

October 8, 2014

Ivanhoe Mines responds to misinformed and damaging comments contained in Bloomberg story

Overwhelming majority of local communities support planned development of Platreef Project on South Africa's Bushveld Complex

JOHANNESBURG, SOUTH AFRICA – Lars-Eric Johansson, Chief Executive Officer of Ivanhoe Mines (TSX:IVN), and Dr. Patricia Makhsha, Managing Director of the Ivanplats subsidiary's Platreef Project, today issued a statement responding to spurious allegations made in a Bloomberg news story published today and headlined, Friedland's South Africa platinum project faces local challenge. The allegations did not accurately and fairly represent circumstances concerning the support by representatives of an overwhelming majority of the communities in the Mokopane area for the planned development by Ivanhoe Mines of its Platreef platinum, palladium, nickel, copper, gold and rhodium project on the Northern Limb of the Bushveld Complex in South Africa.

As Ivanhoe Mines announced in its September 4 news release, an estimated 150,000 people live in the 20 host communities that form part of the broad-based black economic empowerment (B-BBEE) structure under which a trust, representing the interests of all 20 communities, will own 20% of the Platreef Project. The structure conforms to South Africa's mining laws and the transformation objectives enshrined in the Mining Charter.

While Bloomberg chose to give prominence to unsupported allegations by three area activists concerning the process that guaranteed a significant ownership stake by residents in the planned mine, Bloomberg failed to factually report that, despite organized, aggressive obstruction by activists, 15 of the 20 benefiting communities did participate in the election of representatives to the Trust Advisory Council, which in turn appoints trustees to the new Community Trust that will be responsible for the distribution of all money received by the trust.

Bloomberg did not acknowledge the fact that despite established government policies promoting broad-based participation by Historically Disadvantaged South Africans, a tiny minority of individuals led by activists pursuing their own self-serving agendas still are demanding unwarranted preferential treatment – and they have demonstrated that they will use all possible means to further their claims.

There is no indication that Bloomberg questioned its activist sources, said to be leading and advising community dissidents, about the extent of any involvement that the sources may have had in threatening, disruptive and sometimes violent tactics at public meetings, and whether they endorse such conduct by others. Readers were given no pertinent background facts on the individuals.

Bloomberg, for example, failed to acknowledge the extensive criminal past of its apparent principal source of information, Aubrey Langa, whom Bloomberg identified simply as a community adviser. In fact, Mr. Langa previously was convicted of furnishing false information, robbery and attempted murder. His disruption of certain Platreef Trust Advisory Council elections earlier this year prompted Ivanhoe Mines to warn him that it would seek a

court injunction against his actions. He subsequently failed to honour his undertaking to curb his conduct and proceeded to incite further election violence.

Coinciding with the publication of the Bloomberg story, representatives of the Kopano Committee – the activist group that Bloomberg reported is being advised by Mr. Langa – appeared at the Indaba resources and mining investment conference in Johannesburg today to continue their disinformation campaign against the Platreef Project.

It appears that Bloomberg did not challenge the inaccuracy of many of the critics' allegations or note their apparent hypocrisy inherent in influencing some communities to withdraw from negotiations over the formation of the Community Trust and then complaining that not all residents had an opportunity to be part of the process.

As Ivanhoe Mines advised Bloomberg in advance of the publication of its story, "based on more than 150 stakeholder meetings held in Mokopane during the past 18 months, we can confidently state that the overwhelming majority of residents in the Platreef Project's host communities are supportive of the planned development. It is evident that some individuals and groups continue to refuse to work with the company for the good of the entire community – and have in fact violently disrupted a number of our public meetings."

Ivanhoe further noted that "contrary to several misrepresentations made to Bloomberg, the communities themselves will not incur any debt obligations as a result of the B-BBEE transaction..."

By virtue of the Platreef mining right being granted on May 30 this year, Ivanhoe complied with all of the requirements for the mining right, which includes the terms and structure of the black economic empowerment transaction. Full 26% ownership of the Platreef Project passed to the B-BBEE partners on June 26 and Ivanhoe is looking forward to building a strong relationship with the partners. The mining right will take full legal effect following its notarial execution by South Africa's Department of Mineral Resources.

Ivanhoe Mines advised Bloomberg two days ago: "We are confident that the Platreef Project will not only become a major mining operation but will also contribute significantly to job creation, skills training and economic development opportunities, thereby impacting positively on the socio-economic landscape of Mokopane and surrounds in Limpopo province."

Dr. Makhesha said that Ivanhoe has a professional staff team dedicated to conducting relations with local stakeholders founded on openness and mutual respect, reflecting principles that have guided the company's 20-year history of exploration and discovery in South Africa.

"The black economic empowerment transaction and process leading up to the grant of the mining right have been fully transparent and in line with the objectives of the National Development Plan in terms of transformation."

"The Board of Directors of Ivanhoe Mines and major stakeholders, including its international investment partners, are committed to ensuring that the Platreef Project will deliver on its commitment to contribute to the creation of new opportunities and benefits for local people through equitable and just initiatives, uncompromised by corruption, that support the transformation policies of post-apartheid South Africa."

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