

2 February 2017

STATEMENT

Ivanhoe Mines welcomes ruling today by South African judge in favour of Ivanplats that overturns an interim interdict order issued last November

Ivanplats now will resume its program to complete the relocation of graves in the vicinity of its Platreef Mine development project

PRETORIA, SOUTH AFRICA – A South African judge issued a ruling today in favour of Ivanplats Pty. Ltd., an Ivanhoe Mines (TSX: IVN; OTCQX: IVPAF) subsidiary, clearing the way for the company to proceed with the relocation of informal graves in the vicinity of its Platreef Mine development project near Mokopane, in Limpopo Province.

After hearing evidence in the Palace of Justice in Pretoria, Justice John Murphy set aside the interim interdict that was granted by the North Gauteng High Court on November 28 last year following an “ex parte” hearing – which was conducted without Ivanplats’ knowledge or participation. Judge Murphy said today he would give written reasons for his decision in due course, including a ruling on the costs of the court action.

Representing Ivanplats’ challenge of the interim interdict, Advocate Alfred Cockrell SC (Senior Counsel) said that Ivanplats had conducted extensive consultation with community residents and relatives of the deceased individuals interred in the relevant graves and also had obtained all necessary permits and authorizations for the relocation process.

A total of 54 graves were relocated from land outside the perimeter of the active mine development site before the interim interdict was issued, 30 awaited relocation and 10 locations had been investigated and found not to contain human remains. The Ivanplats support program includes assistance in providing new burial plots in a formal cemetery, tombstones and related services.

Ivanplats’ Managing Director Dr. Patricia Makhesha said in an affidavit that the Platreef Mine is co-owned by the local, historically-disadvantaged community and international investors. She said the court action was an ill-conceived attempt by a few individuals to stop the construction of a mine that would provide much needed direct and indirect jobs, access to education and skills training for young people in Mokopane.

“The Platreef underground mine represents one of the most significant foreign direct investments into the South African economy in recent years, and constitutes an asset which will yield very significant benefits to the South African economy in general and the economy of Mokopane and the Limpopo Province in particular,” Dr. Makhesha added.

The first applicant in the court action was Aubrey Langa, a well-known opponent of the project whose previous actions and threats directed against the development of the Platreef Mine, and his criminal record, have been noted in earlier public statements by Ivanhoe Mines.

Platreef Project background

The Platreef Project is a Tier One discovery by Ivanhoe Mines' geologists on the Northern Limb of South Africa's Bushveld Igneous Complex, the world's premier platinum producing region.

Ivanhoe Mines owns 64% of the Platreef Project through its subsidiary, Ivanplats, and is directing all mine development work. The South African beneficiaries of the approved Broad-Based Black Economic Empowerment (B-BBEE) structure have a 26% stake in the Platreef Project and the remaining 10% is owned by a Japanese consortium of ITOCHU Corporation; ITC Platinum Development Ltd., an ITOCHU affiliate; Japan Oil, Gas and Metals National Corporation; and JGC Corporation.

The company currently employs 550 permanent and contract workers. It received approval from the South African government in November 2014 to build a new, US\$1.2-billion platinum, palladium, rhodium, gold, nickel and copper underground mine just outside Mokopane, in Limpopo Province.

The Shaft 1 sinking contract, held by Aveng Mining, of South Africa, will include the development of two main stations at below-surface depths of 450 metres and 750 metres. Sinking of Shaft 1 has reached a depth of more than 209 metres below surface. Shaft 1, which is expected to reach the Platreef Deposit in late 2017, will provide development access into the deposit and will be utilized to fast-track production during the project's first phase.

The design has been completed for Platreef's Shaft 2, which will have a total hoisting capacity of six million tonnes per annum and an internal diameter of 10 metres; construction is expected to begin in 2017. When completed, Shaft 2 is expected to be the main production shaft at the Platreef Mine.

The feasibility study for the first phase of mine development at Platreef, which is being managed by DRA Global, is expected to be completed in March 2017.

Ivanplats plans to develop the Platreef Mine in three phases: 1) an initial annual rate of four million tonnes per annum (Mtpa) to establish an operating platform to support future expansions; 2) a doubling of production to eight Mtpa; and 3) expansion to a steady-state 12 Mtpa. At a projected production rate of 12 Mtpa, Platreef would be among the largest platinum-group metals mines in the world.

Information contacts

Investors

Bill Trenaman +1.604.331.9834

Media

North America: Bob Williamson +1.604.512.4856

South Africa: Jeremy Michaels +27.82.939.4812

FORWARD-LOOKING STATEMENTS

Statements that are forward-looking statements or information 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 statement, 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.

The forward-looking information in this statement includes, but is not limited to, (i) statements regarding Shaft 1 is expected to reach the Flatreef Deposit in late 2017, will provide development access into the deposit and will be utilized to fast-track production during the project's first phase; (ii) statements regarding the expectation that Shaft 1 will include the development of two main stations at below-surface depths of 450 metres and 750 metres; (iii) statements regarding the expectation that Platreef's Shaft 2 will have a total hoisting capacity of six million tonnes per annum and an internal diameter of 10 metres and that construction is expected to begin in 2017; (iv) statements regarding the company's plans to develop the Platreef Mine in three phases: an initial annual rate of four million tonnes per annum (Mtpa) to establish an operating platform to support future expansions; followed by a doubling of production to eight Mtpa; and then a third expansion phase to a steady-state 12 Mtpa; (v) statements regarding the expectation that the feasibility study for the first phase of mine development at Platreef will be completed in March 2017; and (vi) statements regarding the expectation that at a projected production rate of 12 Mtpa, Platreef would be among the largest platinum-group metals mines in the world. Readers are cautioned that actual results may vary from those presented.

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; unexpected failure or inadequacy of infrastructure, industrial accidents or machinery failure (including of shaft-sinking equipment), or delays in the development of infrastructure, and the failure of exploration programs or other studies to deliver anticipated results or results that would justify and support continued 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. The factors and assumptions used to develop the forward-looking information and statements, and the risks that could cause the actual results to differ materially are presented in the Platreef 2016 Resource Technical Report dated June 24, 2016, available on SEDAR at www.sedar.com and on the Ivanhoe Mines website at www.ivanhoemines.com.