

May 16, 2014

## STATEMENT

### **Inaccurate Reuters news story misrepresented statements in Ivanhoe Mines news release regarding ongoing development of the company's Kamoia copper discovery and Kipushi mine upgrading**

The following statement was issued today by Robert Friedland, Executive Chairman of Ivanhoe Mines (TSX: IVN), and Lars-Eric Johansson, Chief Executive Officer.

**VANCOUVER, CANADA** – A Reuters news story published yesterday inaccurately referred to an Ivanhoe Mines news release issued May 15, 2014, that provided a review of the company's operations and financial results for the first quarter of 2014.

The Reuters story reported that Ivanhoe Mines had "said it would not be able to develop two mines in the Democratic Republic of Congo unless it gets more funds by the end of June". In doing so, the Reuters story misstated and misrepresented what Ivanhoe Mines actually announced in its public news release and also in the accompanying Management's Discussion and Analysis.

Ivanhoe stated only that "the company's main objectives for 2014 remain...the commencement of the underground mine-access decline at the Kamoia Project and the underground drilling program at the Kipushi Project." Ivanhoe further stated that the company would require further funding by the end of June "to meet these objectives." (emphasis added)

Reuters' statements implied that the development of Kamoia and Kipushi is an all-at-once, or not-at-all, proposition. As any mine-development company could attest, the process of development and financing proceeds in phases. The development of the Kamoia copper discovery, the historical high-grade zinc-copper Kipushi mine, and the Platreef platinum-palladium-gold-nickel-copper project in South Africa, all have proceeded on that basis. Ivanhoe expects this will continue. The company's disclosures merely continue to inform its stakeholders that each successive phase of development will need funding, and currently that funding is for the present phases of the DRC projects, which constitute the underground mine-access decline at the Kamoia Project and the underground drilling program at the Kipushi Project.

Ivanhoe has a very supportive shareholder base, which was affirmed last October when the company successfully raised C\$108 million at C\$2.00 per share. Ivanhoe also believes the market understands the value proposition behind its projects and fully expects to carry on with their funding and development in the normal course.

The Reuters story also ignored Ivanhoe's statements that it was progressing ongoing discussions and negotiations with potential strategic investors and joint-venture parties, and that it was examining a number of corporate and project-level options, including "a corporate reorganization; project spin-offs (including potentially separating its South African platinum assets and its DRC copper and zinc assets into separately listed public companies); sales or joint ventures; project- or corporate-level debt and/or equity investments (including interim financing); and additional and/or alternative stock-exchange listings for certain of the company's projects." Ivanhoe continues to examine these options to help realize the full value of its world-scale mineral projects in Africa.

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