

December 9, 2014

## **Total job creation exceeds 650 following the resumption of site work at Ivanhoe Mines' Platreef Project in South Africa**

MOKOPANE, SOUTH AFRICA – Ivanhoe Mines Executive Chairman Robert Friedland and Chief Executive Officer Lars-Eric Johansson announced today that the total workforce engaged on development of the company's Platreef Project on the Bushveld's Northern Limb, in Limpopo province, now exceeds 650 men and women.

More than 500 of the jobs, representing 78% of the total workforce, are held by residents of the local Mokopane area.

Normal operations have been successfully re-established at the site of the company's planned underground mine on the Platreef resource of platinum, palladium, nickel, copper, gold and rhodium following the formal activation of the company's long-term mining right by the Department of Mineral Resources on November 4. Plant, earthmoving and mining equipment were returned to the site last week after a six-month suspension of activity.

Ivanplats, a wholly owned subsidiary of Ivanhoe Mines, owns 64% of the Platreef Project and is directing all mine development work.

Mr. Johansson said that approximately 200 of the total workforce are Ivanplats employees, 80% of whom are from the Mokopane area. Among the nine external contractors that presently provide the balance of the workforce at Platreef, the current proportion of workers drawn from the local area ranges between 100% and 70%.

"The resumption of work is enabling Ivanplats and our contractors to fulfil our commitment to create jobs and give priority to local residents when recruiting to fill available positions," Mr. Johansson added.

"We are making a meaningful contribution to the relief of the area's acute level of unemployment and we appreciate the interest that has been expressed by supportive residents of our neighbouring communities who see themselves as beneficiaries and partners in our broad-based, black economic empowerment structure that has been designed to help advance the realization of their aspirations."

The principal priority at the mine site is the completion of the excavation at the box cut to establish access for the construction of the large concrete surface collar for Shaft #1, which will be the initial production shaft in the first phase of Platreef's development. The collar also will serve as a base that will anchor the headframe structure and house the ventilation opening.

Photos 1 & 2: Some of the members of the Platreef Project's construction and refurbishment teams.



**Photo 3: Holes being drilled in preparation for first blast at the box cut.**



**Photo 4: Stage-winding drums to be used in the sinking of Shaft #1.**



Photos 5 and 6: Equipment fleet now on site at Platreef's 20-hectare construction compound.



Shaft #1, with an internal diameter of 7.25 metres and an annual hoisting capacity of 2.5 million tonnes, is projected to reach a total depth of 975 metres in 2018. In 2017, it will be used to collect a mineralized bulk sample for metallurgical testing from the 800-metre level of the Platreef Project's Flatreef Deposit.

Work on the shaft and related mining-plant components is being conducted within the 20-hectare, fenced construction compound that has been designed to enhance worksite safety, to minimize visual impacts on residential areas and to contribute to the effectiveness of environmental management programs.

Upgrading work on the stage and hoist winders for the sinking phase of Shaft #1 has been completed and steel fabrication for the sinking stage and headgear has commenced. Design and engineering work is proceeding on the primary components for Shaft #2, the 10-metre-diameter main production shaft that will be capable of hoisting six million tonnes a year and also will be fitted with a 150-person equipment cage.

### **Results of Platreef pre-feasibility study due this month**

Ivanhoe expects to receive results of a pre-feasibility study (PFS) later this month that will expand on the phase-one development scenario outlined in the preliminary economic assessment that was released in March this year. Ivanhoe has also retained Whittle Consulting, of Melbourne, Australia, to conduct an optimization study using as a base the Platreef PFS production schedules, revenues and costs. The Whittle study's main focus will be on increasing cash flow by enhanced mine scheduling techniques, stope cut-off optimization and the matching of hoisting and milling capacities through the planned, subsequent expansion phases. The study's recommendations are intended to provide guidance for the feasibility study, which is scheduled to begin in the second quarter of 2015.

Presently planned development work at the Platreef Project during 2015 is expected to be covered by dedicated working capital that currently totals more than US\$100 million (R1.1 billion). The funds were provided by an investment of US\$280 million in 2011 by a Japanese consortium of ITOCHU Corporation; Japan Oil, Gas and Metals National Corporation; Japan Gas Corporation and ITC Platinum Development Ltd., an ITOCHU affiliate. The consortium holds a 10% interest in the Platreef Project.

### **About Platreef and Ivanhoe Mines**

Ivanhoe Mines is planning a multi-phased mine development on its 64%-owned Platreef discovery of platinum, palladium, nickel, copper, gold and rhodium in South Africa's Bushveld Complex.

A preliminary economic assessment released in March 2014 estimated that a base-case operation mining eight million tonnes per year could produce 785,000 ounces of platinum, palladium, rhodium and gold annually.

With offices in Canada, the United Kingdom and South Africa, Ivanhoe Mines also is advancing and developing two additional principal projects:

- The Kamao copper discovery in a previously unknown extension of the Central African Copperbelt in the Democratic Republic of Congo's southern Katanga province.
- The historic, high-grade Kipushi zinc, copper and germanium mine, also on the Copperbelt in the D.R. Congo's Katanga province, which now is being drilled and upgraded by Ivanhoe following its acquisition of a majority interest in the mine in 2011. Kipushi was operated by previous owners between 1924 and 1993.

Ivanhoe Mines is evaluating other opportunities as part of its objective to become a broadly based, international mining company.

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### **Forward-looking statements**

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) the completion of a PFS at the Platreef Project by the end of 2014; (ii) the completion of the Whittle Consulting optimization study; (iii) the scheduled commencement of a feasibility study in the second quarter of 2015; (iii) the commencement of development works of the main production shaft (Shaft #2) at the Platreef Project in Q1 2015; (iv) the projected size and depth of Shaft #1 and the collection of a mineralized bulk sample at the Platreef Project by the first half of 2017; and (v) the source of funds for presently planned development work at the Platreef Project. 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 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 Platreef Project, 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.

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 in the “Risk Factors” section in the company’s September 30, 2014, Management’s Discussion and Analysis, 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](http://www.ivanhoemines.com) and at [www.sedar.com](http://www.sedar.com).