IVANHOE MINES
NEW HORIZONS

November 12, 2014

IVANHOE MINES ANNOUNCES FINANCIAL RESULTS AND REVIEW OF OPERATIONS FOR THE THIRD QUARTER OF 2014

TORONTO, CANADA – Ivanhoe Mines (TSX: IVN) today announced its financial results for the three and nine months ended September 30, 2014. All figures are in US dollars unless otherwise stated.

HIGHLIGHTS

- **On November 4, 2014, the South African government's Department of Mineral Resources formally activated Ivanhoe's long-term mining right at the company's Platreef Project in South Africa. The mining right, or licence, authorizes Ivanhoe to mine and process platinum-group metals, nickel, copper, gold, silver, cobalt, iron, vanadium and chrome at its Platreef discovery, near Mokopane on the Northern Limb of the Bushveld Complex. The mining right was issued for an initial period of 30 years and may be renewed for further periods, each of which may not exceed 30 years at a time, in accordance with the terms of section 24 of the Mineral and Petroleum Resources Development Act.**

- **Agreement was reached in September on terms for a broad-based, black economic empowerment (B-BBEE) participation structure for the Platreef Project that were progressively refined and optimized to ensure that the resulting partnership would deliver long-term benefits to local communities and entrepreneurs, as well as to Platreef's employees. In terms of Platreef's mining right, the B-BBEE partners now own 26% of the Platreef Project.**

- **On July 14, 2014, Ivanhoe announced 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 had confirmed initial visual estimates of high-grade zinc and copper mineralization in both the Big Zinc and copper-rich Série Récurrente zones.**

- **At the Kamoa Copper Project in the Democratic Republic of Congo (DRC), the construction of the box cut for the first access declines to the planned underground mine is progressing well and on schedule to be completed by the end of 2014. This will enable commencement of construction of the twin declines designed to intersect the high-grade copper mineralization in the Kansoko Sud area, approximately 150 metres below surface. Ivanhoe's drilling program in this area has defined a thick, near-surface zone of high-grade copper mineralization, where a recent drill hole intercepted 15.7 metres (true width) of 7.04% copper, at a 1.5% total copper cut-off.**

- **At the Kipushi Zinc-Copper Project in the DRC, 5,148 metres in 37 holes were drilled in Q3. Drilling during the quarter initially focused on the Série Récurrente zone, with 2,361 metres drilled in 21 drill holes. The focus of drilling subsequently switched to the Big Zinc Deposit as the 1,272-metre drill drift was dewatered and rehabilitated, with 2,787 metres in 16 holes completed. Ivanhoe released additional drill results from the Kipushi**

Project on September 5. The majority of the results were from drilling in the Série Récurrente; highlights included 13.7 metres grading 9.9% copper, 12.1% zinc, 37 grams per tonne (g/t) silver and 24 g/t germanium in hole KPU013.

Principal Projects and Review of Activities

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

- The Kamoa copper discovery in a previously unknown extension of the Central African Copperbelt in the Democratic Republic of Congo's southern 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 D.R. Congo's Katanga province, now being drilled and upgraded by Ivanhoe. Kipushi was operated and maintained by previous owners between 1924 and 2011, when Ivanhoe acquired its majority interest in the mine.

1. Kamoa Project

95%-owned by Ivanhoe Mines
Democratic Republic of Congo (DRC)

Kamoa is world's largest undeveloped, high-grade copper discovery

The Kamoa Project is a newly discovered, very large, stratiform copper deposit with adjacent prospective exploration areas within the Central African Copperbelt, approximately 25 kilometres west of the town of Kolwezi and about 270 kilometres west of the Katangan provincial capital of Lubumbashi. Ivanhoe holds its 95% interest in the Kamoa Project through a subsidiary company, Kamoa Copper SA (formerly African Minerals Barbados Limited SPRL). A 5%, non-dilutable interest in Kamoa Copper SA was transferred to the DRC government on September 11, 2012, for no consideration, pursuant to the DRC Mining Code. Ivanhoe also has offered to sell an additional 15% interest to the DRC government on commercial terms to be negotiated.

Kamoa is the world's largest undeveloped, high-grade copper deposit. On January 17, 2013, an updated mineral resource estimate was announced that increased Kamoa's Indicated Mineral Resources to a total of 739 million tonnes grading 2.67% copper and containing 43.5 billion pounds of copper. This was an increase of 115% over the previous estimate in September 2011 of 348 million tonnes grading 2.64% copper and containing 20.2 billion pounds of copper. Both estimates used a 1.0% copper cut-off grade and a minimum vertical mining thickness of three metres.

In addition to the Indicated Resources, the updated estimate included Inferred Mineral Resources of 227 million tonnes grading 1.96% copper and containing 9.8 billion pounds of copper, also at a 1.0% copper cut-off grade and a minimum vertical mining thickness of three metres.

The January 2013 Kamoa resource estimate was prepared by AMEC, based on core from 555 holes drilled to December 10, 2012, in accordance with CIM Guidelines and directed by AMEC's Technical Director Dr. Harry Parker.

At a higher, 2.0% copper cut-off grade, Kamoa's Indicated Resources total an estimated 550 million tonnes grading 3.04% copper and containing 36.9 billion pounds of copper. At the 2.0% cut-off, Kamoa also has 93 million tonnes of Inferred Resources grading 2.64% copper, which contain an estimated 5.4 billion pounds of copper.

Diamond drilling continued to provide valuable information

Drilling during Q3 2014 was focused on resource infill, exploration, and geotechnical investigation. In total, 11,269 metres were completed in 39 holes, including 6,017 metres (22 holes) drilled for infill in Kansoko Sud, 3,956 metres (nine holes) drilled in the Kakula area for exploration and 326 metres (four holes) drilled into Kansoko Sud's planned decline area for geotechnical purposes.

A separate hydrogeological drill program was completed for future mine water supply south of the Makalu Dome, with 970 metres completed in four holes. Planned drilling for 2014 was nearing completion by the end of the third quarter and subsequently was completed in early October.

Construction of box cut for first declines

The construction of the box cut for the first access declines to the planned underground mine is progressing well and on schedule to be completed by the end of 2014. This will enable commencement of construction of the twin declines designed to intersect the high-grade copper mineralization in the Kansoko Sud area, approximately 150 metres below surface. Ivanhoe's drilling program in this area has defined a thick, near-surface zone of high-grade copper mineralization, where a recent drill hole intercepted 15.7 metres (true width) of 7.04% copper, at a 1.5% total copper cut-off.

Additional assay results returned

Since assay results were last reported in May 2014, Ivanhoe has received assays for an additional 45 holes from its ongoing resource delineation and exploration programs. Returned assays covered 30 holes in Kansoko Sud, where detailed infill drilling to a 100-metre grid was undertaken during the year, one hole in Kansoko Centrale, one hole in Kansoko Nord, three holes in Makalu and 10 holes in the Kakula exploration area. Details of the drill results and a drill-hole location map are available in Ivanhoe Mines' Management's Discussion and Analysis report for the three and nine months ended September 30, 2014, available at www.ivanhoemines.com and at www.sedar.com.

Selected highlights of the drill results at a 1.5% copper cut-off include:

- 7.26% copper over 7.99 metres true thickness in Hole DKMC_DD914.
- 6.16% copper over 4.77 metres true thickness in Hole DKMC_DD925.
- 6.42% copper over 3.49 metres true thickness in Hole DKMC_DD929.
- 9.12% copper over 4.97 metres true thickness in Hole DKMC_DD952.

Progress on pre-feasibility study, with initial development planned at Kansoko Sud

In line with the phased approach to project development outlined in the 2013 updated Kamoa preliminary economic assessment (PEA), the Kamoa pre-feasibility study (PFS) is progressing based on the planned first phase of the project having an underground mine producing three million tonnes per annum (3 Mtpa) and feeding a concentrator. Development plans will be refined following completion of the PFS.

Work on the PFS design, scheduling and cost estimation of the mine is progressing well. To maximize margins, the target of the early years of mining is the near-surface material in Kansoko Sud and high-grade material in Kansoko Centrale.

Given the favourable geological characteristics of the Kamoa Deposit as derived from the December 2012 mineral resource – including its relatively undeformed, continuous mineralization – it is considered amenable to large-scale, mechanized, room-and-pillar and drift-and-fill mining. The overall dip and geometry of the resource make it conducive to room-and-pillar mining in the shallow portions of the deposit, which will transition to stepped room-and-pillar mining in the steeper sections and to drift-and-fill mining in the deeper sections. These methods are the accepted industry standards for mining deposits such as Kamoa.

Metallurgical test work for PFS design of the concentrator is underway at the XPS laboratory in Sudbury, Canada, and the Mintek laboratory in Johannesburg, South Africa. This test work is being carried out on a composite sample representing the first four years of mining, during which flotation concentrate will be produced and sold. Recent test work and flow-sheet development have resulted in significant improvements in copper recovery (88.3%) and copper concentrate grade (39.0%). Furthermore, very low arsenic levels were reported (0.01%), which could attract a premium.

Drilling of four large-diameter production water boreholes was completed during the third quarter. These will supply clean water to the mine and process plant during construction and operation. Initial indications are that the boreholes will easily supply sufficient water for the first phase of the project.

2. Platreef Project

64%-owned by Ivanhoe Mines
South Africa

The Platreef Project, in South Africa's Limpopo province, is 64%-owned by Ivanhoe and 10%-owned by a Japanese consortium of ITOCHU Corporation; ITC Platinum, an ITOCHU affiliate; Japan Oil, Gas and Metals National Corporation; and Japan Gas Corporation. The Japanese consortium's 10% interest in the Platreef Project was acquired in two tranches for a total investment of $290 million. The remaining 26% ownership interest is held by Ivanhoe's broad-based, black economic empowerment (B-BBEE) partners.

The Platreef Project includes the underground Flatreef Deposit of thick, platinum-group elements, nickel, copper and gold mineralization in the Northern Limb of the Bushveld Complex, approximately 280 kilometres northeast of Johannesburg.

Mining right executed

A Mining Right Application for the Platreef Project was lodged with the South African government's Department of Mineral Resources (DMR) in June 2013 and was approved on May 30, 2014. Officially executed by the Mineral Resources Minister on November 4, 2014, the mining right authorizes the company to exclusively mine and process platinum-group metals, nickel, copper, gold, silver, cobalt, iron, vanadium and chrome from the mining area for an initial period of 30 years, and may be renewed for an unlimited number of consecutive periods each of up to 30 years, in accordance with section 24 of the Mineral and Petroleum Resources Development Act.

Mining operations must be conducted in accordance with the Mining Work Programme (MWP) and any amendment to such MWP, and with an approved Environmental Management Plan (EMP).

Ivanhoe recently implemented its proposed B-BBEE structure, which includes communities,

employees and entrepreneurs, who together own 26% of the Platreef Project. The company now will begin the roll-out of its Social and Labour Plan, which includes the identification and implementation of local economic development projects.

The company will resume all physical exploration activities and Shaft #1 site work as soon as possible.

Platreef planning a phased approach to a large, underground, mechanized mine

An independent PEA was released in March 2014 that reflected a phased approach to development of the Platreef Project.

PEA highlights

- A large, mechanized, underground mine is planned to be developed through a phased approach.
- Three run-of-mine production scenarios were examined: four million tonnes per year (Mtpa); a base case of eight Mtpa; and 12 Mtpa.
- Phase 1 would include the construction of a concentrator and other associated infrastructure to establish an operating platform to support the start of production at a nominal plant capacity of four Mtpa by 2020.
- Phase 2 would include a ramp-up to a plant capacity of eight Mtpa by 2024; Phase 3 envisages a further ramp-up to a steady-state plant capacity of 12 Mtpa by 2028.
- Opportunities also exist for additional phases of development beyond 12 Mtpa, subject to further study.

The scenarios describe a staged approach, where there would be opportunity to expand the operation depending on demand, smelting and refining capacity and capital availability. As the four Mtpa (Phase 1) production scenario is developed and placed into production, there is expected to be opportunity to modify and optimize the subsequent phases, allowing for changes to the timing or expansion capacity to suit the conditions at the time.

Key features of the eight Mtpa base-case scenario

- Annual production target of 785,000 ounces of platinum, palladium, rhodium and gold. (At an expanded operating scenario of 12 Mtpa, the annual production target would be 1.1 million ounces of platinum, palladium, rhodium and gold (3PE+Au)).
- Platreef, with the highest concentration of base metals among Africa's platinum-group metals producers, would rank at the bottom of the cash-cost curve, at an estimated $341 per ounce of 3PE+Au, net of by-products.
- Estimated pre-production capital requirement of approximately $1.7 billion, including $381 million in contingencies.
- $1.6 billion after-tax net present value (NPV), at an 8% discount rate.
- 14.3% after-tax internal rate of return.

The Platreef PEA technical report has been filed on SEDAR at www.sedar.com and on the Ivanhoe Mines website at www.ivanhoemines.com.

Development work focused on resources in Flatreef underground discovery

The Flatreef Mineral Resource, with a strike length of 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 Mineral Resource area have average true thicknesses of approximately 24 metres at a cut-off grade of 2.0 grams per tonne (g/t) of platinum, palladium and gold (2PE+Au). The Indicated Mineral Resource grade at equivalent 2.0 gram-per-tonne 3PE+Au cut-off is 4.1 g/t 3PE+Au, 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 0.8 billion pounds of copper.

At the same 2.0 g/t 3PE+Au cut-off, the latest Flatreef estimate includes Inferred Mineral Resources of 415 million tonnes grading 3.5 g/t 3PE+Au, 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 CIM guidelines, do not have demonstrated economic viability and may never achieve the confidence to be Mineral Reserve estimates or to be mined.

Metallurgical testwork is underway at the Mintek laboratory in Johannesburg. The main focuses of the current phase of work are the improvement of concentrate quality and simplification of the flowsheet for the four Mtpa feasibility study, planned to commence in Q2 2015.

Shafts #1 and #2

Surface construction work for Shaft #1, which was suspended on May 26, 2014, now will resume following the execution of the Platreef Mining Right. Shaft #1 will have an internal diameter of 7.25 metres, with an annual hoisting capacity of 2.5 million tonnes. It is projected to reach a total depth of 975 metres in 2018. In the interim, it is planned to be used in 2017 to collect a mineralized bulk sample for metallurgical testing from the 800-metre level of the project’s Flatreef Deposit. South Africa-based Aveng Mining, the shaft-sinking contractor, is responsible for the excavation of the box-cut access for the shaft collar and vent plenum. The stage- and hoist-winding equipment has been refurbished and is being stored off-site. The fabrication of the temporary head frame has commenced.

Shaft #1, including some initial lateral, underground development work, is expected to be fully funded from dedicated funds remaining in Ivanhoe’s treasury from the $280 million received in 2011 for the sale of an 8% interest in the Platreef Project to the ITOCHU-led Japanese consortium.

Ivanhoe awarded the contract for design and engineering of Shaft #2, the 10-metre-diameter main production shaft that will be capable of hoisting six million tonnes a year and be fitted with a 150-person equipment cage, to South Africa-based Murray & Roberts Cementation in June 2014. This will enable the company to start Shaft #2 development works in Q1 2015, subject to necessary approvals and funding. The box-cut designs are complete and the contract for the early engineering works for the winding equipment has been awarded to South Africa-based FLSmidth.

Optimization work and pre-feasibility study

Whittle Consulting, an Australian firm, has been contracted to conduct an enterprise optimization study for each phase of the project. The study was based on the four Mtpa PFS case and identifies the key drivers of NPV and possible opportunities to enhance driver performance by applying simultaneous optimization through the use of Whittle’s in-house software. Completion of the study, with recommendations, is targeted for Q4 2014.

Completion of a PFS – currently focused on the Phase 1, four Mtpa production case – is targeted for Q4 2014. Studies will continue on the Phase 2 base-case eight Mtpa and Phase 3, 12 Mtpa production scenarios in 2015.

3. Kipushi Project

68%-owned by Ivanhoe Mines
Democratic Republic of Congo (DRC)

The Kipushi copper-zinc-germanium-lead mine, in the Democratic Republic of Congo's southern Katanga province, is adjacent to the town of Kipushi and approximately 30 kilometres southwest of the provincial capital of Lubumbashi. It also is on the Central African Copperbelt, southeast of the company's Kamoa Project, and less than one kilometre from the Zambian border. Ivanhoe acquired its 68% interest in the Kipushi Project in November 2011; the balance of 32% is held by the state-owned mining company, La Générale des Carrières et des Mines (Gécamines).

Project development and infrastructure

Work began in early March 2014 on the planned underground diamond-drilling program at the Kipushi Project, a major advance made possible by the ongoing dewatering program directed by Ivanhoe during the past three years following its acquisition in November 2011.

The mine, which had been placed on care and maintenance in 1993, flooded in early 2011 due to a lack of pump maintenance over an extended period. Water reached 851 metres below surface at its peak. A major milestone was reached in December 2013 when Ivanhoe restored access to the mine's principal haulage level at 1,150 metres below the surface.

Since then, crews have been upgrading underground and surface infrastructure to support the drilling program. Recent improvements have included the fabrication of an air deflector for ventilation Shaft #4 to reduce noise impact, tie-in of the water piping from shafts P1Ter and P15 to the 1,112-metre-level dam, and the start of the removal of corroded ventilation columns from Shaft #5.

Water levels are stabilized below the 1,150-metre-level haulway and 1,272-metre-level hanging wall drift, enabling access for drilling, with two rigs targeting the Série Récurrente and Big Zinc mineralization.

Exploration and development drilling

Ivanhoe's Kipushi underground drilling program is designed to confirm and update Kipushi's estimated historical resources and to further expand the resources along strike and at depth. More than 10,000 metres of drilling had been completed by the end of the third quarter.

A total of 5,148 metres, in 37 drill holes, were completed in Q3. Drilling during the quarter initially focused on the Série Récurrente Zone, with 2,361 metres drilled in 21 holes. The focus of drilling subsequently switched to the Big Zinc as the 1,272-metre-level drill drift was dewatered and rehabilitated, with 2,787 metres completed in 16 holes.

Série Récurrente exploration continued to test areas to the east and below the historical measured and indicated resources. A final drill section was completed from the 1,251-metre-level and three additional sections were completed from a drill station on the 1,261-metre-level. Two holes tested the Nord Riche area, where the Série Récurrente intersects the Fault Zone.

Ivanhoe released additional drill results from the Kipushi Project on September 5, 2014. The majority of the drill results were from drilling in the Série Récurrente. Highlights included:

- Hole KPU011: 16.1 metres grading 4.9% copper, 5.8% zinc and 23 grams per tonne (g/t) silver.
- Hole KPU013: 13.7 metres grading 9.9% copper, 12.1% zinc, 37 g/t silver and 24 g/t germanium.
- Hole KPU014: 8.7 metres grading 5.7% copper, 22.5% zinc, 33 g/t silver and 28 g/t germanium.
- Hole KPU015: 9.7 metres grading 9.0% copper, 0.5% zinc, and 30 g/t silver.
- Hole KPU020: 5.2 metres grading 21.0% copper, 2.3% zinc, 190 g/t silver and 10 g/t germanium.

Additional details from the drill results can be found in Ivanhoe's September 5, 2014, news release.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table summarizes selected financial information for the prior eight quarters. Other than its share of revenue from the RK1 Consortium, Ivanhoe had no operating revenue in any financial reporting period and did not declare or pay any dividend or distribution in any financial reporting period.

	3 Months ended			
	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013
	$'000	$'000	$'000	$'000
Exploration and project expenditure	33,385	39,580	37,102	60,738
General administrative expenditure	8,045	4,913	9,318	11,567
Shared-based payments	7,060	85,428	2,561	2,029
Impairment of mineral property, goodwill and other	-	-	-	334,338
Finance costs	377	1,124	358	559
Mark-to-market (gain) loss on revaluation of warrants	(12,360)	5,152	-	-
Deferred tax recovery	-	-	-	(75,701)
Total comprehensive loss attributable to:				
Owners of the Company	23,474	129,474	42,750	240,262
Non-controlling interest	15,092	6,280	6,057	92,606
Loss per share (basic and diluted)	0.03	0.21	0.07	0.41

	3 Months ended			
	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012
	$'000	$'000	$'000	$'000
Exploration and project expenditure	39,793	41,281	32,131	31,314
General administrative expenditure	6,259	6,270	6,980	8,441
Shared-based payments	1,898	2,143	2,238	1,446
Legal settlement	10,000	-	-	-
Finance costs	543	319	223	2,069
Total comprehensive loss attributable to:				
Owners of the Company	51,787	43,804	37,372	37,949
Non-controlling interest	6,248	7,198	5,018	4,771
Loss per share (basic and diluted)	0.10	0.08	0.07	0.07

DISCUSSION OF RESULTS OF OPERATIONS

Review of the three months ended September 30, 2014 vs. September 30, 2013

The company's total comprehensive loss for Q3 2014 of $38.6 million was $19.4 million lower than for the same period in 2013 ($58.0 million). The decrease mainly was as a result of the mark-to-market gain on the revaluation of warrants of $12 million and the legal settlement expense in 2013 that amounted to $10 million.

The company's share-based payment expense amounted to $7.1 million, compared to $1.9 million for the same period in 2013. The final allocations of the Platreef Project's B-BBEE transaction were completed on September 3, 2014, and resulted in a share-based payment expense of $5.0 million being recognized in Q3 2014, with the remaining $2.0 million (Q3 2013: $1.9 million) being the expense for options granted to employees recognized over the vesting period.

Exploration and project expenditures for the three months ending September 30, 2014, were $6.4 million less than for the same period in 2013. Expenditure at the Kamoa Project decreased by $4.8 million compared to the same period in 2013; however, the costs directly attributable to the construction of the Kamoa box cut were capitalized as development costs and therefore do not form part of the expensed amount.

Expenditure at the Platreef Project decreased to $6.9 million in the quarter (Q3 2013: $8.0 million) as Ivanhoe awaited the execution of the project's mining right, while expenditure at the Kipushi Project increased by $0.5 million compared to the same period in 2013 as a result of the drilling program that is underway.

Financial position as at September 30, 2014 vs. December 31, 2013

The company's total assets increased to $302.7 million as at September 30, 2014, from $287.6 million as at December 31, 2013. This mainly was due to an $8.5 million increase in property, plant and equipment.

The company utilized $135.5 million of its cash resources in its operations and earned interest income of $0.8 million on cash balances in the year to date. A total of $15.5 million was spent to acquire property, plant and equipment. This mainly was for the initial development of the Platreef Project's Shaft #1 and the Kamoa Project's box cut.

The company generated cash inflow from financing activities during the nine months ending September 30, 2014, of $153 million. This mainly was a result of the public offering and a concurrent private placement that Ivanhoe completed in June and July for a total issuance of 115,000,767 units. Each unit consisted of one Class A common share and one Class A common share purchase warrant, which were sold at a price of C$1.50 per unit and raised total gross proceeds of C$173 million (net proceeds of $151 million).

The company's total liabilities increased from $60.3 million as at December 31, 2013, to $67.1 million as at September 30, 2014. This mainly was due to the financial liability that arose with the issuance of the purchase warrants in Q2 2014 that had a fair value of $9.3 million at September 30, 2014.

The company intends to dispose of its Australian subsidiaries in the next 12 months and therefore has classified the related assets and liabilities as held for sale. The company has identified an interested buyer. As at September 30, 2014, the carrying value of assets held for sale amounted to $3.0 million.

LIQUIDITY AND CAPITAL RESOURCES

The company closed a non-brokered private placement for C$108 million ($105 million) in Q4 2013 and completed a public offering and concurrent private placement for gross proceeds of C$169 million ($154 million) in Q2 2014. In addition, Robert Friedland also fully exercised his option to purchase an additional 2.5 million units, for net proceeds to the company of C$3.75 million in July 2014.

The company had $168.1 million in cash and cash equivalents and $55.2 million in short-term deposits as at September 30, 2014. Certain of the company's cash and cash equivalents and short-term deposits, having an aggregate value of $119.3 million, are subject to contractual restrictions as to their use and are reserved for the Platreef Project.

As at September 30, 2014, the company had consolidated working capital of approximately $211.2 million, compared to $201.7 million at December 31, 2013. The Platreef Project working capital is restricted and amounted to $123.6 million at September 30, 2014, and $161.6 million at December 31, 2013. Excluding the Platreef Project working capital, the resultant working capital was $87.6 million at September 30, 2014, and $40.1 million at December 31, 2013. The company believes it has sufficient resources to cover its short-term cash requirements. However, the company's access to financing is always uncertain and there can be no assurance that additional funding will be available to the company in the near future.

This release should be read in conjunction with Ivanhoe Mines' unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2014, and Management's Discussion and Analysis report available at www.ivanhoemines.com and at www.sedar.com.

Qualified Person

Disclosures of a scientific or technical nature in this news release have been reviewed and approved by Stephen Torr, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of National Instrument 43-101. Mr. Torr has verified the technical data related to drilling information on Kamoa disclosed in this news release. Copper assays were determined by mixed-acid digestion with 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.

Ivanhoe Mines has prepared a NI 43-101-compliant technical report for each of the Kamoa Project, the Platreef Project and the Kipushi Project, which are available at www.sedar.com. These technical reports include relevant information regarding the effective date and the assumptions, parameters and methods of the mineral resource estimates on the Kamoa Project and Platreef Project cited in this news release, as well as information regarding data verification, exploration procedures and other matters relevant to the scientific and technical disclosure contained in this news release in respect of the Kamoa Project, Platreef Project and Kipushi Project.

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Cautionary statement on forward-looking information

Certain statements in this news release constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities laws, including without limitation, the timing and results of: (i) a pre-feasibility study (PFS) at the Kamoa Project; (ii) statements regarding the expected time for construction of the Kamoa box cut by the end of 2014; (iii) statements regarding the expectation that the development of the first set of Kamoa twin declines is expected to begin upon completion of the box cut; (iv) statements regarding the declines having been designed to intersect the high-grade copper mineralization in the Kansoko Sud area; (v) statements regarding underground mining to use mechanized room-and-pillar and drift-and-fill methods; (vi) the completion of a PFS at the Platreef Project by Q4 2014; (vii) the commencement of development works of the main production shaft (Shaft #2) at the Platreef Project in Q1 2015; (viii) the collection of a mineralized bulk sample at the Platreef Project by the first half of 2017 (ix) efforts to upgrade historical resource estimates at the Kipushi Project; (x) the de-watering program at the Kipushi Project; (xi) ramp up of Phase 1 at the Platreef Project by 2020, Phase 2 by 2024 and Phase 3 by 2028; and (xii) statements regarding the timing for completion of drilling programs. Such statements involve known and unknown risks, uncertainties and other factors that 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 news release.

As well, the results of the preliminary economic assessments of the Kamoa Project and the Platreef Project constitute forward-looking information, and include future estimates of internal rates of return, net present value, future production, estimates of cash cost, proposed mining plans and methods, mine life estimates, cash flow forecasts, metal recoveries, and estimates of capital and operating costs. Furthermore, with respect to this specific forward-looking information concerning the development of the Kamoa and Platreef Projects, the company has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include among others: (i) the adequacy of infrastructure; (ii) geological characteristics; (iii) metallurgical characteristics of the mineralization; (iv) the ability to develop adequate processing capacity; (v) the price of copper, nickel, platinum, palladium, rhodium and gold; (vi) the availability of equipment and facilities necessary to complete development, (vii) the cost of consumables and mining and processing equipment; (viii) unforeseen technological and engineering problems; (ix) accidents or acts of sabotage or terrorism; (x) currency fluctuations; (xi) changes in regulations; (xii) the availability and productivity of skilled labour; (xiii) the regulation of the mining industry by various governmental agencies; and (xiv) political factors.

This news release also contains references to estimates of Mineral Resources. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation (including estimated future production from the company’s projects, the anticipated tonnages and grades that will be mined and the estimated level of recovery that will be realized), which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that ultimately may prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on: (i) fluctuations in copper, nickel, platinum group elements (PGE), gold or other mineral prices; (ii) results of drilling, (iii) metallurgical testing and other studies; (iv) proposed mining

operations, including dilution; (v) the evaluation of mine plans subsequent to the date of any estimates; and (vi) the possible failure to receive required permits, approvals and licenses.

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. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed below and under “Risk Factors”, as well as unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts with the company 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.

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.

The company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of the factors set forth in the “Risk Factors” section in the company’s September 30, 2014, Management’s Discussion and Analysis report available at www.ivanhoemines.com and at www.sedar.com.