

**Exploration drill hole intersects 48.6 metres of high-grade platinum-group metals at Ivanhoe Mines' Ga-Madiba target**

**Ongoing drilling providing new evidence of an extension of thick mineralization along strike at South African Platreef Project**

**Ga-Madiba extension zone now covers 3.7 square kilometres adjoining Platreef's area of currently defined mineral resources**

**JOHANNESBURG, SOUTH AFRICA** – Robert Friedland, Executive Chairman of Ivanhoe Mines (TSX: IVN), and Lars-Eric Johansson, Chief Executive Officer, announced today that drilling has intersected a thick zone of high-grade mineralization in an area that now has become a new extension of the Flatreef platinum, palladium, nickel, copper, gold and rhodium discovery at the company's Platreef Project on the northern limb of South Africa's Bushveld Complex.

**Hole UMT400, recently drilled in the Ga-Madiba extension zone on the eastern flank of the Flatreef extension, intersected 48.6 metres that contains 4.63 grams per tonne (g/t) of platinum, palladium and gold (3PE), plus 0.30% nickel and 0.13% copper, at a cut-off of 1.0 g/t of 3PE. The ratio of platinum to palladium is approximately 1 to 1 in the mineralized intercept.** Rhodium assays are pending. The vertical intersection has an approximate true thickness of 34.4 metres when adjusted for the dip of the mineralized zone.

The Ga-Madiba zone, covering approximately 3.7 square kilometres, adjoins and stretches to the south from the established area of Inferred Resources, which in turn surrounds the area of Indicated Resources that is at the heart of the Flatreef Discovery – where Ivanhoe is planning to develop an underground mine. (See accompanying Figure 1 project map, below.)

“The drill results are another highly encouraging development in the history of our discoveries at Platreef, confirming our continuing exploration priority and demonstrating additional promising potential,” said Mr. Friedland.

“Significantly, the drilling has established continuity of our open-ended, Flatreef polymetallic discovery, extending its strike length to 6.5 kilometres.”

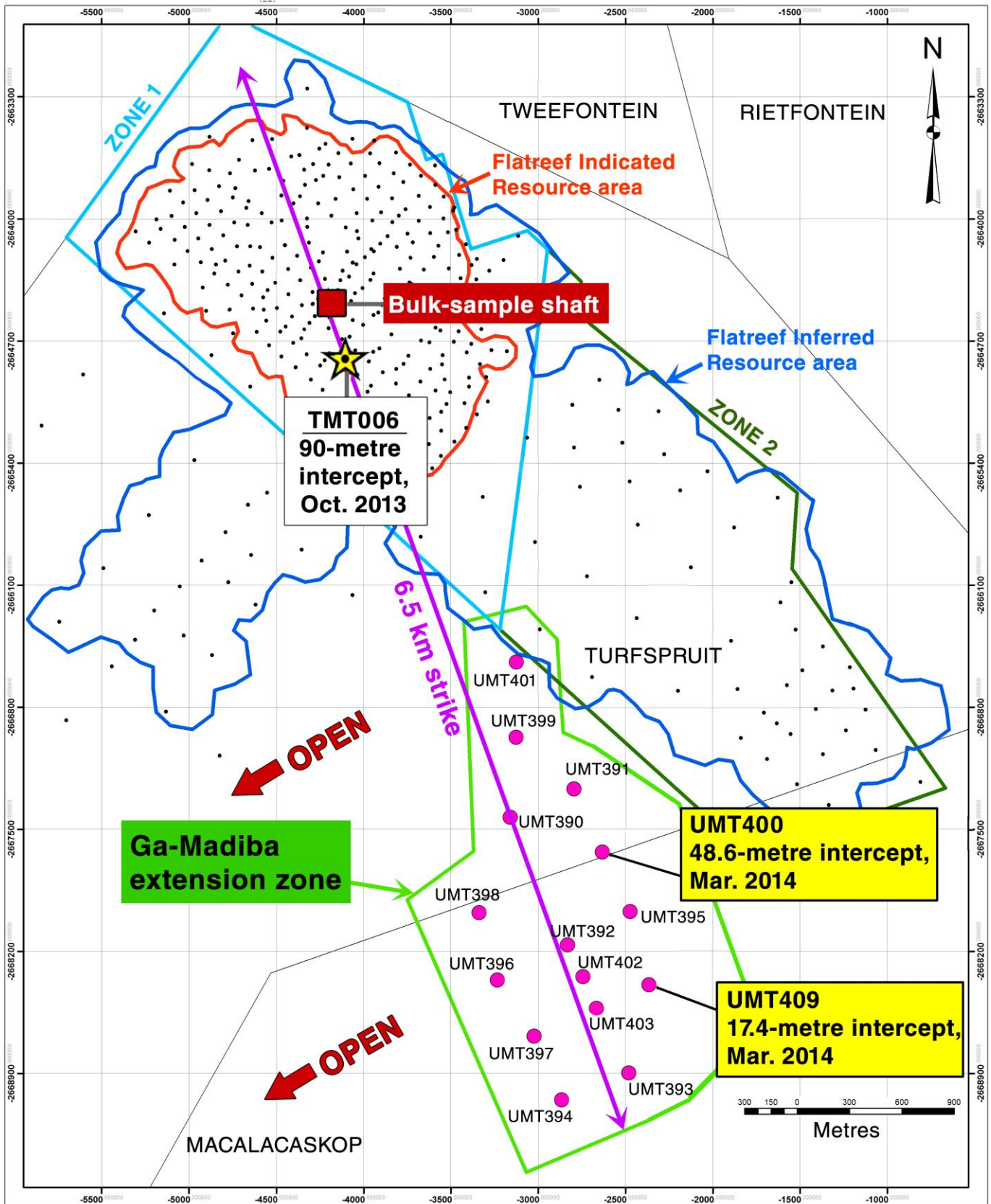
Mr. Friedland said that the combined grade and thickness of the platinum-group and base-metals mineralization found in Hole 400 further reinforces Ivanhoe's belief that the Flatreef Deposit remains open along strike for potential expansion.

“We plan to aggressively drill the area in pursuit of our objective of infilling and expanding this new discovery area,” he added.

Another new drill hole in the Ga-Madiba zone – UMT409, collared 818 metres south of UMT400 – also intersected substantial mineralization on a portion of the Flatreef.

Holes UMT400 and UMT409 were collared approximately 3.5 kilometres and 4.3 kilometres, respectively, south of the site of the planned bulk-sample shaft on the Flatreef. The high-grade mineralization in the T2 reef started at a depth of 967 metres below surface and continued to 1016 metres in UMT400. The mineralized reef in UMT409 was intersected at much shallower depths of 720 to 729 metres below surface.

Figure 1: Location of recent Platreef Project drill holes at Ga-Madiba target area.



**LEGEND**

- Ga-Madiba drilling
- UMT collars
- OPEN
- Licence boundary
- 6.5 km Platreef strike line

Selected highlights from the recent Ga-Madiba drilling, at a 1 g/t 3PE cut-off (all assay results are shown in Table 1, below):

- **UMT396 – 5.17 g/t 3PE, 0.31% nickel and 0.15% copper over 9.60 metres;**
- **UMT400 – 4.63 g/t 3PE, 0.30% nickel and 0.13% copper over 48.62 metres;**
- **UMT401 – 4.84 g/t 3PE, 0.36% nickel and 0.19% copper over 6.80 metres;**
- **UMT402 – 2.98 g/t 3PE, 0.27% nickel and 0.12% copper over 10.05 metres; and**
- **UMT409 – 2.89 g/t 3PE, 0.26% nickel and 0.12% copper over 17.44 metres.**

A total of 15 parent drill holes have been completed on approximate 400-metre drill centres within the Ga-Madiba area. Ivanhoe intends to prepare an initial inferred resource estimate for the Ga-Madiba area after completing an additional 10 holes from the planned exploration program.

Drilling to date has successfully identified the T1 and T2 mineralized reefs and confirmed the initial interpretation that the Ga-Madiba target represents the southern strike extension to the shallow-lying Flatreef. The overall drill results are encouraging and the depth, range of grade, thickness and grade-thickness are comparable to the initial, 400-metre-spaced drill results in Flatreef's Zone 1 (prior to completion of the 100 x 100-metre indicated infill program).

### **Platreef's exploration targets expanded to reflect results of ongoing drilling**

The positive results of ongoing drilling at Ga-Madiba and elsewhere on the Platreef Project have enabled Ivanhoe Mines to update and expand the potential quantity and grade of mineralization at its two primary exploration targets.

Target 1 – the Ga-Madiba extension zone – now covers an area of 3.7 square kilometres and, based on the results of 14 drill holes completed between October 26, 2012 and February 18, 2014, and could contain between 115 and 235 million tonnes grading 1.2 to 1.7 g/t platinum, 1.7 to 2.3 g/t palladium, 0.17 to 0.26 g/t gold, 0.06 to 0.14 g/t rhodium (3.1 to 4.5 g/t 4PE), 0.23% to 0.28% nickel and 0.11% to 0.14% copper. The tonnage and grades are based on intersections of 2g/t 3PE mineralization in drill holes completed in Target 1.

Target 2 – which surrounds the currently estimated mineral resources in zones 1 and 2 – covers an area of 7.6 square kilometres and could contain 260 to 450 million tonnes grading 1.7 to 2.4 g/t platinum, 1.2 to 1.6 g/t palladium, 0.26 to 0.33 g/t gold, 0.14 to 0.20 g/t rhodium (3.4 to 4.5 g/t 4PE), 0.30% to 0.35% nickel and 0.15% to 0.18% copper over an area of 7.6 square kilometres. The tonnage and grades are based on 2g/t 3PE intersections of mineralization in 19 drill holes completed in Target 2 and adjacent drill holes within the Inferred Mineral Resources.

The potential quantity and grade of these exploration targets is conceptual in nature. There has been insufficient exploration and/or study to define these exploration targets as a Mineral Resource and it is uncertain whether additional exploration will result in these exploration targets being delineated as a Mineral Resource.

In addition, there are approximately 37 square kilometres of unexplored ground beyond these two exploration target areas on the property under which the Platreef mineralization is projected to lie. It is not possible to estimate a range of tonnages and grades for this ground. There is excellent potential for mineralization to significantly increase with further step-out drilling to the southwest.

Eight drill rigs are operating at the Platreef Project focused on resource delineation and expansion. In addition to the Ga-Madiba prospect, Ivanhoe Mines also is infill drilling to potentially expand the Indicated Resources of the initial planned mining area to support potential production scenarios of up to 12 million tonnes per annum.

Ivanhoe's previous drilling at the Flatreef Discovery produced combined intercepts of the T1 and T2 mineralized reefs that averaged 24 metres in thickness at a 2g/t 4PE cut-off – recognized as exceptional results for the Bushveld, where many underground platinum mines have average reef thicknesses of 0.4 to 1.5 metres.

Table 1: Ivanhoe Mines Platreef Project drilling results March 2014.

Hole ID	From	To	Length (metres)	Zone	Shell	3 PE (g/t)	Ni %	Cu %	Au g/t	Pt g/t	Pd g/t	Pt/Pd Ratio
UMT395	765.53	784.48	18.95	<b>T2</b>	<b>1</b>	1.84	0.26	0.14	0.17	0.87	0.80	1.09
<i>Including</i>												
UMT395	770.30	777.48	7.18	<b>T2</b>	<b>2</b>	2.49	0.33	0.18	0.20	1.16	1.13	1.03
UMT396	826.63	831.62	4.99	<b>T1</b>	<b>1</b>	2.09	0.33	0.17	0.37	1.02	0.69	1.70
<i>Including</i>												
UMT396	826.63	829.63	3.00	<b>T1</b>	<b>2</b>	2.59	0.39	0.21	0.43	1.24	0.92	1.54
UMT396	842.00	851.60	9.60	<b>T2</b>	<b>1</b>	5.17	0.31	0.15	0.43	2.69	2.05	1.43
UMT396	1010.00	1025.46	15.46	<b>LZ</b>	<b>1</b>	1.61	0.21	0.15	0.10	0.71	0.80	0.89
UMT396	1012.00	1015.28	3.28	<b>LZ</b>	<b>2</b>	3.34	0.14	0.07	0.09	1.96	1.29	1.53
UMT397	909.60	912.84	3.24	<b>T1</b>	<b>1</b>	3.46	0.45	0.26	0.58	1.68	1.20	1.39
<i>Including</i>												
UMT397	910.00	912.84	2.84	<b>T1</b>	<b>3</b>	3.67	0.46	0.27	0.61	1.79	1.26	1.42
UMT397	945.00	952.22	7.22	<b>T2</b>	<b>1</b>	1.66	0.20	0.12	0.08	0.77	0.81	0.95
UMT398	739.27	748.46	9.19	<b>T2</b>	<b>1</b>	1.62	0.15	0.06	0.14	0.75	0.73	1.03
<i>Including</i>												
UMT398	739.27	742.68	3.00	<b>T2</b>	<b>2</b>	2.52	0.21	0.09	0.24	1.19	1.10	1.08
UMT398	782.05	792.52	10.47	<b>NC2</b>	<b>1</b>	1.88	0.27	0.15	0.34	0.91	0.63	1.44
UMT399	639.70	656.21	16.51	<b>T2</b>	<b>1</b>	2.61	0.26	0.13	0.19	1.16	1.26	0.92
<i>Including</i>												
UMT399	643.54	656.21	12.67	<b>T2</b>	<b>2</b>	2.80	0.31	0.15	0.22	1.16	1.42	0.82
UMT399	643.54	646.54	3.00	<b>T2</b>	<b>3</b>	4.22	0.47	0.22	0.31	1.57	2.33	0.67

Hole ID	From	To	Length (metres)	Zone	Shell	3 PE (g/t)	Ni %	Cu %	Au g/t	Pt g/t	Pd g/t	Pt/Pd Ratio
<b>UMT400</b>	<b>937.00</b>	<b>941.00</b>	<b>4.00</b>	<b>T1</b>	<b>1</b>	<b>1.46</b>	<b>0.19</b>	<b>0.10</b>	<b>0.19</b>	<b>0.66</b>	<b>0.61</b>	<b>1.08</b>
<b>UMT400</b>	<b>967.00</b>	<b>1015.62</b>	<b>48.62</b>	<b>T2</b>	<b>1</b>	<b>4.63</b>	<b>0.30</b>	<b>0.13</b>	<b>0.28</b>	<b>1.99</b>	<b>2.36</b>	<b>0.84</b>
UMT401	673.61	677.28	3.67	<b>T1</b>	<b>1</b>	2.32	0.35	0.20	0.50	1.04	0.78	1.33
<i>Including</i>												
UMT401	673.61	676.61	3.00	<b>T1</b>	<b>2</b>	2.47	0.36	0.20	0.53	1.10	0.83	1.33
UMT401	689.00	695.80	6.80	<b>T2</b>	<b>1</b>	4.84	0.36	0.19	0.29	2.22	2.33	0.95
<i>Including</i>												
UMT401	690.00	695.80	5.80	<b>T2</b>	<b>3</b>	5.22	0.39	0.21	0.29	2.36	2.57	0.92
UMT402	754.86	758.00	3.14	<b>T1</b>	<b>1</b>	2.78	0.30	0.16	0.34	1.38	1.06	1.30
UMT402	792.00	802.05	10.05	<b>T2</b>	<b>1</b>	2.98	0.27	0.12	0.13	1.33	1.52	0.87
<i>Including</i>												
UMT402	792.00	799.00	7.00	<b>T2</b>	<b>2</b>	3.63	0.33	0.14	0.15	1.69	1.80	0.94
UMT402	793.09	798.14	5.05	<b>T2</b>	<b>3</b>	3.92	0.39	0.17	0.16	1.78	1.98	0.90
UMT403	813.57	816.83	3.26	<b>T1</b>	<b>1</b>	2.67	0.20	0.10	0.30	1.32	1.04	1.27
<i>Including</i>												
UMT403	813.57	816.57	3.00	<b>T1</b>	<b>2</b>	2.75	0.20	0.10	0.31	1.37	1.07	1.29
UMT403	829.83	856.48	26.65	<b>T2</b>	<b>1</b>	1.91	0.22	0.12	0.14	0.80	0.97	0.83
<i>Including</i>												
UMT403	829.83	833.41	3.58	<b>T2</b>	<b>2</b>	3.67	0.32	0.14	0.17	1.65	1.85	0.89
UMT409	719.00	736.44	17.44	<b>T2</b>	<b>1</b>	2.89	0.26	0.12	0.19	1.44	1.26	1.15
<i>Including</i>												
UMT409	720.25	728.52	8.27	<b>T2</b>	<b>2</b>	4.08	0.33	0.13	0.23	1.80	1.49	1.20
UMT409	720.25	725.52	5.27	<b>T2</b>	<b>3</b>	5.08	0.37	0.18	0.34	2.64	2.10	1.26

Note: Intersections are from vertical drill holes. Gentle dips over most of the Flatreef area mean that drilled thickness approximates true thickness for most of the recent holes. Hole UMT 400 is situated on a slope coming off the Flatreef extension and the core angles observed within the igneous layering are steep (approximately 45°), implying that the reported thickness is not the true thickness.

### **Bulk-sample shaft surface construction underway**

Surface construction work is underway for the 7.25-metre-diameter bulk-sample shaft (Shaft #1). The vertical shaft is planned to be sunk to a depth below surface of 800 metres and enable the collection of a mineralized bulk sample, expected in the first half of 2016, to complete the company's development assessment of the Flatreef. South Africa-based Aveng Mining, the sinking contractor for Shaft #1, is continuing surface preparation work at the site; excavation of the box-cut access has begun. Upgrading of hoisting equipment to be installed in the shaft headframe is underway; excavations for concrete foundations of the shaft collar and ventilation casing are scheduled to begin this month.

**Figure 2: Box-cut excavation in preparation for sinking of bulk-sample shaft at Platreef Project.**



### **Preliminary economic assessment expected this month**

Ivanhoe Mines is finalizing a preliminary economic assessment (PEA) of the Platreef Project based on an underground mining operation of up to 12 million tonnes per year, utilizing multiple shafts. The PEA is expected to be completed this month. In addition, DRA Mineral Projects, of South Africa, in consultation with Stantec, SRK, Geotail, Golder Associates and Digby Wells, is continuing with the pre-feasibility study.

### **Workplace-safety milestone achieved**

The Platreef Project recently achieved a significant operational safety milestone when it recorded the completion of three million person hours of work without incurring a lost-time injury. The project

presently has 112 permanent employees, plus an additional 389 contract and sub-contract workers, 64% of whom are from the local Mokopane area. Ivanhoe is committed to the provision of a safe and healthy working environment for all people on its project sites, which is a fundamental principle of the company's formal Statement of Values and Responsibilities.

The Platreef Project is a Tier One discovery of platinum-group elements, nickel, copper and gold – containing the Flatreef Deposit – on the Bushveld's Northern Limb, north of the town of Mokopane and approximately 280 kilometres northeast of Johannesburg. The project is located on two contiguous rights, Turfspruit and Macalacaskop, which adjoin Anglo Platinum's Mogalakwena mining operations.

A Mining Right Application (MRA) for the Platreef Project was filed with the Department of Mineral Resources in June 2013, which, when granted, would permit the company to mine and process minerals optimally from the mining area for a period of 30 years, and which may be extended upon application.

The Flatreef Mineral Resource, with a strike length now extended to 6.5 kilometres, predominantly lies within a flat to gently dipping portion of the Platreef mineralized belt at relatively shallow depths of approximately 700 to 1,100 metres below surface.

The Flatreef Deposit is characterized by its very large vertical thicknesses of high-grade mineralization and a platinum-to-palladium ratio of approximately 1:1, which is significantly higher than other recent PGM discoveries on the Bushveld's Northern Limb. The grade shells used to constrain mineralization in the Flatreef Indicated Resource area have average true thicknesses of approximately 24 metres at a cut-off grade of 2.0 g/t of platinum-palladium-gold (3PE). The indicated resource grade at 2.0 g/t 3PE is 4.1 g/t platinum-palladium-gold-rhodium (4PE), 0.34% nickel and 0.17% copper. Flatreef's Indicated Mineral Resources of 214 million tonnes contain an estimated 28.5 million ounces of platinum, palladium, gold and rhodium, 1.6 billion pounds of nickel and 800 million pounds of copper.

At the same cut-off of 2.0 g/t 4PE, the current Flatreef estimate also includes Inferred Mineral Resources of 415 million tonnes grading 3.5 g/t 4PE, 0.33% nickel and 0.16% copper, containing an estimated additional 47.2 million ounces of platinum, palladium, gold and rhodium, 3.0 billion pounds of nickel and 1.5 billion pounds of copper. Inferred mineral resource estimates, under the CIM guidelines, do not have demonstrated economic viability and may never achieve the confidence to be mineral reserve estimates or to be mined. Details of the Mineral Resource estimate, including a discussion of assumptions, parameters and methods, risks and uncertainties and the relevant qualified persons, are set out in the Platreef Project NI 43-101 Technical Report on Updated Mineral Resource Estimate Platreef dated March 13, 2013, available on Ivanhoe Mines' Sedar profile at [www.sedar.com](http://www.sedar.com) and [www.ivanhoemines.com](http://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, Ivanhoe Mines' Vice President, Project Geology and Evaluation, a Qualified Person under the terms of National Instrument 43-101. Mr. Torr has verified the data disclosed in this news release.

Base metals and other major-elements assays were determined by multi-acid digestion with ICP finish and PGEs were determined by conventional fire assay and ICP finish at Ultra Trace Geoanalytical Laboratories in Perth, Australia, an ISO 17025-accredited laboratory. Ivanhoe Mines utilized a well-documented system of inserting blanks and standards into the assay stream and has a strict chain of custody and independent laboratory re-check system for quality control. For detailed information about data verification measures used to support the scientific and technical information, please refer to the current technical report on the Platreef Project on the SEDAR profile of Ivanhoe Mines at [www.sedar.com](http://www.sedar.com).

In March 2013, Ivanplats received an independent Technical Report for the Flatreef Deposit. The Technical Report, prepared by AMEC in accordance with CIM 2010 Definition Standard using 2003 Estimation of Mineral Resource and Mineral Reserves Best Practice Guidelines and directed by AMEC Technical Director Dr. Harry Parker, is available at [www.ivanhoemines.com](http://www.ivanhoemines.com) and [www.sedar.com](http://www.sedar.com).

## About Ivanhoe Mines

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

- The Kamoia 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 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 Ivanhoe planning to develop an underground mine at the Platreef Project; statements regarding to aggressively drill the Ga-Madiba area in pursuit of Ivanhoe's objective of infilling and expanding this new discovery area; statements regarding Ivanhoe's intention to prepare an initial inferred resource estimate for the Ga-Madiba area after completing an additional ten drill holes; statements regarding the collection of a mineralized bulk sample, expected in the first half of 2016; statements regarding the excavations for concrete foundations of the shaft collar and ventilation casing scheduled to begin this month; statements regarding the potential for Platreef mineralization to significantly increase with further step-out drilling to the southwest; and statements regarding expected completion of the Platreef preliminary economic assessment later this month.

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.