IVANHOE MINES
NEW HORIZONS

July 14, 2014

First assay results from Ivanhoe Mines' drilling program confirm high zinc and copper grades at the Kipushi Mine in D.R. Congo

Exceptional Big Zinc grades complemented by significant assay values of germanium and silver

LUBUMBASHI, THE DEMOCRATIC REPUBLIC OF CONGO — Robert Friedland, Executive Chairman of Ivanhoe Mines (TSX: IVN), and Lars-Eric Johansson, Chief Executive Officer, announced today that the first batch of assay results from the company's underground diamond-drilling program at the Kipushi copper-zinc-germanium-lead and precious-metals mine have confirmed initial visual estimates of high-grade zinc and copper mineralization in both the Big Zinc and copper-rich Série Récurrente zones.

Among the significant results received to date:

- **Three holes drilled to validate historical models of the down-plunge continuity of Big Zinc mineralization returned zinc grades of 40.9% over 348.5 metres, 44.8% over 339.4 metres, and 33.3% over 305.8 metres. The down-plunge geometry of the holes does not allow for estimation of true widths.**

- **Internal zones of exceptionally rich mineralization in the first two holes, KPU001 and KPU002, returned zinc grades of 60.4% over 35.1 metres, 56.3% over 18.0 metres, and 56.6% over 71 metres. These internal zones also returned germanium grades of 87.2, 120.4 and 111.9 grams per tonne (g/t), respectively.**

- **An internal copper-silver-germanium rich zone in the third hole KPU003 graded 6.1% copper, 44.5% zinc, 144 g/t silver and 66.9 g/t germanium over 31 metres from 197 metres. Historical resource estimates at Kipushi excluded silver and germanium.**

- **The third hole, KPU003, also discovered a zone grading 58.6% zinc and 293.8 g/t germanium over 22.3 metres, approximately 180 metres below the historical measured and indicated resources. This exceptional grade intersection may represent an extension to the Big Zinc or the start of a new zinc- and germanium-rich zone, and will be followed up by ongoing drilling.**

- **In addition, two holes from Ivanhoe's exploratory drilling program targeting the Série Récurrente ("Recurring Series") zone at the north end of the Kipushi deposit returned very high copper and silver grades. Hole KPU008 intersected 11.4 metres (estimated true width of 11.2 metres) grading 17% copper and 89.6 g/t silver.**

"Zinc grades of between 56% and 60% typically are found in high-quality zinc concentrates, rather than primary mineralization," said Mr. Friedland. "These initial assay results highlight the

remarkable metal endowment of the mineralization extending below the Kipushi deposit as previously mined by Gécamines."

"At current spot prices of approximately $2,000 a kilogram for germanium and $21 an ounce for silver, we expect the germanium and silver grades could add to the overall metal value at Kipushi", said Mr. Johansson. "Sulphur content, particularly in the Big Zinc, also represents a potentially significant value addition given the scarcity of primary sulphur supply in the Copperbelt region, and the demand for acid in conventional in-country oxide recovery circuits."

Recent progress in mine dewatering and refurbishment

Kipushi staff are continuing to upgrade underground and surface infrastructure to support the drilling program and prepare the mine for potential future redevelopment and operations, subject to engineering and other studies. The mine has been dewatered to the 1,305-metre level on the Cascade side (Shafts #1 through 4), where drilling operations are taking place.

The scope of drilling has been expanded to evaluate the high-grade, copper-rich Série Récurrente zone. The 1,272 metre-level hanging-wall drill drift has been dewatered and is being prepared for drill access. Drilling from this level is expected to commence once the Série Récurrente program is completed. This drill access will facilitate detailed confirmatory and exploratory deep drilling of the Big Zinc, and of down-plunge unmined extensions to the copper-rich northern portion of the historical Kipushi deposit.

Also on the Cascade side, a water dam is being constructed on the 1,112-metre level to reduce pumping requirements. Fabrication of a new ventilation fan for Shaft #4 is complete and the fan will be commissioned later this month.

Refurbishment of Shaft #5 is ongoing with replacement of the hoist ropes. Resumed operations at Shaft #5 will facilitate the refurbishment of the main pump station at the bottom of the shaft, improving the efficiency of pumping operations, and delivery of mechanized underground equipment to the active part of the mine.

Kipushi's history of world-class production

The Kipushi Mine forms part of the Central African Copperbelt in southern Katanga Province, D.R.C., approximately 30 kilometres southwest of the provincial capital of Lubumbashi and less than one kilometre from the international border with Zambia.

Following 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 million tonnes of material grading 11% zinc and approximately 7% copper – until political instability prompted the suspension of operations in 1993. The mine also produced 278 tonnes of germanium between 1956 and 1978.

In addition to the recorded production of copper, zinc, lead and germanium, historical mine-level plans for Kipushi also report the presence of precious metals, specifically silver and rhenium. There is no formal record of precious metal production on the property.

The lower levels of the mine flooded in early 2011 due to a lack of pumping maintenance over an extended period. Ivanplats (now Ivanhoe Mines) acquired a 68% interest in Kipushi in November 2011, and has assumed responsibility for ongoing refurbishment, dewatering, and drilling. The state-owned mining company Gécamines holds the remaining 32% interest in Kipushi.

Kipushi's distinct copper- and zinc-rich zones

Previous mining at Kipushi was conducted from surface to approximately the 1,220-metre level, and mineralization is projected to extend to 1,800 metres below surface, based on Gécamines drilling. Mining historically occurred primarily within three contiguous zones: the North and South zones of the approximately north-south striking, approximately 70 degree west-dipping Kipushi fault, and the approximately east-west striking, steeply north-dipping Série Récurrente zone in the footwall of the fault. The Série Récurrente derives its name from the geological formation with which it is associated, that is characterized by a series of alternating ("recurring") beds of dolomite and siltstone/shale.

High-grade copper was particularly well developed in the North and Série Récurrente zones. Historically, Gécamines referred to a portion of the North zone as the Nord Riche ("Northern Rich") area, which occurred at the structural junction of the Kipushi fault and the Série Récurrente zone. The Nord Riche area has been incompletely explored below previous workings. Historical underground mine plans show that mineralization in the Nord Riche area was significantly thicker than in the Série Récurrente area where Ivanhoe has been drilling. To date, Ivanhoe has been unable to explore for extensions of the Nord Riche area due to a lack of suitably positioned underground drilling stations in the footwall of the Kipushi fault. However, dewatering and re-establishment of drill stations on the 1,272-metre level hanging wall drift and crosscut, and along the deeper portions of the access decline, will allow Ivanhoe to explore down-plunge extensions of this area.

High-grade zinc was common in the South portion of the Kipushi fault, and also occurred as small but very high-grade bodies in the footwall of the fault in the upper levels of the mine. The Big Zinc represents a much larger and as yet unmined historical resource also in the footwall of the fault, and is incompletely tested at depth. Accessible from existing underground workings, the Big Zinc as defined historically has a strike length of at least 100 metres, a down-plunge dimension of approximately 300 to 350 metres, and a true thickness calculated at 40 to 80 metres.

Ivanhoe's drill results from the Big Zinc demonstrate close geometrical correlation with results from Gécamines drill holes on the same section line. The Big Zinc was known to contain localized internal zones of low-grade and unmineralized dolomite, which were interpreted on Gécamines' plans and sections. Ivanhoe's drill holes intersected these zones as predicted by the sectional interpretation. Ivanhoe is encouraged by this initial confirmation of geometrical consistency between historical and current drilling within the Big Zinc.

Ivanhoe's preliminary drill results in the Série Récurrente area are consistent with Gécamines' interpretation of this zone, specifically that high-grade mineralization forms discrete shoots distributed adjacent to the contact of the Série Récurrente beds with more carbonaceous beds of the underlying (southerly) Upper Kakontwe formation.

As shown in Figure 6, hole KPU011 drilled on section between KPU004 and KPU008 intercepted visually significant copper- and zinc-bearing massive and disseminated sulphides over a drilled thickness of 6.5 metres. Hole KPU009 above hole KPU008 intersected 10 metres drilled thickness of disseminated and veinlet-hosted copper sulphides. Assays for these holes are pending and Ivanhoe cautions that the reported observation of mineralization in these holes is presented to demonstrate the geometry of the mineralized zone only.

Ongoing drilling of the Série Récurrente area will test for lateral and down-plunge continuation of these shoots, in particular towards the Kipushi fault that formed the main feeder for high-grade mineralization.

Figure 1: Schematic Kipushi cross-section showing mine infrastructure and the Big Zinc and Kipushi Fault Zones.

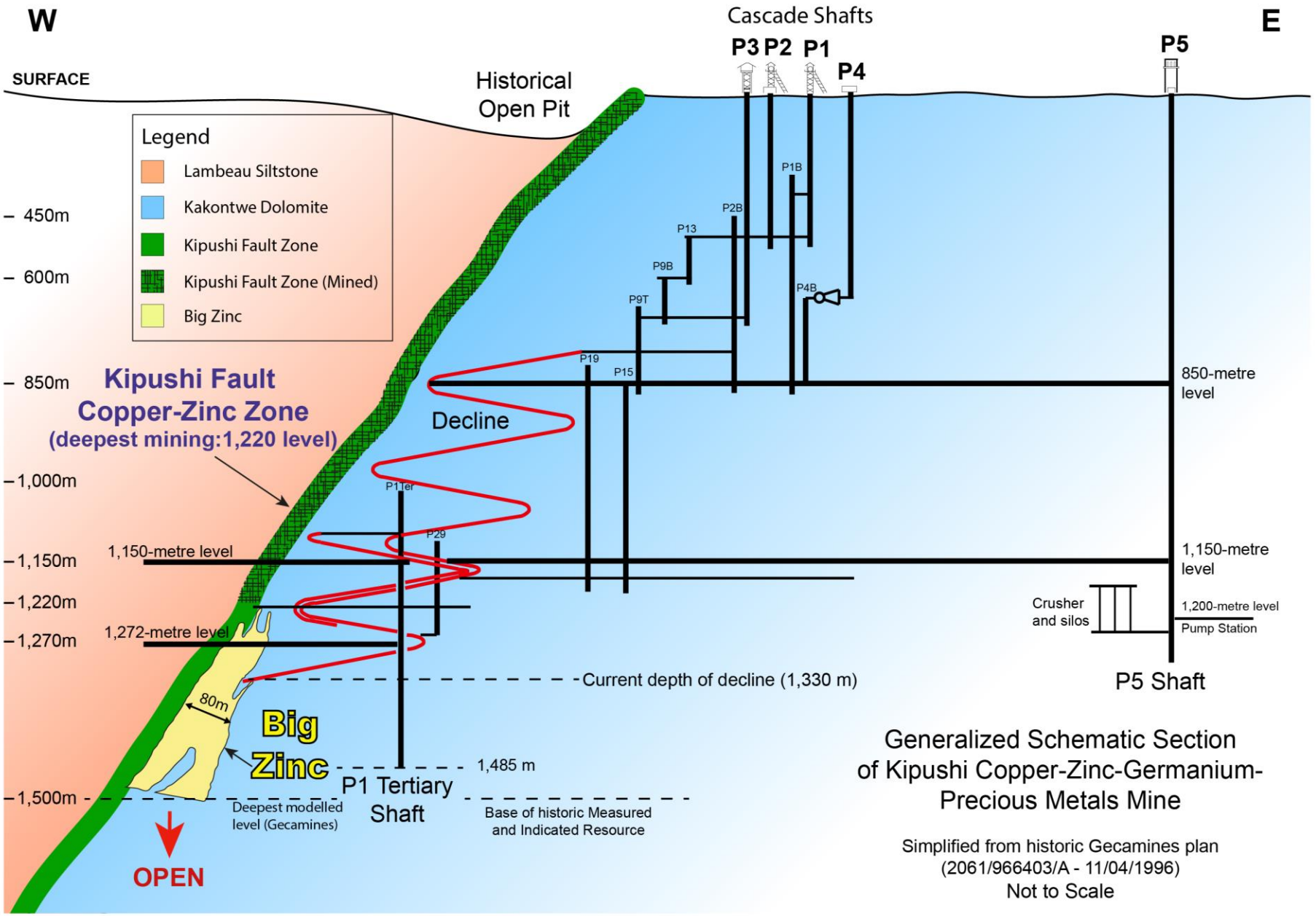

Figure 2: Plan view of drill holes KPU001 to KPU004.

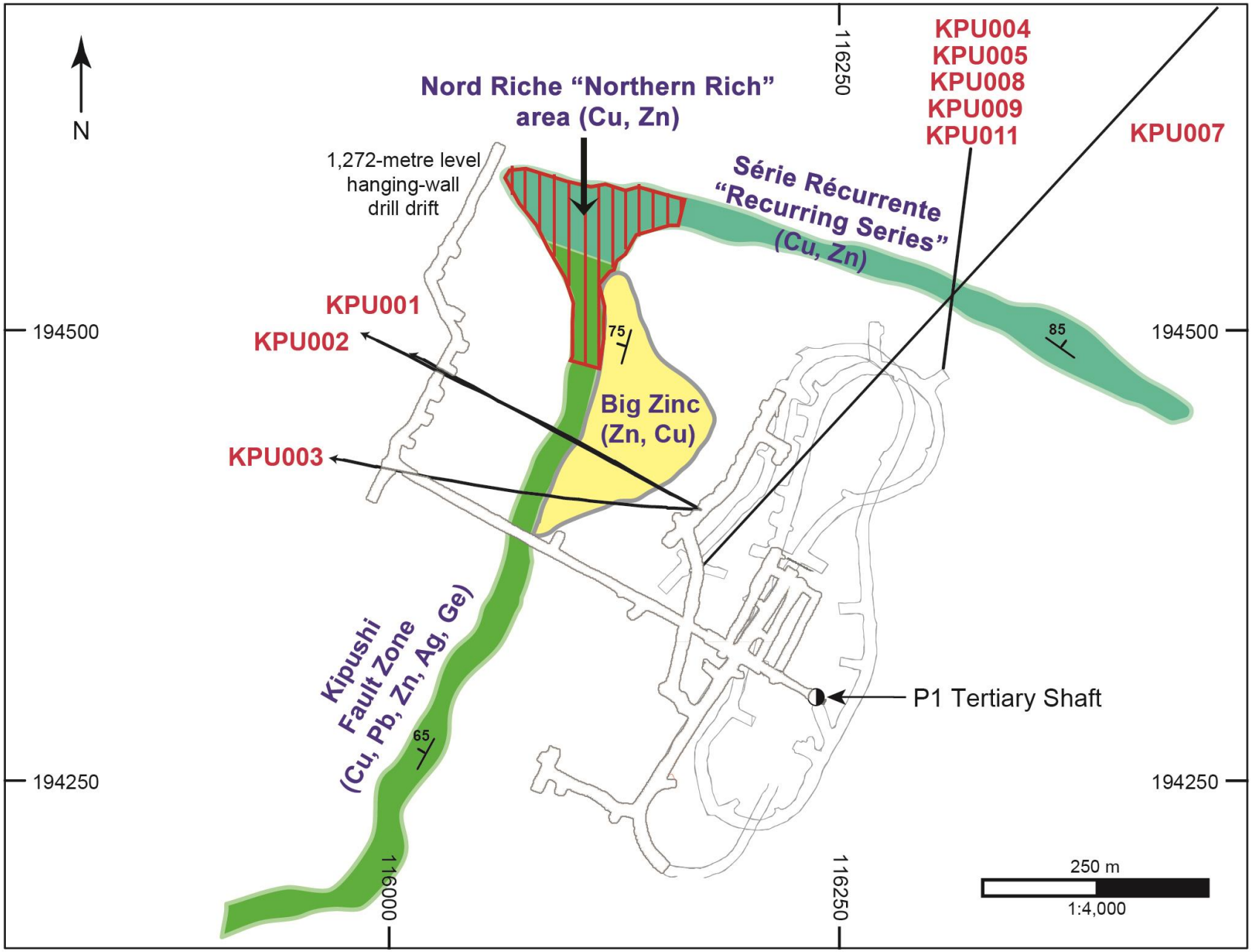

Figure 3: Kipushi cross-section showing Ivanhoe drill holes KPU001 and KPU002.

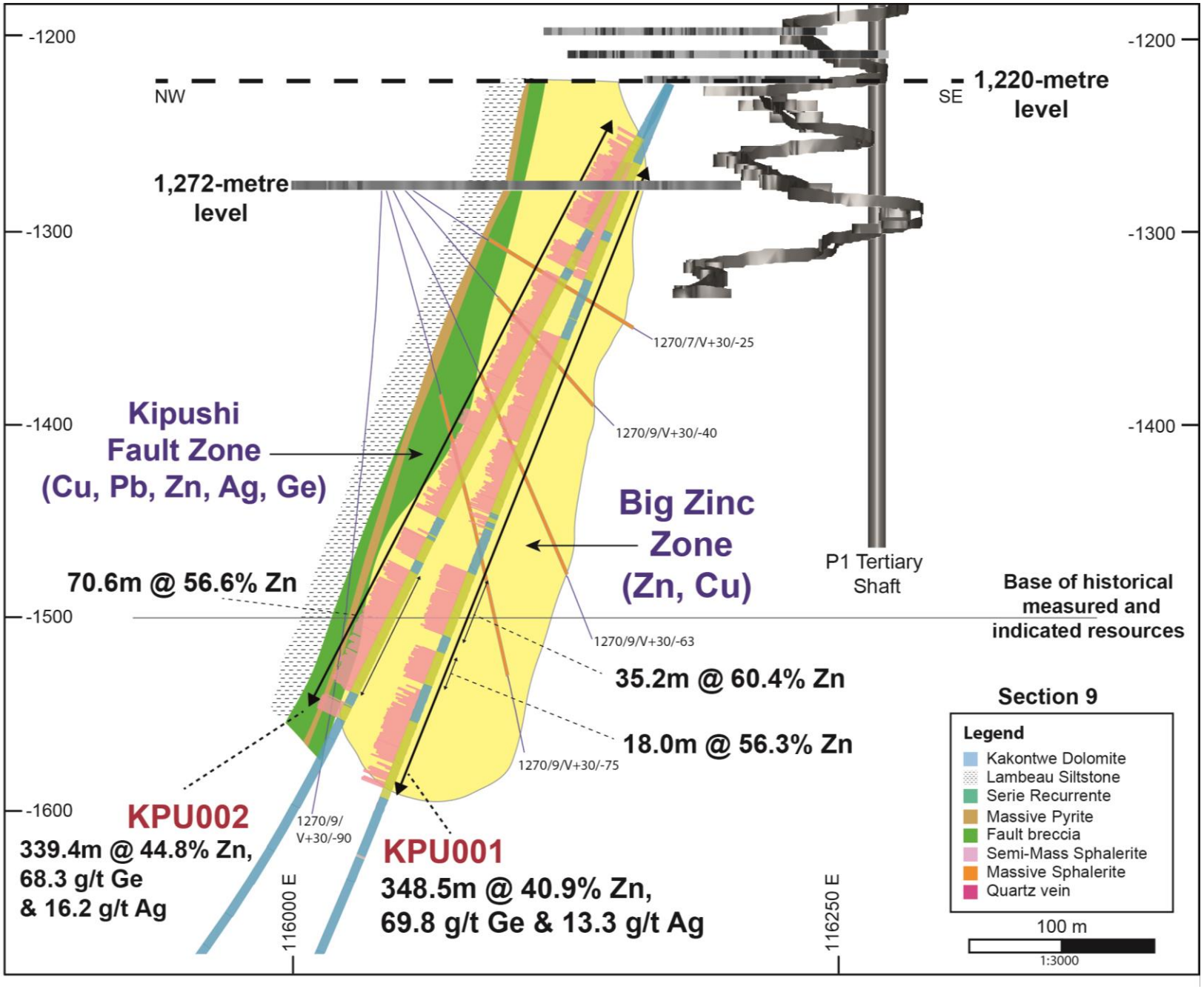

Figure 4: Kipushi cross-section showing Ivanhoe drill hole KPU003.

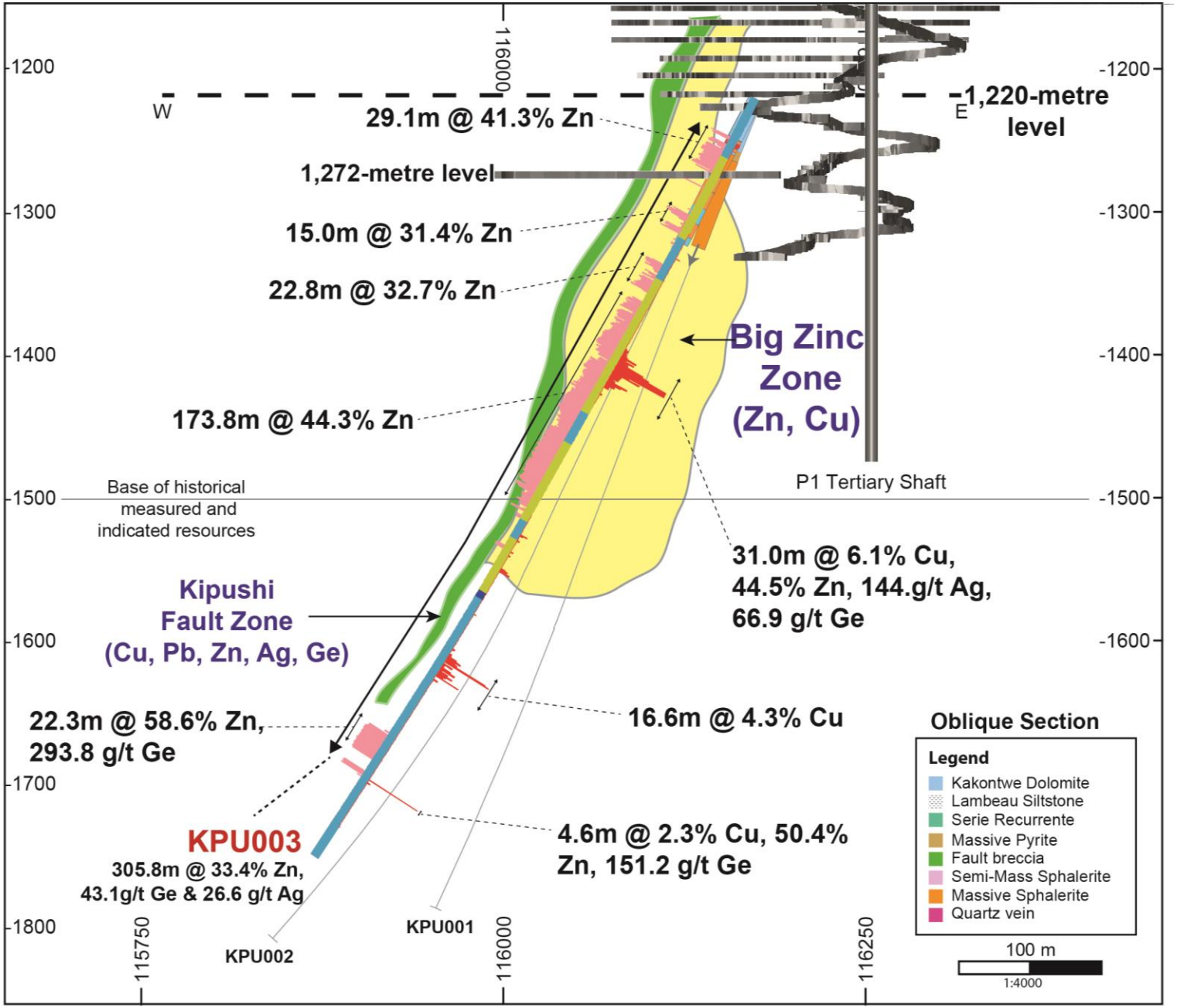

Figure 5: Drill section through Série Récurrente zone.

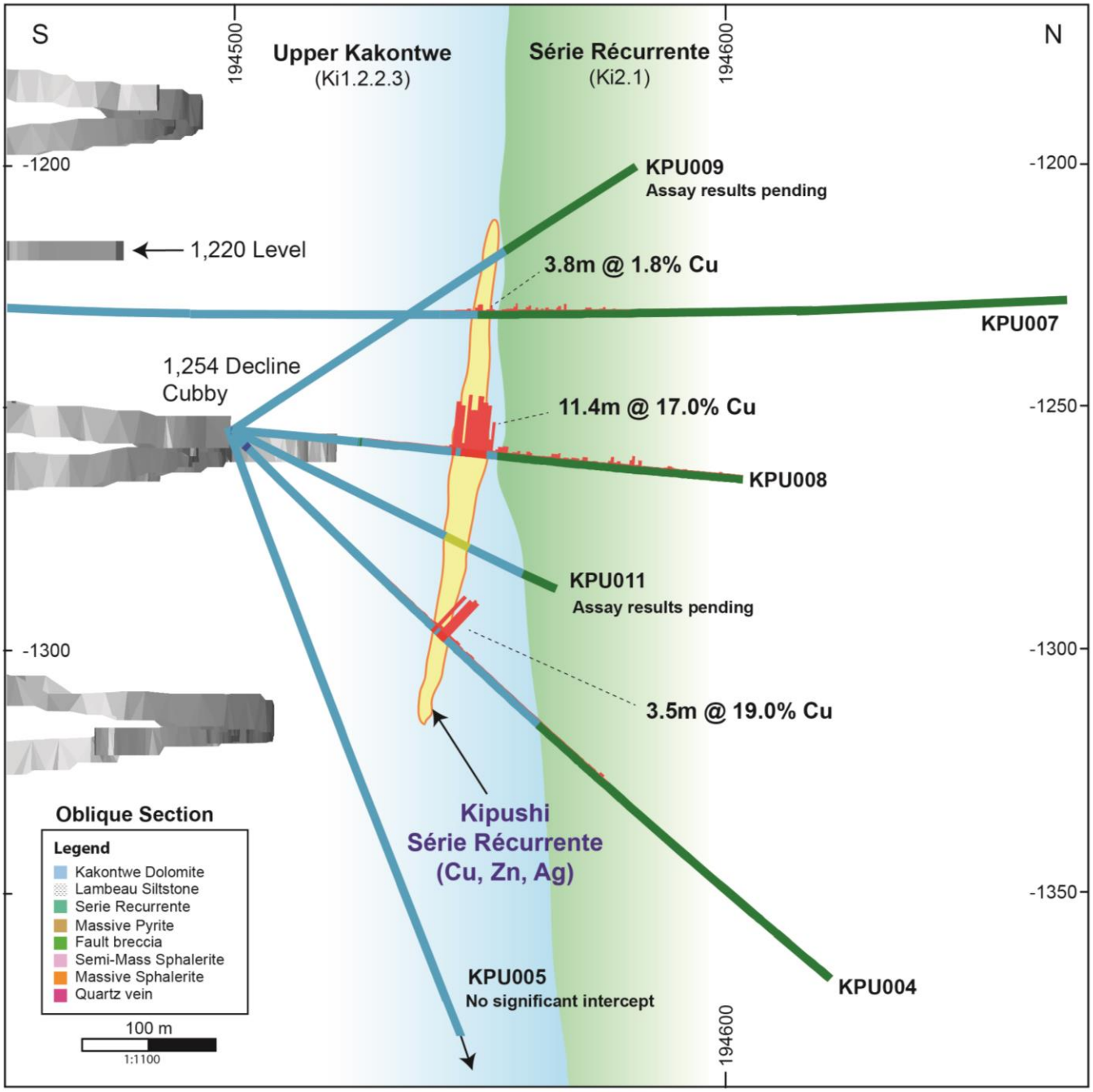

Figure 6: Photograph of massive copper- and zinc-bearing sulphides from drill hole KPU011 through the Série Récurrente zone shown in Figure 5.

Table 1: Summary of assay results from initial drilling by Ivanhoe Mines at Kipushi.

Hole #	Area	From	To	Width	True Width	Zinc	Copper	Silver	Germanium	Sulphur
		(m)	(m)	(m)	(m)	%	%	g/t	g/t	%
KPU001	**Big**	**46.0**	**394.5**	**348.5**	**na**	**40.9**	**0.3**	**13.3**	**69.8**	**26.9**
including	**Zinc**	46.0	111.4	65.4	na	49.2	0.2	36.5	50.2	34.2
		143.0	250.1	107.2	na	48.3	0.4	14.9	80.1	33.1
		274.4	309.5	35.2	na	60.4	0.1	5.6	87.2	33.0
		318.8	336.8	18.0	na	56.3	0.1	5.4	120.4	33.3
		340.3	394.5	54.2	na	48.5	0.3	3.5	121.0	31.0
KPU002	**Big**	**32.0**	**371.4**	**339.4**	**na**	**44.8**	**0.2**	**16.2**	**68.3**	**30.4**
including	**Zinc**	32.0	86.7	54.7	na	48.2	0.3	28.4	41.7	34.9
		97.0	110.0	13.0	na	47.9	0.2	20.2	44.8	30.5
		115.3	255.0	139.7	na	47.5	0.4	19.4	64.9	35.3
		285.6	356.2	70.6	na	56.6	0.2	11.1	111.9	32.8
		362.7	371.4	8.7	na	56.2	0.1	2.9	71.6	31.5
KPU003	**Big**	**30.7**	**336.5**	**305.8**	**na**	**33.4**	**0.9**	**25.6**	**43.1**	**26.6**
including	**Zinc**	31.4	60.5	29.1	na	41.3	0.3	22.8	66.2	30.4
		93.5	108.5	15.0	na	31.4	0.1	3.3	40.3	18.1
		132.6	155.4	22.8	na	32.7	0.2	9.7	48.1	27.3
		162.7	336.5	173.8	na	44.3	1.4	38.6	52.1	35.7
		including								
		197.0	228.0	31.0	na	44.5	6.1	144.0	66.9	35.0
		445.0	461.6	16.6	na	0.2	4.3	10.9	3.4	7.9
		512.4	534.7	22.3	na	58.6	0.2	7.0	293.8	30.8
		544.2	548.8	4.6	na	50.4	2.3	12.5	151.2	30.7
KPU004	**Série Récurrente**	**58.7**	**62.2**	**3.5**	**1.8**	**1.69**	**19.0**	**66.6**	**7.7**	**20.3**
KPU005	**Série Récurrente**	No significant intercept								
KPU007	**Série Récurrente**	**216.7**	**220.5**	**3.8**	**2.8**	**0.0**	**1.8**	**8.7**	**2.5**	**1.8**
		225.9	230.4	4.4	3.3	0.0	1.6	13.4	2.5	1.6
		237.0	239.5	2.5	1.9	0.0	1.7	21.0	2.5	0.8
KPU008	**Série**	**45.6**	**57.0**	**11.4**	**11.2**	**0.2**	**17.0**	89.6	**7.6**	**17.7**
	Récurrente	82.2	84.6	2.4	**2.4**	0.0	2.6	27.0	2.5	2.0

Previous estimate of historical resources

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
Totals shown above include the following Big Zinc resources:			
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 an acceptable projection of the Kipushi fault zone mineralization from the 1,500-metre level to the 1,800-metre level.

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 1997 estimate was prepared in accordance with the JORC Code. Ivanhoe Mines will 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 NI 43-101 Technical Report, dated September 2012, prepared by IMC and available at www.sedar.com and at www.ivanhoemines.com/i/pdf/Kipushi.pdf.

Qualified Person, Quality Control and Assurance

The 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 press release.

Ivanhoe Mines maintains a comprehensive chain of custody and QA-QC program on assays from its Kipushi Project. Half-sawn core is processed at its preparation laboratory in Kolwezi, DRC, before being shipped to Ultra Trace Geoanalytical Laboratories in Australia for external assay. Industry-standard certified reference materials and blanks are inserted into the sample stream prior to dispatch to Ultra Trace. Ivanhoe Mines' QA-QC program has been set up in consultation with MSA Group (Pty.) Ltd., of Johannesburg.

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 Katanga 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.

Ivanhoe 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 news 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 potential for extensions to historic Big Zinc, Recurring Series and Northern Rich mineralization; statements regarding the number of drill rigs and drilling plans and progress; statements regarding the upgrading of underground and surface infrastructure to support the planned drilling program and the preparation of the mine for potential future redevelopment and operations; statements regarding the expectation that germanium and silver grades could add to the overall metal value at Kipushi; and statements regarding the sulphur content at Kipushi representing a potentially significant value addition.

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. 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; and the failure of exploration programs or studies to deliver anticipated results or results that would justify and support continued exploration, 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.