansson, Chief Executive Officer, announced today that the company is on track to achieve its initial objective of regaining access to the main underground working level of the historic, high-grade Kipushi Mine in the Democratic Republic of Congo (DRC) before the end of this year.

Ivanhoe Mines acquired a 68% interest in the Kipushi Mine in 2011. The mine's underground workings were extensively flooded during its previous 18 years of care-and-maintenance as a former state-owned asset.

The water level, which at its peak had reached 851 metres below surface, now has been reduced to 1,100 metres – leaving only a further 50 metres to be cleared before the main working level at 1,150 metres can be accessed and upgraded.

To date, approximately 76%of the water that had collected above the 1,150-metre level has been pumped out of the mine. This represents approximately 63% of all water throughout all levels of the mine.

Ivanhoe's initial goal is to successfully remove water down to the mine's 1,150-metre level by the end of December 2013. Ivanhoe then will be in a position to begin an aggressive underground diamond-drilling program designed to confirm the mine's estimated, remaining high-grade resources – which were included in the September 2012 Kipushi Technical Report prepared by IMC Group Consulting – and to seek to further expand the resources on strike and at depth.

In addition, Ivanhoe also expects to achieve its objective of dewatering to the bottom of the ramp decline, at 1,270 metres below surface, during the first quarter of 2014.

From its start-up in 1924 as the Prince Léopold Mine, Kipushi produced a total of 6.6 million tonnes of zinc and 4.0 million tonnes of copper – from 60.0 million tonnes of ore grading 11% zinc and approximately 7% copper – until operations were halted in 1993 due to political instability. The mine also produced 278 tonnes of germanium between 1956 and 1978.

Germanium is a high-tech metal used in light-emitting diodes (LED), fibre-optic networks, infrared night vision systems and solar cell applications. The metal is currently trading at approximately US$1,850 a kilogram.

Kipushi also contains the Big Zinc, a bonanza-grade zinc deposit discovered at approximately 1,200 metres below surface in the early 1990s, shortly before the mine's closure. The Big Zinc, which remains unmined and open to depth, is accessible from existing underground workings (see accompanying graphic). Based on drilling reports by state-owned mining company La Générale des Carrières et des Mines (Gécamines) multiple steeply dipping exploratory holes have intersected exceptionally high-grade zinc mineralization, grading 42% to 45% zinc, between the 1,375-levels and 1,600-metre levels elevations, with more than 60 metres to 100 metres apparent thickness.

Improved supply of electric power assisting in the dewatering effort

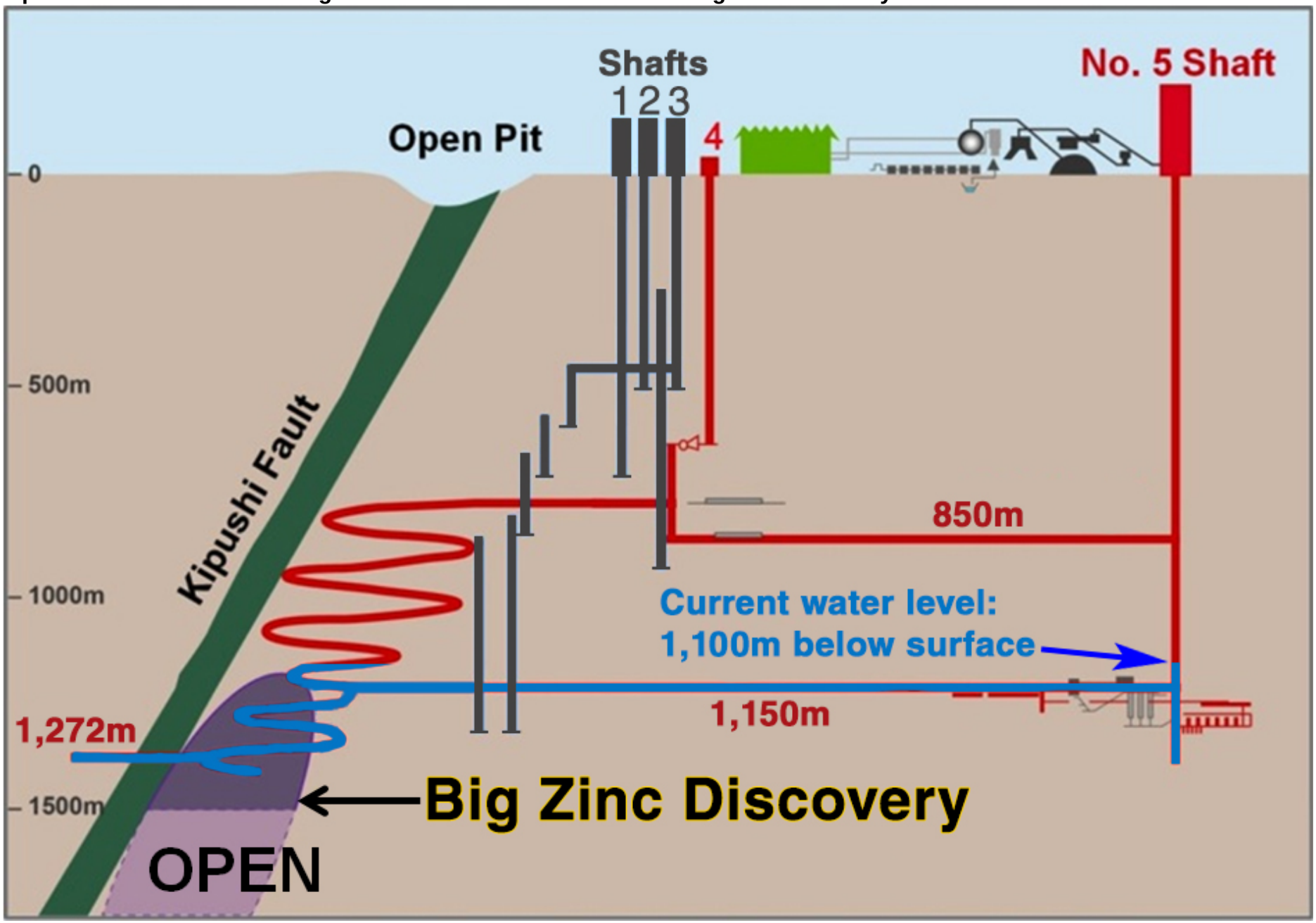
Mr. Johansson said that the reliability of electric power delivered to Kipushi from the state-owned power grid has been more consistent since May, greatly assisting in sustaining the dewatering effort.

"The combination of improved power supply and additional modern, high-volume pumps has resulted in lowering the mine's water level by an average of seven to eight metres a week during the past four and a half months. As the dewatering progresses, the volume of water remaining in the mine workings diminishes markedly. We are confident that we will be able to remove all the water in the mine early in 2014."

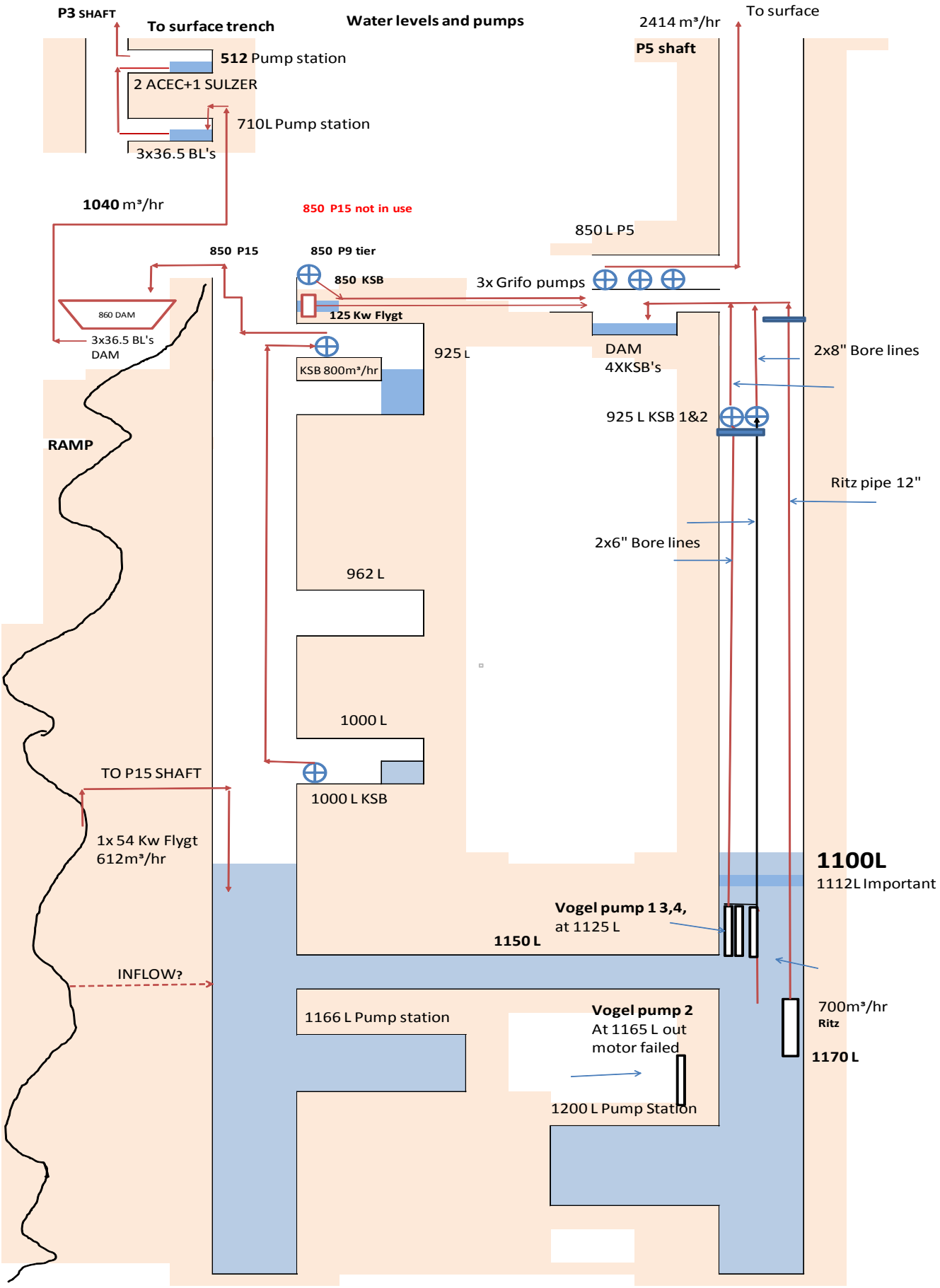
Steelwork and equipment are being progressively replaced and upgraded as the water level drops. New, large-capacity, high-pressure Ritz and Vogel pumps installed in April 2013 now have raised the pumping rate to 64,800 cubic metres per day. Additional capacity is being installed to further increase the pumping rate to a planned 81,600 cubic metres per day.

Andre Zeelie, Kipushi Project Manager, said that as the mine is progressively dewatered, the company will undertake a program to evaluate the option of injecting a Rapid Setting Polyurethane grout to permanently seal large voids/extreme water ingress and fissure grouting to significantly reduce the inflow of water into the underground workings.

Kipushi cross-section showing current water level and unmined Big Zinc Discovery



Kipushi pump layout



Important underground drilling program planned for Kipushi

The historically-mined deposit at Kipushi is comprised of high-grade copper-zinc-lead mineralization within the Kipushi Fault Zone, which has a strike length of 600 metres and previously was mined to a depth of 1,207 metres below surface. Based on drilling reports by Gécamines, the Fault Zone is known to extend to at least 1,800 metres below surface.

Prior to the 1993 halt of production at Kipushi, Gécamines discovered and drill-delineated the Big Zinc Deposit, an extremely high-grade, zinc-rich body. The top of the Big Zinc occurs at approximately the 1,200-metre level and Gécamines' drilling confirmed that it continues down to at least the 1,640-metre level. The Big Zinc has a strike length of at least 100 metres, is 40 to 80 metres in true thickness and is open at depth.

Ivanhoe's planned 2014 drilling program is scheduled to complete approximately 100 holes totalling more than 20,000 metres. The program's primary goals are to:

- Conduct confirmatory drilling to validate the historical resources within the Big Zinc and Fault zones to bring the historical resources to current resources under CIM standards.
- Conduct extension drilling to test and upgrade the deeper portions, below the 1,500-metre level, of the Big Zinc and Fault zones that previously were classified as Inferred Resources.
- Conduct exploration drilling to test areas that were not evaluated historically, such as the deeper portions of the Fault Zone and extensions to the high-grade copper mineralization of the mine's Northern Deposit.
- Obtain large-diameter drill core from the Big Zinc for confirmatory metallurgy test work.

New underground drill holes may also provide a platform for geophysical exploration of Kipushi's deep mineral potential, leveraging the Ivanhoe Group's proprietary in-house expertise. The Kipushi deposit has never been evaluated using modern geophysical techniques.

Most of the underground infrastructure already is in place to support the drilling program. The majority of the drilling will be conducted from sites on the 1,270-level hanging-wall development drift with metallurgical samples of the Big Zinc taken as soon as the water reaches the 1,227 level. A 280-metre, step-back extension of the drift also will be driven to allow the drill crews to test the down-dip extensions of the Big Zinc and Fault zones.

Independent consultant MSA Group of South Africa has been appointed to prepare current estimate of Big Zinc resources to CIM standards following completion of the confirmation drilling program.

Mintek, South Africa's national mineral research organization, recently completed a preliminary metallurgical testwork campaign on existing drill core from the Big Zinc. Comminution testwork indicated that the material is soft and therefore easy to crush and mill. Flotation testwork indicated that the material was easily upgradable to a very high-grade concentrate composition at high zinc recoveries.

MDM Engineering Group Limited of South Africa has been retained to complete processing options studies based upon the Mintek metallurgical testwork.

Kipushi infrastructure development

Ivanhoe Mines also has been upgrading and rebuilding Kipushi's surface infrastructure to support a return to production. Recent minesite improvement projects include:

- construction of a bonded warehouse that will be used for site storage, maintenance and repair;
- installation of safety perimeter fencing to separate the mine's operations area from the Kipushi village;
- completion of a dewatering sump and trench at the old open-pit area; and
- renovation of the company offices and surface infrastructure.

Mr. Johansson said that approximately 95% of employees at the Kipushi Mine are Congolese nationals who previously had worked for Gécamines when the mine was on care and maintenance.

"We have been very pleased with the quality and dedication of the former Gécamines employees who have joined our mine re-development team."

About the Kipushi copper-zinc-germanium-lead and precious-metals mine

The Kipushi Mine is on the Central African Copperbelt in Katanga province, adjacent to the town of Kipushi and approximately 30 kilometres southwest of the provincial capital of Lubumbashi. Ivanhoe Mines acquired its 68% interest in the Kipushi Project in November 2011; the balance of 32% is held by Gécamines.

In addition to the recorded production of copper, zinc, lead and germanium, historical Gécamines mine-level plans for Kipushi also reported the presence of precious metals. However, there is no formal record of gold and silver production; the concentrate was shipped to Belgium and the recovery of precious metals remained undisclosed during the colonial era.

Historical resources estimate

IMC Group Consulting, which prepared the current Kipushi Technical Report, considers the historical estimate prepared by Techpro Mining and Metallurgy in 1997 to be the most relevant and reliable. Techpro reported the following resources:

Resource Category	Tonnes	Copper %	Zinc %
Measured	8,899,979	2.53	9.99
Indicated	8,029,127	2.09	24.21
Total	16,929,106	2.32	16.76
Inferred	9,046,352	1.93	23.32
Included in Total: Big Zinc Zone			
Measured	793,086	1.16	33.52
Indicated	3,918,366	0.68	39.57
Measured & Indicated	4,711,452	0.76	38.55

IMC is of the opinion that the Techpro estimate generally is fair and reasonable for demonstrated (measured plus indicated) resources and that inferred mineral resource estimates largely represent the projection of the Kipushi Project fault zone mineralization from the 1500-metre level to the 1800-metre level.

The Historical Measured and Indicated Resources for the Big Zinc are stated only to the mine's 1500-metre level. Gécamines' drilling confirmed that the Big Zinc continues down to at least the 1,640-metre level.

Gécamines was principally interested in the copper content of the Kipushi deposit, not its zinc content. As a consequence, Ivanhoe considers that the density estimation factor used by Gécamines to calculate resources is approximate and may be inappropriate for the estimation of zinc in high-grade, iron-poor sphalerite such as occurs in the Big Zinc, potentially understating the Big Zinc's historical resources.

A Qualified Person has not done sufficient work to classify the historical estimates as current Mineral Resources and Ivanhoe Mines is not treating such estimates as current Mineral Resources. The historical estimate was prepared in accordance with the JORC Code. Ivanhoe Mines will need to validate previous work through new drilling, sampling, assaying and other procedures to produce a mineral resource that is current for CIM purposes.

Further information relating to the historical resource estimate is included in the Kipushi Technical Report dated September 2012 prepared by IMC and available at www.sedar.com and www.ivanhoemines.com.

Qualified Person, Quality Control and Assurance

The scientific and technical information in this 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 press release.

About Ivanhoe Mines

Ivanhoe Mines with offices in Canada, the United Kingdom and South Africa, is advancing and developing its three principal projects:

- The Kamoa copper discovery in a previously unknown extension of the Central African Copperbelt in the DRC's Province of Katanga.
- 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 and germanium mine, also on the Copperbelt in the DRC and now being dewatered and upgraded to support a future return to production of copper, zinc and other metals following a care-and-maintenance program conducted between 1993 and 2011.

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

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FORWARD-LOOKING STATEMENTS

Statements in this release that are forward-looking statements 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 document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should" and similar expressions, are forward-looking statements. Information provided in this document is necessarily summarized and may not contain all available material information.

Statements in this release that constitute forward-looking statements or information include, but are not limited to: statements regarding the expectation to complete the dewatering program to the bottom of the ramp decline at 1,272 metres below surface during Q'1 2014; statements regarding the target for dewatering to the 1,150-metre level is expected by the end of December 2013; statements regarding the company plans to commence its underground drilling program in early 2014; statements regarding plans to increase the pumping rate to a planned 81,600 cubic metres per day; statements regarding the primary goals of the 2014 drilling program; statements regarding the planned 2014 program entails more than 20,000 metres of drilling in approximately 100 holes; statements regarding MSA Group being appointed to prepare an updated resource estimation of the Big Zinc Deposit; and statements regarding MDM Engineering Group being retained to prepare a study.

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 believes 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. Important 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. Readers are cautioned not to place undue reliance on forward-looking information or statements.