IVANHOE MINES
NEW HORIZONS

September 5, 2014

Additional high-grade zinc and copper assay results returned from drilling program at the Kipushi Mine in D.R. Congo

First hole completed across Big Zinc zone from hangingwall drill drift on the 1,272-metre level

Ongoing progress toward redevelopment of Kipushi mine

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 second batch of assay results from the company's underground diamond-drilling program at the Kipushi copper-zinc-germanium-lead and precious-metals mine has returned more exceptionally high-grade zinc and copper drill intercepts.

The majority of the new drill results are from the Série Récurrente (Recurring Series) zone, which continues to return high-grade copper and zinc-rich intercepts. Results (all estimated true widths) include:

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

Drilling well underway on Kipushi's 1,272-metre level: Defining the Big Zinc zone's historical resources, never mined since the discovery in the late 1980s

Ivanhoe has commenced drilling of the Big Zinc zone from the hangingwall drill drift on the 1,272-metre level, a significant development since drilling from this drift provides the geometry for near-true-width intercepts across the Big Zinc zone. The first hole from the 1,272-metre level, hole KPU040, has just been completed and represents the first of Ivanhoe's holes designed to allow estimation of the historical Big Zinc indicated resource – originally established through pre-1993 drilling by the previous owner – in

line with current guidelines set by the Canadian Institute of Mining, Metallurgy and Petroleum.

Hole KPU040 was drilled at -65 degrees between two historical Gécamines holes and intersected massive sulphide mineralization over a downhole distance of approximately 90 metres. The observed mineralization in this hole confirmed the overall geometry of mineralization seen in the adjacent historical holes of a massive sulphide body approximately 70 to 80 metres thick on this section line.

The intersection consisted of massive sphalerite (zinc), chalcopyrite and bornite (copper) and pyrite of the Big Zinc zone. The second hole in the hangingwall drilling program targeting the Big Zinc zone is currently underway.

Ivanhoe cautions that the presence of observed mineralization is not presented to confirm historical assay results. It confirms only the presence of mineralization similar in style to that observed in historical holes drilled by state-owned mining company Gécamines. Assays are pending for a number of drill holes, including KPU040.

Mr. Friedland commented, "These latest assay results continue to highlight the remarkable grades and widths of mineralization present at Kipushi. The completion of the first of our planned drill holes across the Big Zinc zone from the hangingwall drill drift marks the successful attainment of another milestone in our goal of establishing an updated, compliant resource in the Big Zinc zone."

Ivanhoe now has completed 35 holes totalling approximately 7,350 metres of its planned 20,000-metre underground diamond drilling program. Safe drilling access to the important 1,272-metre level now is complete. Two diamond-drill rigs are active. The first is in the hangingwall drill drift on the 1,272-metre level targeting the Big Zinc zone. The second rig is expected to complete the drilling of five remaining holes in the Série Récurrente zone in approximately two weeks, after which it will be relocated to the 1,272-metre level. Hole KPU040 represents the first of 24 holes and 5,680 metres of drilling planned for the Big Zinc hangingwall drilling program. An additional 12 drill holes also are planned to test for deep extensions to the Big Zinc zone, of which seven will be completed from the hangingwall drift and the remainder from various locations on the decline.

Key recent infrastructure upgrades at Kipushi

Ivanhoe is continuing to make significant infrastructure upgrades on the surface and underground as part of its planned redevelopment of the Kipushi mine. Most fabrication work has been done on site utilizing the re-commissioned machine shop and boilermaker shop facilities.

Key recent upgrades include:

- **installation and commissioning of the new main ventilation fan at Shaft #4;**
- **construction of a water dam and installation of a major pump station on the 1,112-metre level; and**
- **winder upgrades at Shaft #5 to facilitate the installation of permanent pumping arrangements and shaft restoration.**

The installation of the new main ventilation fan at Shaft #4 has significantly increased the airflow on the Cascades side of the mine, where the majority of expected future mining operations would be conducted. Good progress has been made in the rehabilitation of Shaft #5, its winders and associated infrastructure. Access to the 1,210-metre level on the Shaft #5 side of the mine is expected in Q1 2015 to enable re-equipping of the mine's settling and pumping facilities.

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

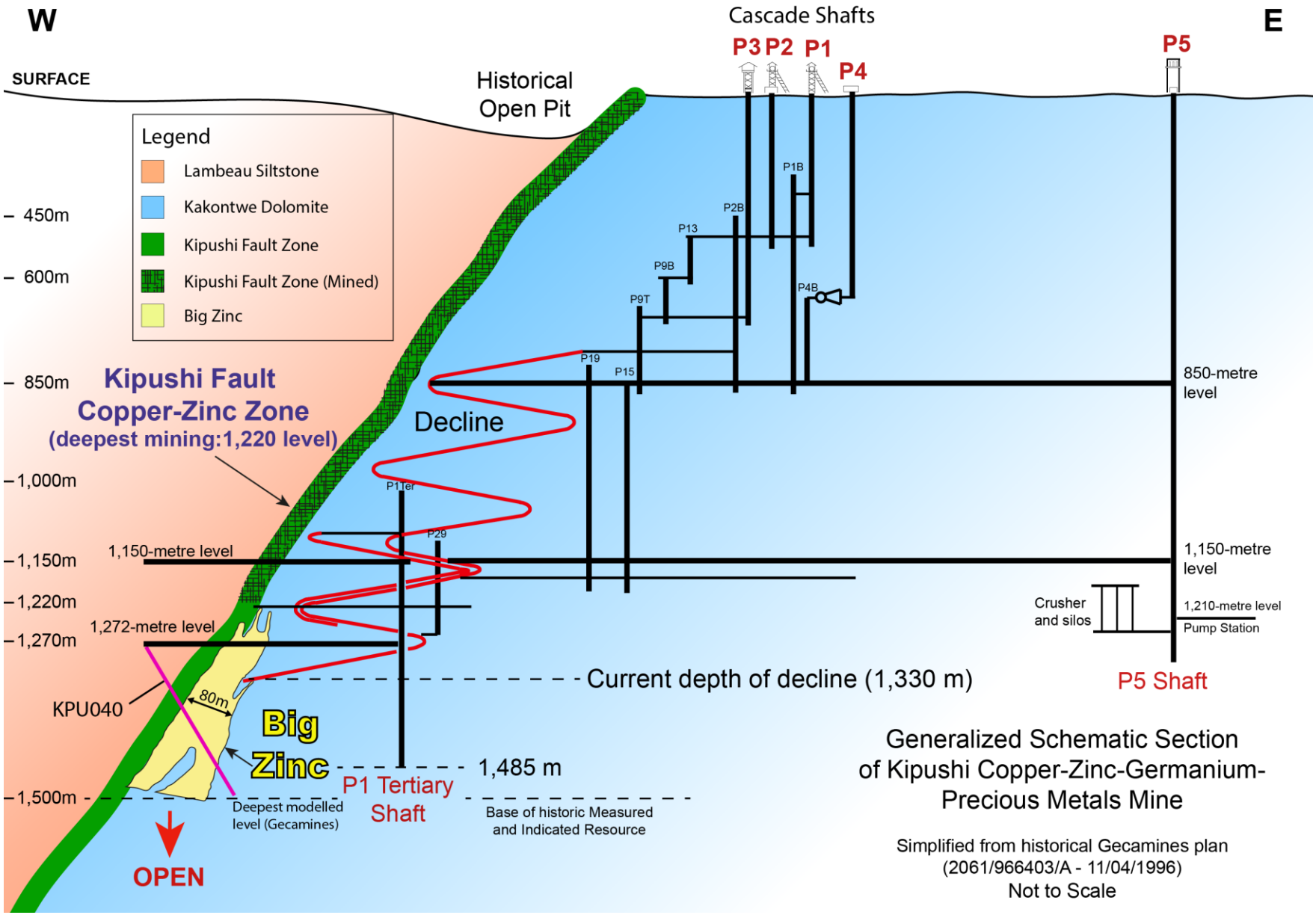

Figure 2: Drill plan showing schematically the location of the mineralized zones and infrastructure in the Cascades side of the mine. The Big Zinc zone is interpreted to plunge steeply to the south, where it was intersected by hole KPU040.

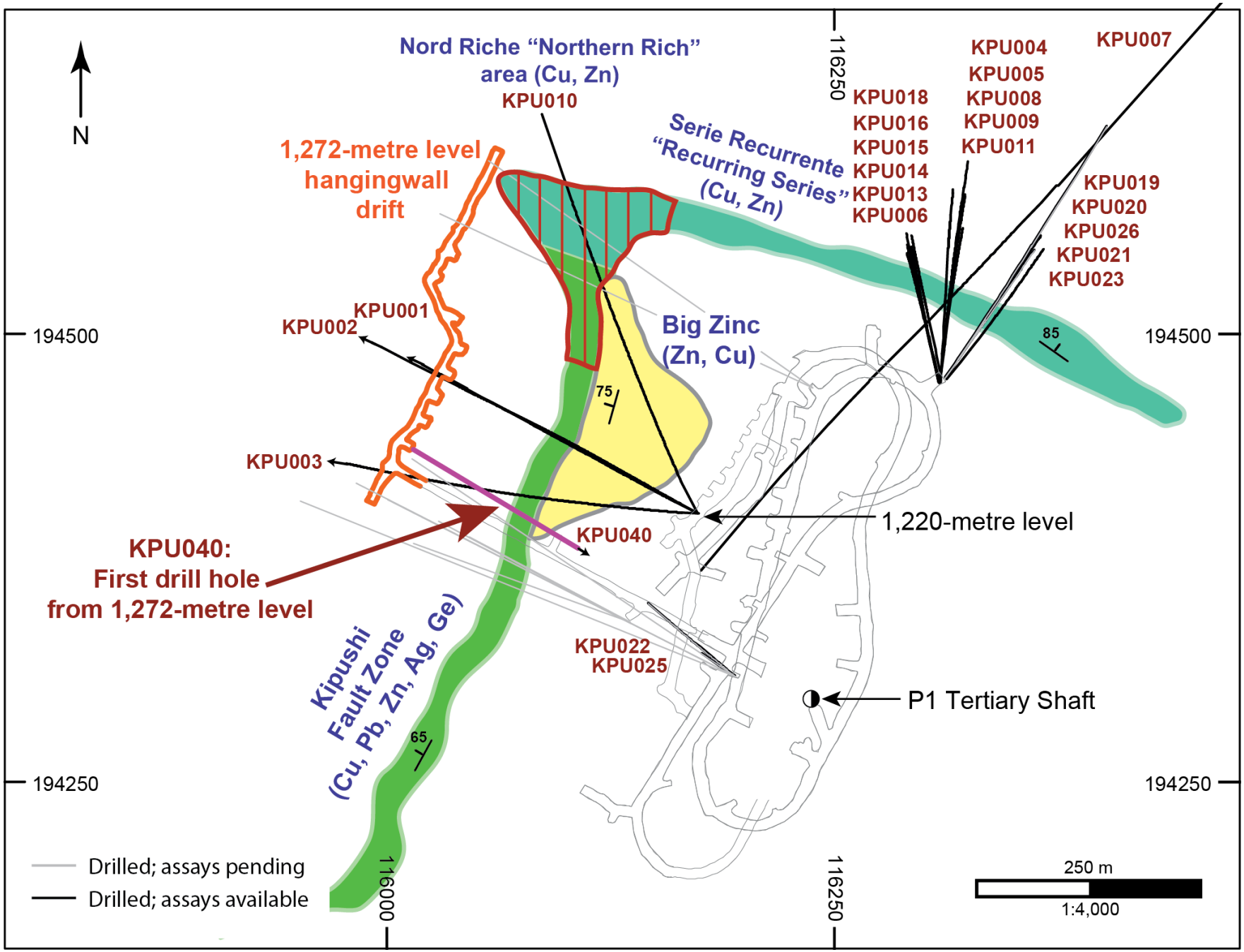

Figure 3: Drill section #1 (furthest to the east) through Série Récurrente zone. Assay composites reported are true widths.

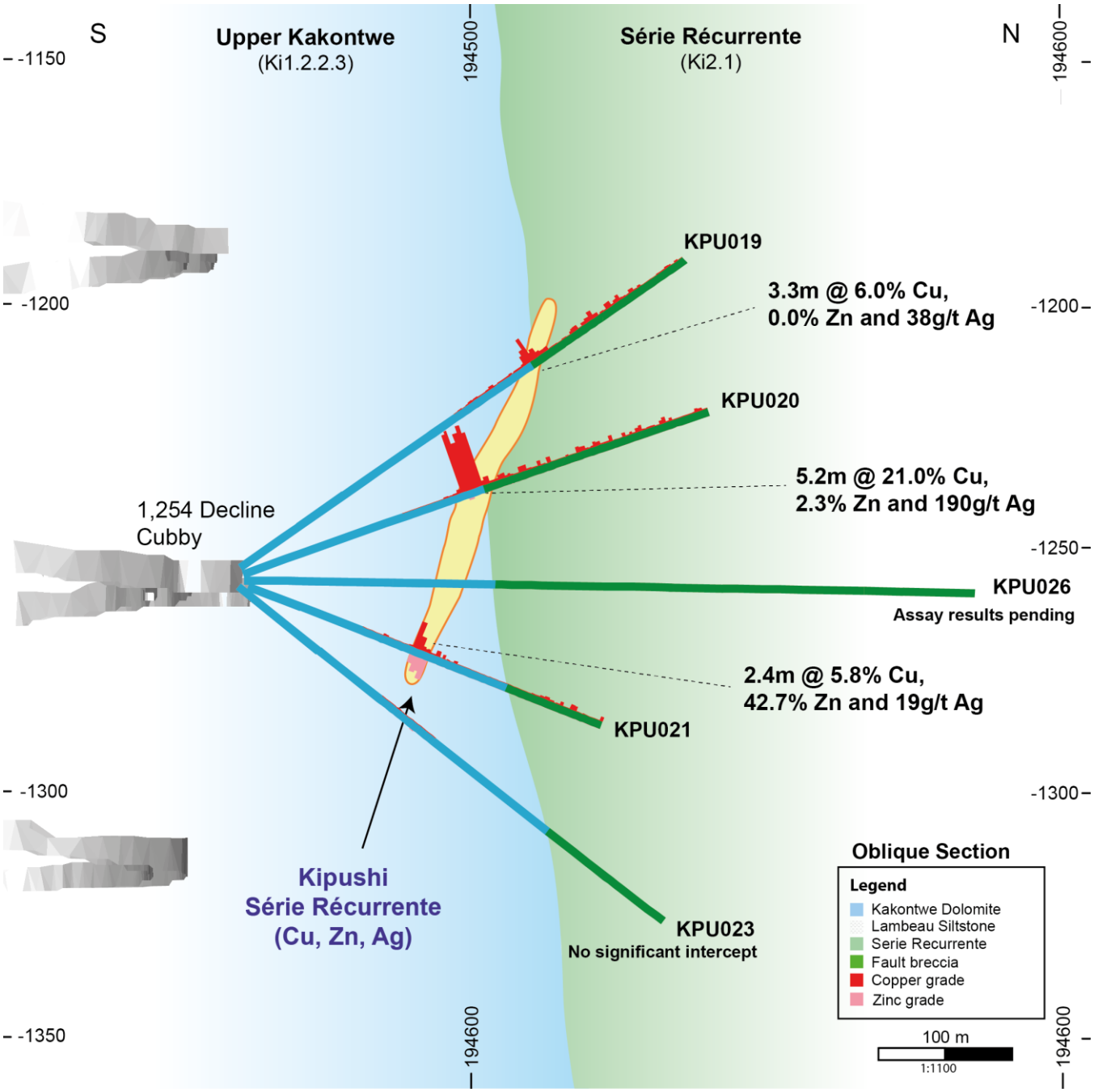

Figure 4: Drill section #2 (middle section) through Série Récurrente zone. Assay composites reported are true widths.

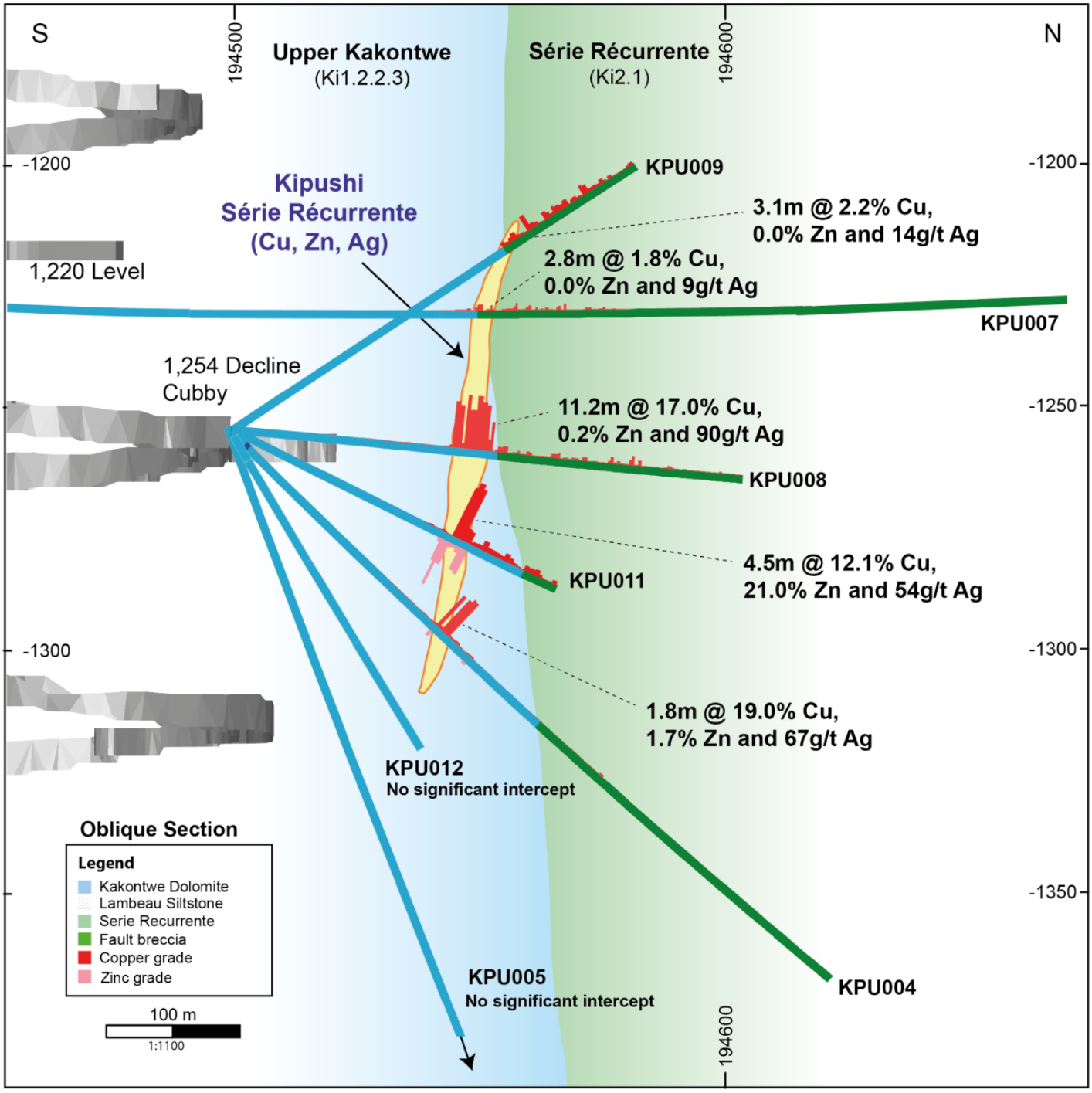

Figure 5: Drill section #3 (furthest west) through Série Récurrente zone. Assay composites reported are true widths.

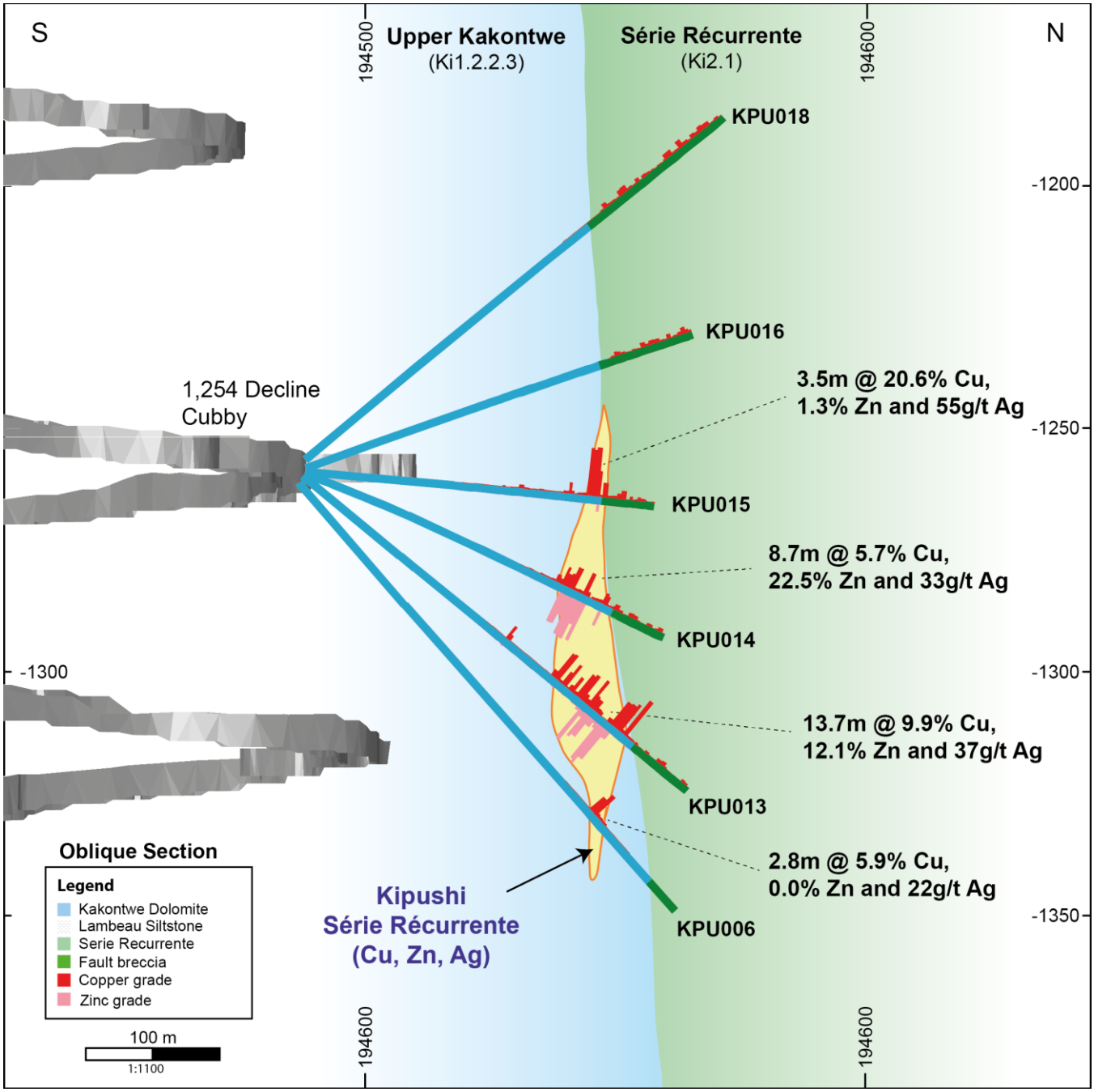

Figure 6: High-grade copper-zinc intersection in KPU014, newly reported assays grading 5.7% copper, 22.5% zinc, 33 g/t silver and 28 g/t germanium over an estimated true width of 8.7 metres.

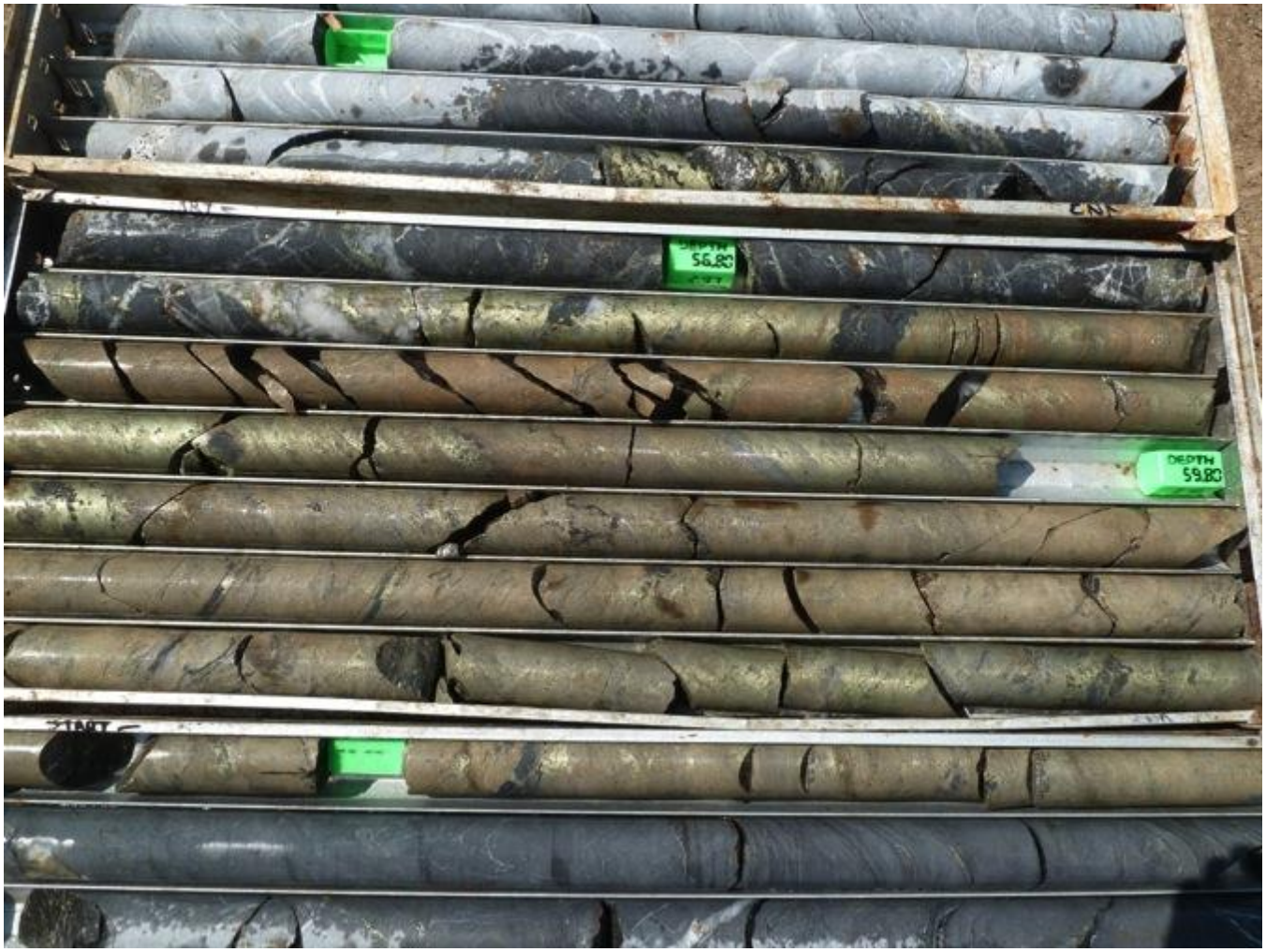

Figure 7: Three-dimensional model of Big Zinc zone based on historical Gécamines drilling, showing Ivanhoe's planned and completed drill holes. The location of Ivanhoe's recently completed drill hole KPU040 is indicated.

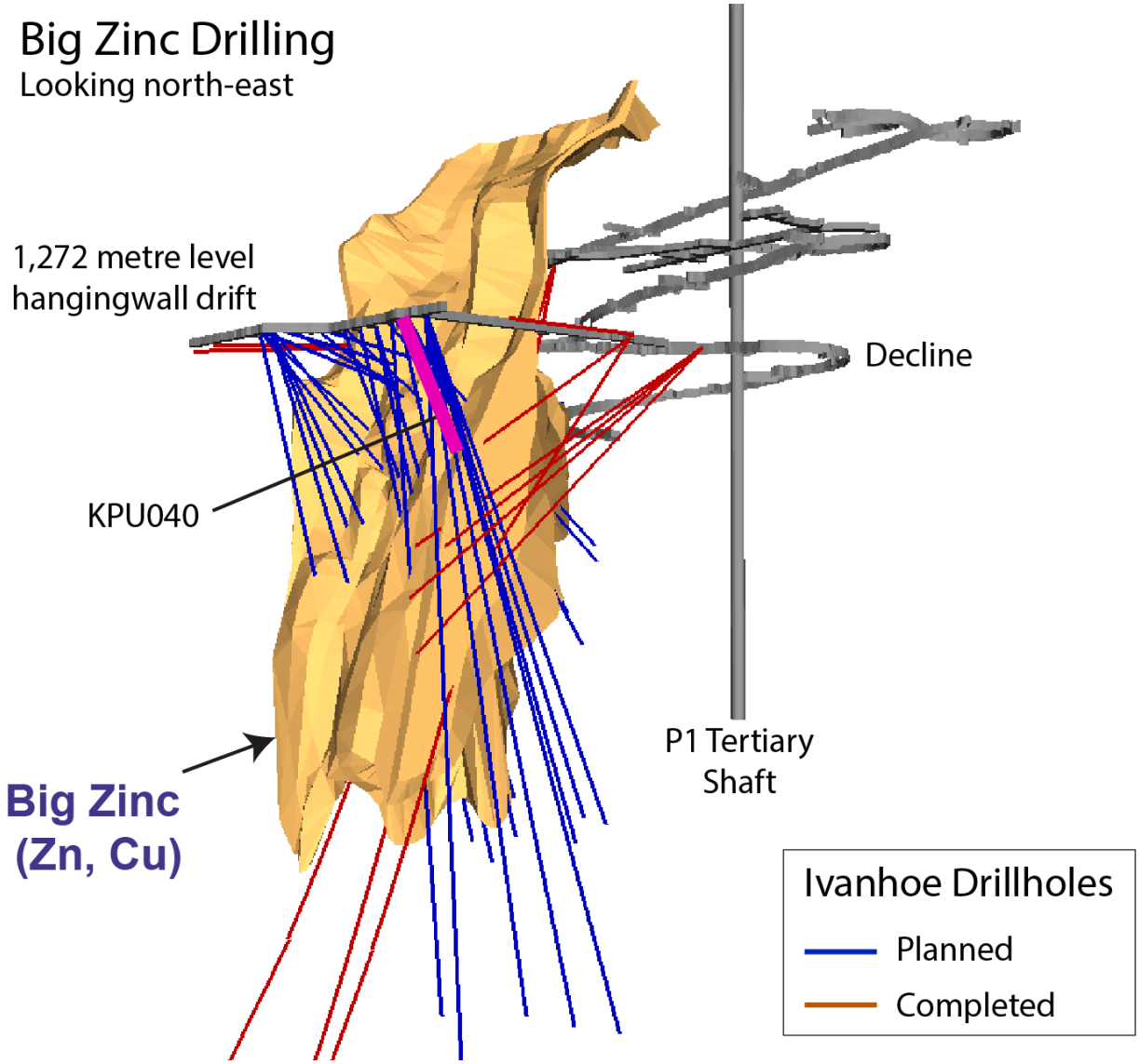

Figure 8: Portion of recently completed intersection of massive zinc-copper sulphide mineralization in the Big Zinc zone, from drill hole KPU040.

Figure 9: Close-up of massive copper sulphides (chalcopyrite and bornite) in drill hole KPU040 through the Big Zinc zone.

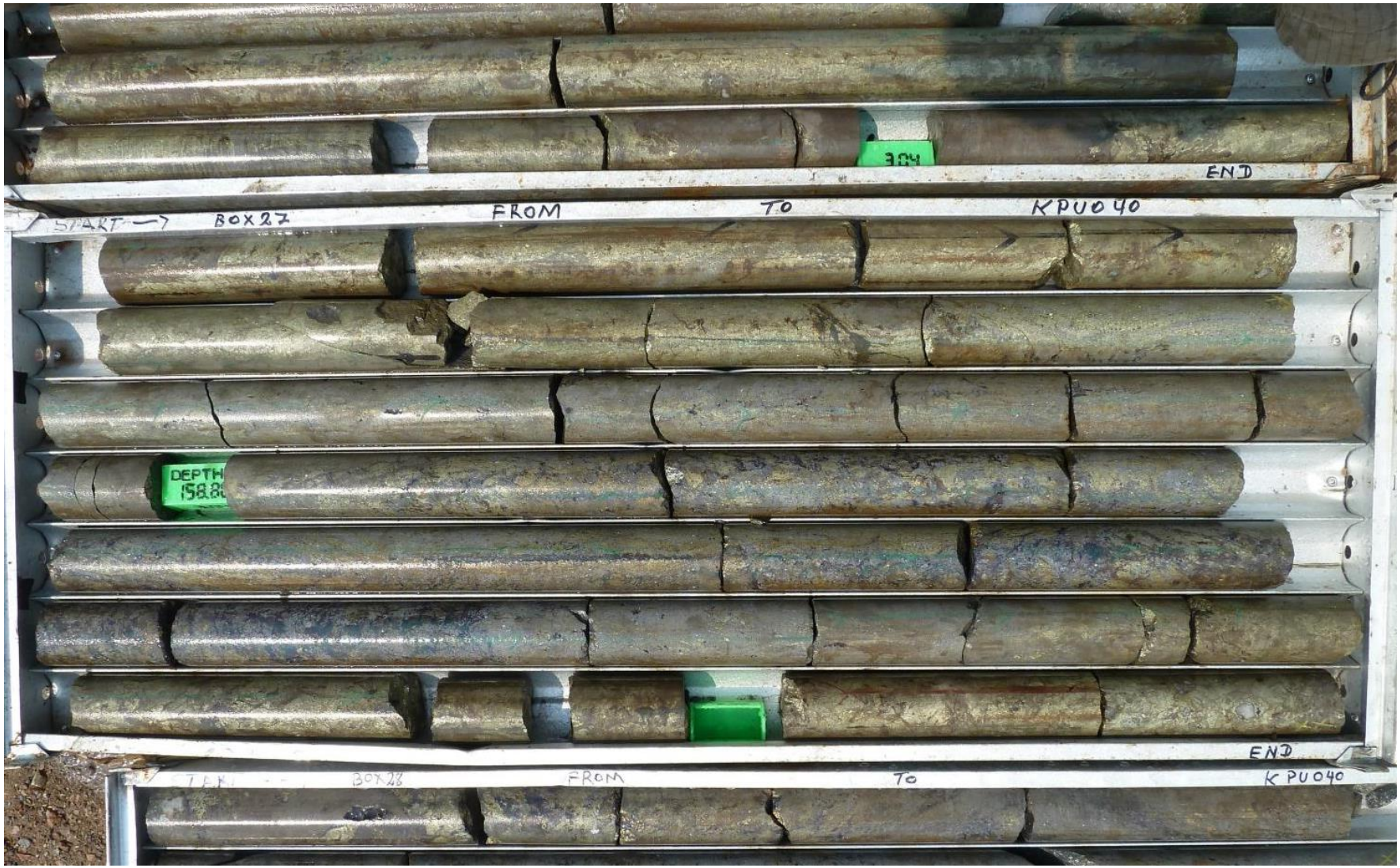

Figure 10: Drilling the Big Zinc zone on the 1,272-metre level.

Figure 11: Scooptram removing mud from access on 1,150-metre level.

Figure 12: Installation of new Grifo pump at 1,112-metre pump station.

Figure 13: Replacing sheave wheel on Shaft #2 headframe.

Figure 14: New, main ventilation fan at Shaft #4, fabricated on site and operational.

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

Hole Number	Zone	From (m)	To (m)	Drilled Width (m)	True Width (m)	Copper (%)	Zinc (%)	Sulphur (%)	Silver (g/t)	Germanium (g/t)
KPU006	SR	89.5	93.0	3.5	2.8	5.9	0.0	13.1	22	0
	SR	66.8	70.4	3.6	3.1	2.2	0.0	2.6	14	0
KPU009	SR	73.0	83.0	10.0	8.7	2.6	0.0	2.6	21	0
	SR	86.6	89.8	3.2	2.8	2.5	0.0	1.8	42	0
KPU010	BZ/NR/SR	27.2	52.5	25.3	na	1.0	28.6	20.0	58	44
including		30.6	35.5	4.9	na	4.4	13.3	13.2	99	53
		71.6	75.0	3.5	na	0.1	12.7	11.9	1	12
		78.7	96.0	17.3	na	1.0	23.4	20.6	25	35
		125.9	132.7	6.8	na	5.0	3.3	12.6	11	9
		142.0	161.0	19.0	na	6.3	0.1	14.5	16	6
KPU011	SR	48.5	70.0	21.5	16.1	4.9	5.8	8.1	23	9
including	SR	48.5	54.5	6.0	4.5	12.1	21.0	23.4	54	29
KPU012	SR	no significant intercept								
KPU013	SR	65.1	85.1	20.0	13.7	9.9	12.1	18.3	37	24
including	SR	74.1	82.0	7.9	5.4	6.7	29.7	24.1	28	35
KPU014	SR	55.8	67.5	11.7	8.7	5.7	22.5	17.4	33	28
including	SR	57.6	63.4	5.8	4.3	7.6	42.8	29.9	43	44
KPU015	SR	54.1	65.8	11.7	9.7	9.0	0.5	9.4	30	3
including	SR	57.8	62.0	4.2	3.5	20.6	1.3	21.7	55	9
KPU016	SR	73.0	77.0	4.0	3.5	2.3	0.0	2.3	13	5
	SR	80.0	83.2	3.2	2.8	2.3	0.0	2.4	13	7
KPU017	SR	abandoned								
KPU018	SR	84.1	87.4	3.3	2.6	2.1	0.5	2.3	8	0
	SR	96.1	100.9	4.7	3.8	2.1	0.0	1.9	9	0
KPU019	SR	71.7	75.7	4.0	3.3	6.0	0.0	6.1	38	1
	SR	86.0	90.0	4.0	3.3	2.3	0.0	2.3	10	0
KPU020	SR	47.8	54.0	6.2	5.2	21.0	2.3	21.5	190	10
KPU021	SR	36.0	39.7	3.7	2.4	5.8	42.7	27.9	19	51
KPU022	FW/BZ	12.6	19.0	6.5	na	0.2	59.5	26.6	1	149
KPU023	SR	no significant intercept								
KPU024	-	abandoned								
KPU025	FW/BZ	11.5	15.5	4.0	na	0.2	58.0	25.7	2	141

Note: SR = Série Récurrente; BZ = Big Zinc; NR = Nord Riche; FZ = Kipushi Fault zone FWZ

Note: Big Zinc intersections are not corrected to true width due to the irregular replacement nature of mineralization. KPU022 and KPU025 failed to reach the main Big Zinc zone due to drilling difficulties but intersected a narrow extension of the Big Zinc close to the decline.

Table 2: Summary of assay results from initial drilling by Ivanhoe Mines at Kipushi from July 14, 2014 news release.

Hole Number	Zone	From (m)	To (m)	Width (m)	True Width (m)	Zinc (%)	Copper (%)	Silver (g/t)	Germanium (g/t)	Sulphur (%)
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 Récurrente**	**45.6**	**57.0**	**11.4**	**11.2**	**0.2**	**17.0**	89.6	**7.6**	**17.7**
		82.2	84.6	2.4	**2.4**	0.0	2.6	27.0	2.5	2.0

About Kipushi

The Kipushi Mine forms part of the Central African Copperbelt in the D.R. Congo's southern province of Katanga, 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. Ivanhoe Mines (formerly Ivanplats) acquired a 68% interest in Kipushi in November 2011 and has assumed responsibility for ongoing redevelopment, 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; mineralization was 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 zone derives its name from the geological formation with which it is associated, which is characterized by a series of alternating or 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.

High-grade zinc was common in the South zone, 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.

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 news 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.

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.