

Ivanhoe Mines to begin sinking bulk-sample shaft at its Platreef platinum-group metals, nickel, copper and gold project on South Africa's Bushveld Complex

**Shaft that will provide access to underground Flatreef Discovery
has been approved by Department of Mineral Resources**

Aveng Mining working as shaft-sinking contractor

JOHANNESBURG, SOUTH AFRICA – Robert Friedland, Executive Chairman of Ivanhoe Mines (TSX: IVN) (formerly Ivanplats, TSX: IVP), and Lars-Eric Johansson, Chief Executive Officer, announced today that the company is proceeding with the sinking of a bulk-sample shaft to access the underground Flatreef platinum, palladium, nickel, copper, gold and rhodium discovery at its Platreef Project in South Africa's Bushveld Complex.

The South African government's Department of Mineral Resources has notified Ivanhoe Mines of its approval of the planned bulk-sampling procedure.

Contractor mobilization and site preparation for the 7.25-metre-diameter Shaft #1 will begin in Q4 2013 and approximately 250 contract employees will be working on the shaft once the sinking work begins. The vertical shaft will extend to a depth below surface of 800 metres and facilitate the collection of a mineralized bulk sample in the second half of 2015 to complete the company's development assessment of the Flatreef.

Shaft #1 is expected to cost US\$80 million (ZAR 818 million), which is expected to be fully funded from the approximately US\$180 million in dedicated funds remaining in Ivanhoe's treasury from the US\$280 million received in 2011 for the sale of an 8% interest in the Platreef Project to a Japanese consortium of Itochu Corporation, Japan Oil, Gas and Metals National Corporation (JOGMEC) and JGC Corporation.

Ivanhoe Mines is working with the Japanese consortium on an integrated Flatreef development plan based on an exclusively underground mining operation of up to 12 million tonnes per year utilizing multiple shafts. The study is expected to be completed late this year or early next year.

"This is a very significant development in the life of our South African project," said Mr. Friedland. "After 18 years of determined exploration that produced this truly amazing discovery, the sinking of the bulk-sample shaft is a crucial step in moving the Flatreef Discovery toward production as a state-of-the-art underground mine. We are at the stage where we need get underground and obtain a bulk sample from the mineral deposit to confirm Flatreef's metallurgy and mining characteristics to help us finalize our design and operations planning.

“Together with our Japanese partners and our South African employees, we look forward to the day when we can take our stakeholders and investors underground to show them firsthand the incredible thickness, grades and continuity of the Flatreef platinum, palladium, nickel, copper, gold and rhodium mineralization.

“We’re committed to working with all stakeholders to create much-needed jobs and contribute significantly to the socio-economic development of our host communities, the surrounding Limpopo region and South Africa as a whole as we advance through construction and launch initial production.”

Aveng Mining is shaft-sinking contractor

South Africa-based Aveng Mining is the sinking contractor for Shaft #1 and has been working on shaft engineering and design since June 2013.

Mr. Friedland said that given the Flatreef Deposit’s remarkably thick mineralized zones, Ivanhoe Mines is committed to ensuring that its underground operations will be at the forefront of safe, new mining technology.

“Compared to an open-pit mine, the planned mine at Flatreef will have a greatly reduced surface footprint because the majority of the mine’s operations, including workshops, crushers and other infrastructure, will be underground,” Mr. Friedland added.

“We believe that the unique characteristics of our Flatreef Discovery offer us the opportunity to take a quantum leap forward in the application of ethical mining practices, providing for a highly-mechanized, automated and safe working environment for a new generation of skilled and trained South African workers.

“The extraordinary utility afforded by platinum and palladium, particularly their use in catalytic converters in motor vehicles and fuel cells, combined with growing calls for improved air quality from countries around the world, means there will be expanding demand for these metals. South Africa is blessed with an enormous resource endowment of platinum and palladium and Ivanhoe Mines, with its discovery of the Flatreef mineral system, expects to be at the forefront of a resurgent South African PGMs industry in the decades to come.”

Mr. Johansson said that when the shaft sinking begins, the Platreef Project will directly employ approximately 550 workers, including full-time staff, drillers and shaft sinking contractors. “Ivanhoe will continue to encourage our contractors to employ men and women from our host communities and once the Platreef Mining Right is granted, employment at the project should increase significantly as the mine development and construction ramps up.

“Our intention is to build a world-class underground mine for many decades to come. Eventually the project could create some 10,000 direct and indirect jobs, and will considerably stimulate the local and regional economies.”

Platreef Mining Right Application filed in June 2013

In June 2013, Ivanhoe Mines filed a Mining Right Application (MRA) for the Platreef Project with the Department of Mineral Resources (DMR). A Mining Right allows a company to mine and process minerals optimally from the mining area for a maximum period of 30 years, which may be extended upon application.

The company has begun the Environmental and Social Impact Assessment (ESIA) process. The MRA review will involve a thorough assessment of Ivanhoe's Environmental Management Program, Social and Labour Plan and Mining Work Program, which must be filed with the DMR by February 24, 2014. The ESIA will engage with all interested stakeholders, including local communities and governments.

Current drilling focus on advancing technical studies and expanding resources

Ivanhoe Mines has 11 drill rigs at the Platreef Project, with 10 rigs drilling metallurgical/geo-technical holes and one exploration rig targeting a potential contiguous, high-grade mineralized zone to the southeast of Flatreef's Zone 1. The exploration drilling program is focused on delineating the exploration target — Ga-Madiba — that is believed to represent the southern continuation of the shallow Flatreef underground deposit. The company is adding another four rigs to the exploration drilling program.

The Platreef Project is a Tier One discovery of platinum-group elements, nickel, copper and gold which contains the Flatreef underground deposit, on the Bushveld's Northern Limb, north of the town of Mokopane and approximately 280 kilometres northeast of Johannesburg. The project is located on two contiguous rights, Turfspruit and Macalacaskop, which adjoin Anglo Platinum's Mogalakwena mining operations.

The Flatreef Mineral Resource, with a strike length of six 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 the platinum-to-palladium ratio of approximately 1:1, which is significantly higher than other PGMs discoveries on northern limb of the Bushveld. The grade shells used to constrain mineralization in the Flatreef Indicated Resource area have average true thicknesses of approximately 24 metres at a 2 g/t 3PE (platinum-palladium-gold) cut-off grade, with an equivalent average resource grade of 4.1 g/t 4PE (platinum-palladium-gold-rhodium), 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 800 million pounds of copper.

At the same cut-off of 2 g/t 4PE, the latest Flatreef estimate includes Inferred Mineral Resources of 415 million tonnes grading 3.5 g/t 4PE, 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.

Qualified Person

The scientific and technical information in this release has been reviewed and approved by Stephen Torr, Ivanhoe Mines' Vice President, Project Geology and Evaluation, a Qualified Person under the terms of National Instrument 43-101. For information about data verification measures used to support the scientific and technical information, please refer to the current technical report on the Platreef Project on the SEDAR profile of Ivanhoe Mines at www.sedar.com.

In March 2013, Ivanplats received a new independent Technical Report for the Flatreef Deposit. The Technical Report, prepared by AMEC in accordance with CIM Guidelines and directed by AMEC Technical Director Dr. Harry Parker, is available at www.ivanhoemines.com and www.sedar.com.

About Ivanhoe Mines

Ivanhoe Mines (TSX: IVN) (formerly Ivanplats, TSX: IVP), with offices in Canada, the United Kingdom and South Africa, is advancing and developing its three principal projects:

- The Kamo a copper discovery in a previously unknown extension of the Central African Copperbelt in the DRC's 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-germanium mine, also on the Copperbelt in the DRC and now being dewatered and upgraded to support a future return to production of copper, zinc and other metals following a care-and-maintenance program conducted between 1993 and 2011.

Ivanhoe Mines also 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 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: the expected cost of the shaft; the expectation that the shaft costs will be funded by monies remaining from the Japanese Consortium's \$280 million investment; that contractor mobilization and the earthworks for the shaft will begin in Q4 2013; the depth of the bulk sample shaft to 800 metres; the size of the bulk sample of Flatreef mineralization to be obtained; the plan that the Flatreef underground operations will be at the forefront of safe, new mining technology; the expected number of jobs the project could eventually create; the intention to build a world-class underground mine which Ivanhoe believes will be sustainable for many decades to come; and the planned mine at Flatreef will have a greatly reduced surface footprint compared to an open-pit mine.

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 believes 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. Important factors that could cause actual results to differ from these forward-looking statements include those described under the heading "Risks and Uncertainties" in the company's most recently filed MD&A. Readers are cautioned not to place undue reliance on forward-looking information or statements.