

May 17, 2017

Ivanhoe Mines announces independent confirmation that the Kakula Discovery contains Indicated Mineral Resources of 116 million tonnes at 6.09% copper, plus Inferred Resources of 12 million tonnes at 4.45% copper, at a 3% cut-off

The Kakula Discovery in D.R. Congo remains open for significant expansion in multiple directions

Kakula's new estimate boosts combined Kamoia-Kakula Indicated Mineral Resources to approximately ONE BILLION tonnes at 3.02% copper, plus another 191 million tonnes of Inferred Resources at 2.37% copper, at a 1.4% cut-off

Twelve drill rigs rapidly expanding bonanza-grade copper resources along the Kakula trend, including the new Kakula West Discovery

KOLWEZI, DEMOCRATIC REPUBLIC OF CONGO – Robert Friedland, Executive Chairman of Ivanhoe Mines (TSX: IVN; OTCQX: IVPAF), and Lars-Eric Johansson, Chief Executive Officer, announced today that the company has completed an independently verified, updated Mineral Resource estimate for the extremely-high-grade Kakula Discovery on the tier one Kamoia-Kakula Copper Project, near the mining centre of Kolwezi in the Democratic Republic of Congo (DRC). The Kamoia-Kakula Project is a joint venture between Ivanhoe Mines, Zijin Mining and the government of the Democratic Republic of Congo.

The new Mineral Resource estimate covers a strike length of approximately 7.7 kilometres along the eastern section of the Kakula Discovery. It boosts the tonnage of Kakula's estimated Indicated Resources by 75% compared to the October 2016 resource estimate – which covered a strike length of 4.1 kilometres.

Kakula's Indicated Resources increased by 50 million tonnes, to the current total of 116 million tonnes at 6.09% copper, at a 3% cut-off grade. This compares to 66 million tonnes at 6.59% copper estimated in October 2016, also at a 3% cut-off grade.

Kakula's new estimated Inferred Resources are an additional 12 million tonnes at 4.45% copper, at a 3% cut-off.

“With 12 rigs currently drilling at Kakula and Kakula West and another two rigs about to begin testing important new targets on the licence area, Kakula is an international story of discovery that has earned the mining world’s attention,” said Mr. Friedland.

“To keep the mine-planning process driving forward, we need to provide the mining engineers with updated resource numbers for the expanded-case preliminary economic assessment due to be issued in the third quarter.”

Mr. Johansson said that the copper grades at Kakula are significantly higher than the average grades found at the adjacent, earlier Kamoia Discovery. “We’re highly confident that fast-tracking mine development at Kakula will have a profound, positive impact on the economics of the overall Kamoia-Kakula Project.

“Kakula alone already has enough resources, grading 6% copper or higher, to maintain approximately 20 years of mining at a rate of six million tonnes per year. We’re also confident that Kakula West has similar potential.”

The new Kakula resource estimate covers approximately two thirds of the known strike extent of the high-grade, chalcocite-rich Kakula trend, which now is approaching 12 kilometres, and remains open along strike in both directions.

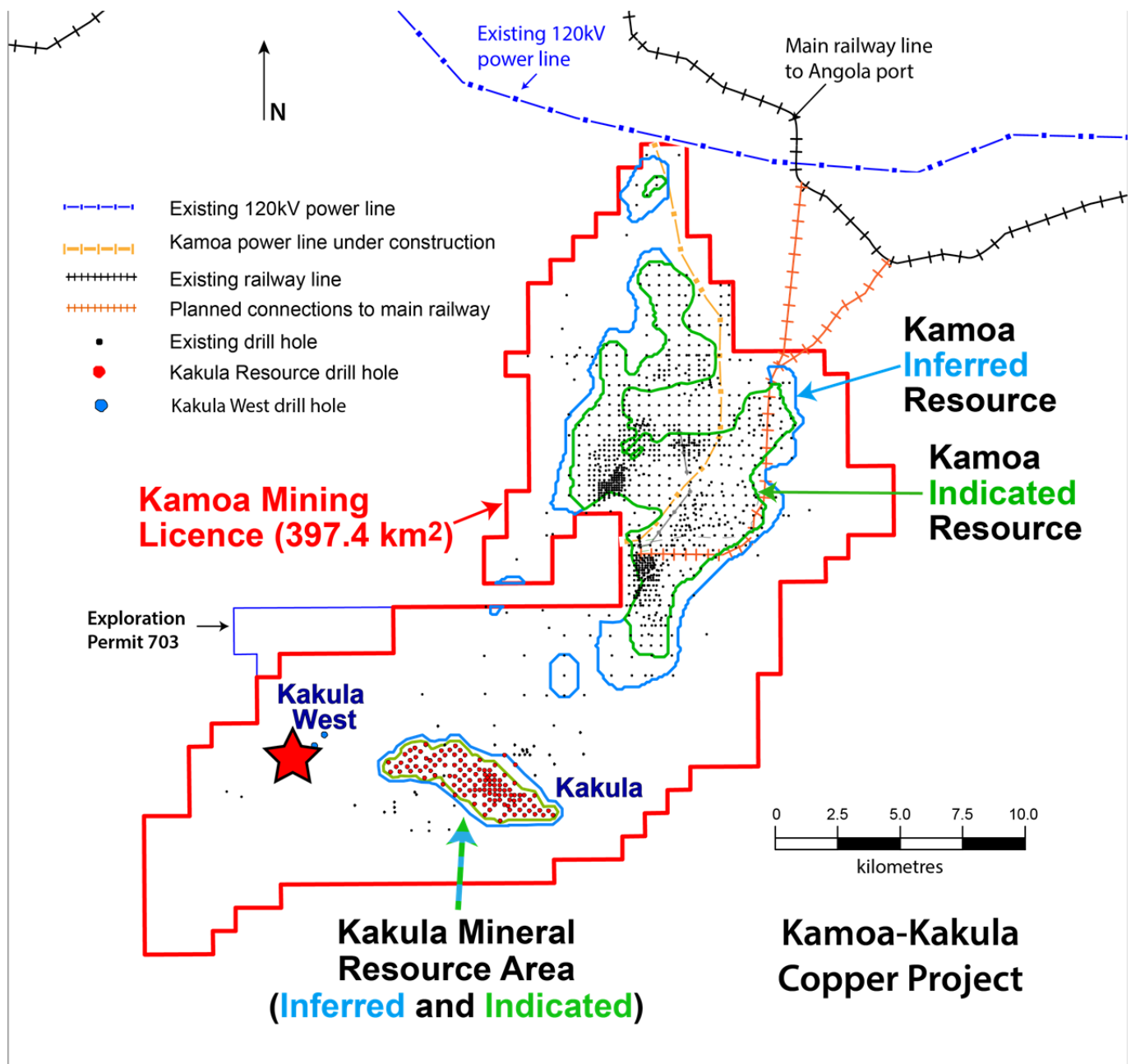
Kamoia-Kakula geologists now are planning for a resource estimate at the newly discovered Kakula West area, located approximately three kilometres west of the new Kakula resource boundary. Excellent visual drill intercepts at Kakula West show a rapidly expanding area of shallow copper mineralization characterized by finely disseminated chalcocite in siltstone and maroon diamictite. The style and the overall geometry of mineralization at Kakula West are typical of the high-grade Kakula trend to the east.

The Kakula Discovery is approximately 10 kilometres southwest of Kamoia’s initial Kansoko Mine development. Ivanhoe and Zijin have been conducting an aggressive drilling program at the Kakula Discovery since April 2016. More than 85,000 metres of drilling have been completed. Given the outstanding success to date in delineating high-grade copper resources, the Kakula drilling program is expected to continue throughout 2017.

Nearly 200 square kilometres of the approximately 400-square-kilometre Kamoia-Kakula Project area remain untested. The Kamoia-Kakula geology team, with the assistance of its technical advisors, has intensively evaluated the structural and stratigraphic controls on mineralization of the broader Kamoia-Kakula basin. This work has highlighted at least nine high-priority targets located in the untested areas of the Kamoia-Kakula Project that are planned to be drill tested this year.

“The potential exists to find another Kakula. Or perhaps something even better,” Mr. Friedland said.

Figure 1. Kamoa-Kakula mining licence shows the Kamoa and Kakula Indicated and Inferred Mineral Resource areas, and the Kakula West Discovery.



The Kakula Mineral Resource estimate was prepared by Ivanhoe Mines under the direction of Dr. Harry Parker and Gordon Seibel, both RM SME, of Amec Foster Wheeler, of Reno, Nevada, in accordance with the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves. Dr. Parker and Mr. Seibel are the Qualified Persons for the estimate, which has an effective date of May 16, 2017.

Highlights include:

- Indicated Mineral Resources total 349 million tonnes at a grade of 3.23% copper, containing 24.9 billion pounds of copper at a 1% copper cut-off. At a 2% copper cut-off, Indicated Mineral Resources total 210 million tonnes at a 4.41% copper grade, containing 20.4 billion pounds of copper. At a higher cut-off of 3% copper, Indicated Mineral Resources total 116 million tonnes at a grade of 6.09% copper, containing 15.6 billion pounds of copper.
- Inferred Mineral Resources total 59 million tonnes at a grade of 2.26% copper, containing 3.0 billion pounds of copper at a 1% copper cut-off. At a 2% copper cut-off, Inferred Mineral Resources total 27 million tonnes at a 3.19% copper grade, containing 1.9 billion pounds of copper. At a higher cut-off of 3% copper, Inferred Mineral Resources total 12 million tonnes at a grade of 4.45% copper, containing 1.1 billion pounds of copper.
- The average true thickness of the selective mineralized zone (SMZ) at a 1% cut-off is 12.0 metres in the Indicated Mineral Resources area and 6.4 metres in the Inferred Mineral Resources area. At a higher 3% cut-off, the average true thickness of the SMZ is 5.3 metres in the Indicated Mineral Resources area and 3.9 metres in the Inferred Mineral Resources area.

A technical report on the new resource estimate will be filed on SEDAR at www.sedar.com and on the Ivanhoe Mines website at www.ivanhoemines.com within 45 days of the issuance of this news release.

The Kakula Mineral Resources are defined within an area covering a total area of 12.8 square kilometres at a 1% copper cut-off. The total areal extent of Indicated Mineral Resources is 9.8 square kilometres at a 1% copper cut-off and the areal extent of the Inferred Mineral Resources is 3.0 square kilometres at a 1% cut-off. The average dip of the mineralized zone in the Indicated Resources area is 15 degrees, while the average dip is 18 degrees in the Inferred Mineral Resources area.

The Kakula Discovery remains open for significant expansion along trend to the west and the southeast, while the remainder of the southern parts of the Kamoakakula mining licence area remains virtually untested (see figures 2 and 3). Twelve rigs now are drilling in the Kakula Discovery Area and more than 25,000 metres have been drilled at Kakula since the start of the year.

The May 2017 Kakula Mineral Resource estimate is based on the results from approximately 61,400 metres of drilling in 121 holes. The May 2017 estimate includes drill holes completed by April 18, 2017 in the eastern section of the high-grade, chalcocite-rich Kakula trend; it does not include any holes drilled in the new Kakula West Discovery

area. The October 2016 Kakula Mineral Resource estimate was based on results from approximately 24,000 metres of drilling in 65 holes.

Indicated Resources are defined when the drill-hole spacing approximates a 400-metre grid, while Inferred Resources are defined when the drill-hole spacing approximates an 800-metre grid.

The May 2017 Kakula Mineral Resource estimate was prepared by Ivanhoe Mines under the direction of Dr. Harry Parker and Gordon Seibel, both RM SME, of Amec Foster Wheeler. Dr. Parker and Mr. Seibel are the Qualified Persons for the estimate, which has an effective date of May 16, 2017. A technical report will be filed on SEDAR at www.sedar.com and on the Ivanhoe Mines website at www.ivanhoemines.com within 45 days of the issuance of this news release.

The May 2017 Kakula Mineral Resources, along with sensitivities at various cut-offs, are shown in tables 1, 2 and 3.

Table 1. Indicated and Inferred Mineral Resources at a 1% copper cut-off grade, Kakula Deposit.

Category	Tonnage (Mt)	Area (km ²)	Copper (%)	True Thickness (metres)	Contained Copper (kTonnes)	Contained Copper (billion lbs)
Indicated	349	9.8	3.23	12.0	11,281	24.9
Inferred	59	3.0	2.26	6.4	1,338	3.0

Notes:

1. Ivanhoe's Mineral Resources Manager George Gilchrist, a Member of the Geology Society of South Africa and Professional Natural Scientist (Pr. Sci. Nat) with the South African Council for Natural Scientific Professions (SACNASP), estimated the Mineral Resources under the supervision of Dr. Harry Parker and Gordon Seibel, both RM SME, who are the Qualified Persons for the Mineral Resources. The effective date of the estimate is May 16, 2017. Mineral Resources are estimated using the CIM Definition Standards for Mineral Resources and Reserves (2014).
2. For Kakula, Mineral Resources are reported using a total copper (TCu) cut-off grade of 1% TCu and an approximate minimum thickness of 3 metres. A 1% TCu cut-off is a natural cut-off grade on the Central African Copperbelt. There are reasonable prospects for eventual economic extraction under assumptions of a copper price of US\$3.00/lb, employment of underground, mechanized, room-and-pillar and drift-and-fill mining methods, and that copper concentrates will be produced and sold to a smelter. Mining costs are assumed to be \$38/t. Concentrator and General and Administrative (G&A) costs are assumed to be \$19/t. Metallurgical recovery is assumed to be 77% at the 1% TCu cut-off and 88% at the average grade of the Mineral Resource. Ivanhoe is studying (preliminary economic assessment in progress) reducing mining costs using a convergence backfill method.
3. Reported Mineral Resources contain no allowances for hanging wall or footwall contact boundary loss and dilution. No mining recovery has been applied.
4. Rounding as required by reporting guidelines may result in apparent differences between tonnes, grade and contained metal content.

Table 2. Kakula Deposit Indicated Mineral Resources, Sensitivity Cases.

Category	Cut-off Grade (Cu%)	Tonnes (millions)	Area (Sq. km)	Copper Grade	True Thickness (metres)	Contained Copper (kTonnes)	Contained Copper (billion lbs)
Indicated	7.0	35	1.9	8.10%	6.4m	2,873	6.3
Indicated	6.0	56	3.0	7.52%	6.3m	4,200	9.3
Indicated	5.0	83	4.5	6.84%	6.1m	5,694	12.6
Indicated	4.0	105	6.2	6.35%	5.7m	6,700	14.8
Indicated	3.0	116	7.3	6.09%	5.3m	7,086	15.6
Indicated	2.5	129	7.9	5.75%	5.5m	7,428	16.4
Indicated	2.0	210	8.6	4.41%	8.2m	9,267	20.4
Indicated	1.5	258	9.1	3.90%	9.6m	10,050	22.2
Indicated	1.0	349	9.8	3.23%	12.0m	11,281	24.9

Table 3. Kakula Deposit Inferred Mineral Resources, Sensitivity Cases.

Category	Cut-off Grade (Cu%)	Tonnes (millions)	Area (Sq. km)	Copper Grade	True Thickness (metres)	Contained Copper (ktonnes)	Contained Copper (billion lbs)
Inferred	5.0	3	0.2	5.22%	4.0m	163	0.4
Inferred	4.0	8	0.7	4.83%	4.1m	409	0.9
Inferred	3.0	12	1.0	4.45%	3.9m	515	1.1
Inferred	2.5	14	1.2	4.18%	3.8m	572	1.3
Inferred	2.0	27	1.5	3.19%	5.7m	862	1.9
Inferred	1.5	40	2.1	2.72%	6.0m	1,074	2.4
Inferred	1.0	59	3.0	2.26%	6.4m	1,338	3.0

High-grade Kakula Discovery presents transformational opportunities for Kamo-a-Kakula development

Mineralization at Kakula is substantively thicker and higher grade than elsewhere on the Kamo-a mining licence; it also is consistently bottom-loaded and will support the construction of selective mineralized zone (SMZ) composites at cut-offs up to at least 3% copper. The lateral consistency of mineralization at these higher cut-offs presents significant opportunities for mine planning, with large areas of the resource having average grades in excess of 6% when using the a SMZ at a cut-off of 3% copper.

The Kakula resource model was constructed using a series of nested grade shells at 1%, 2% and 3% cut-offs. A minimum thickness of approximately 3.0 metres was applied to the 3% grade shell and the outer shells were nested above and below this central shell. The resultant model allows the flexibility to show distribution of grades and thicknesses across the various grade shells and highlight Kakula's outstanding, high-grade potential.

Figures 4 and 5, below, show the distribution of grades across the 3% copper shell and the base-case 1% copper shell, respectively.

Kakula West rapidly emerging as another shallow, high-grade discovery

In March 2017, Ivanhoe announced that a new step-out hole – drilled 3.0 kilometres west of the boundary of Kakula's May 2017 Inferred Resources – intersected a relatively shallow, 16.3-metre (true width) zone of typical Kakula-style, chalcocite-rich copper mineralization similar to holes drilled in the centre of the eastern portion of the Kakula Deposit. Assays for the discovery hole – DD1124 – confirmed the high-grade discovery with assays of 5.83% copper over 8.86 metres (true width) at a 2.5% cut-off, including a 6.14-metre (true width) interval at 6.84% copper.

Subsequent drilling in and around DD1124, including DD1138 and DD1144, which both intersected relatively shallow, Kakula-style, chalcocite-rich copper mineralization, has extended the Kakula West mineralized zone to a length of more than one kilometre and a width of approximately 850 metres. The zone still is open in multiple directions. The style of copper mineralization and geometry of the high-grade zone is showing similar characteristics to the profile across the Kakula main trend to the east. Visual results show a rapidly expanding area of shallow mineralization characterized by finely disseminated chalcocite in siltstone and maroon diamictite.

The Kamo-a-Kakula geological team is focused on the logging and processing of drill core from recent Kakula West drill holes now that the core processing and assaying have been completed for the drill holes that comprised the May 2017 Mineral Resource estimate.

Three of the 12 rigs currently drilling at Kakula are drilling in the Kakula West discovery area; five rigs are extending the western limit of the currently defined Kakula Resource area; two rigs are drilling expansion holes in the southeast; and two drill rigs will begin drilling infill holes between Kakula West and the Kakula Deposit.

Figure 2. Kamoia-Kakula mining licence shows the copper grades of the Kamoia and Kakula Indicated and Inferred Mineral Resource areas, and the Kakula West Discovery.

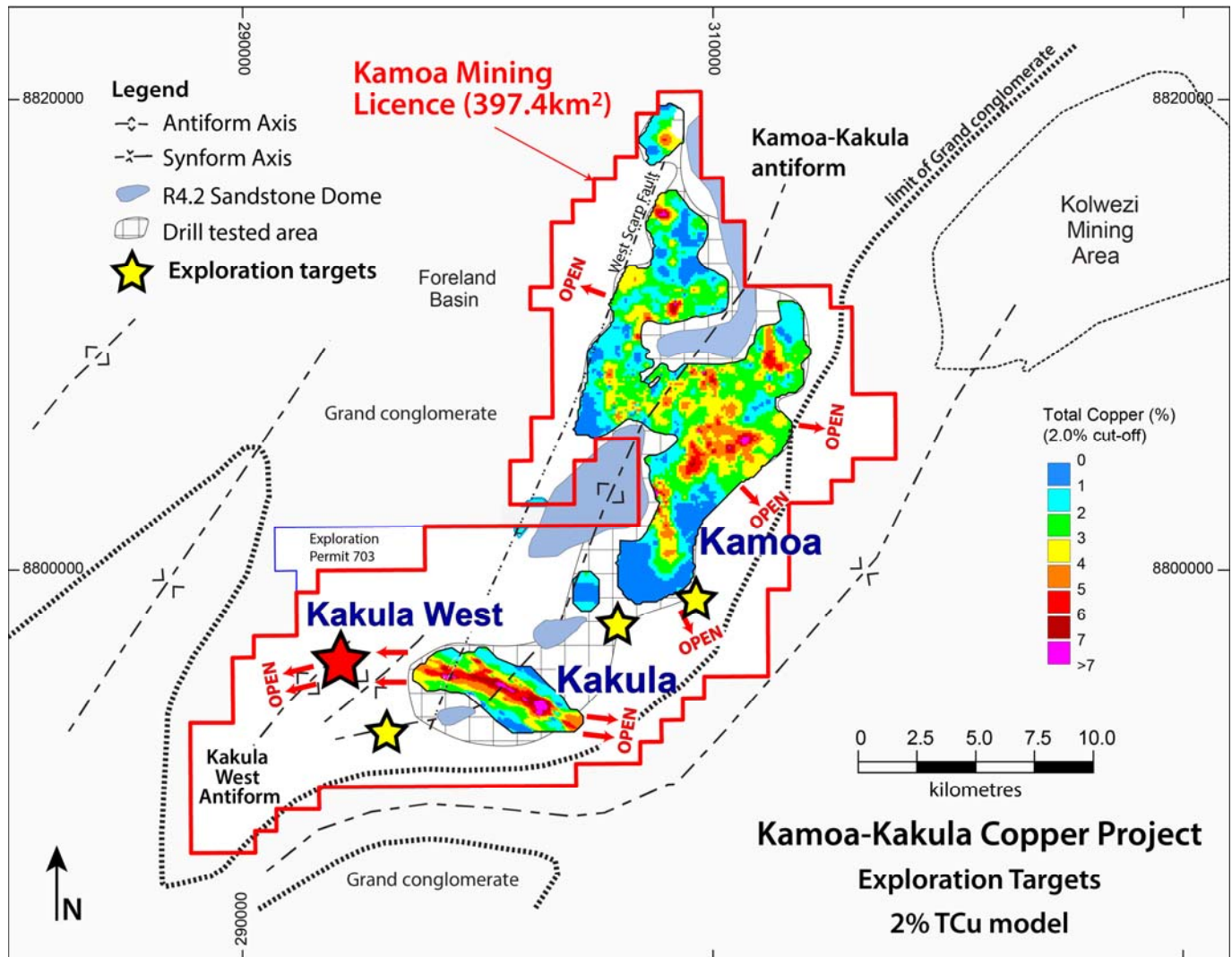


Figure 3. Kakula Discovery Area showing grade of Indicated and Inferred Resource blocks at a 3% SMZ cut-off, and the Kakula West Discovery.

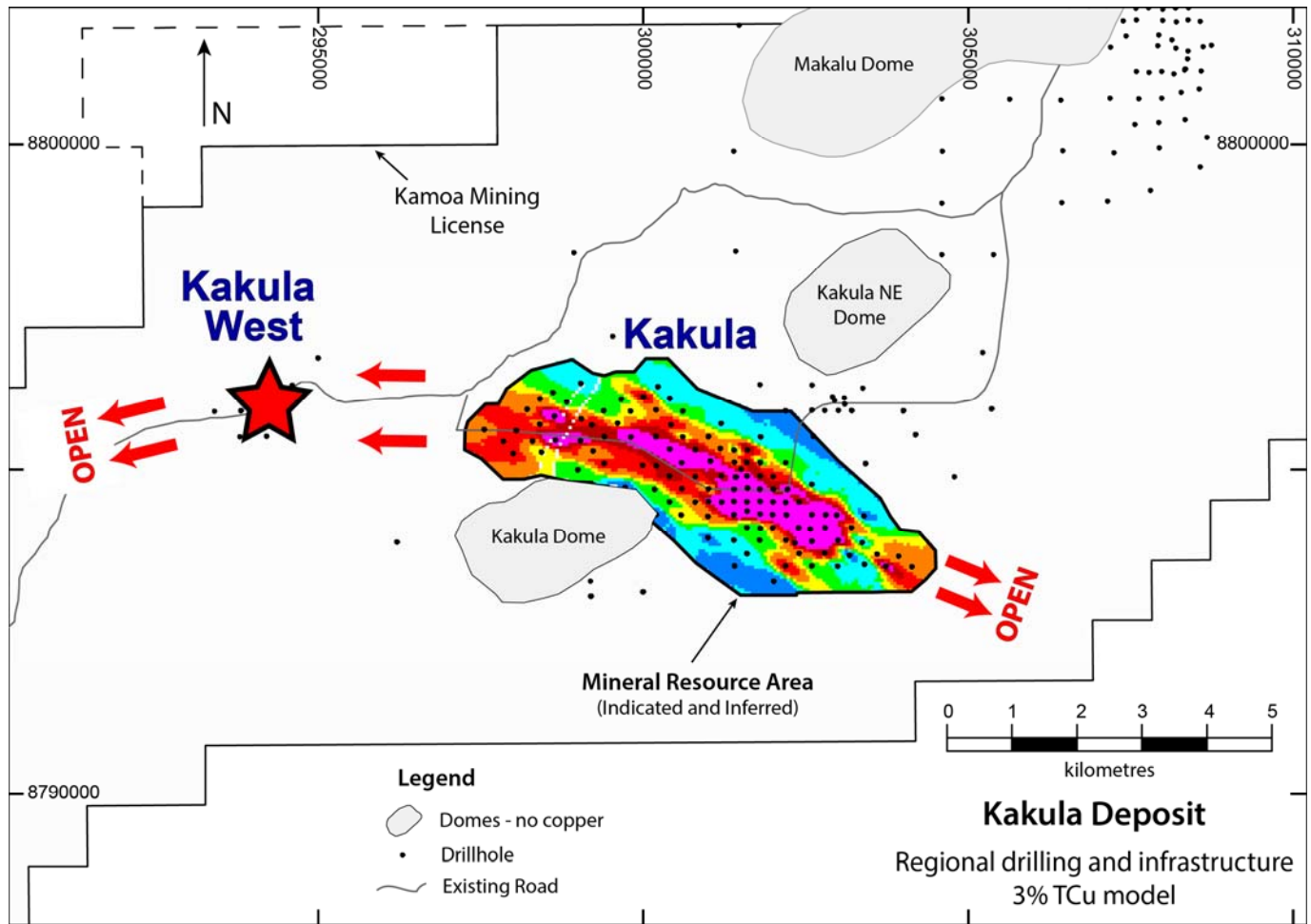
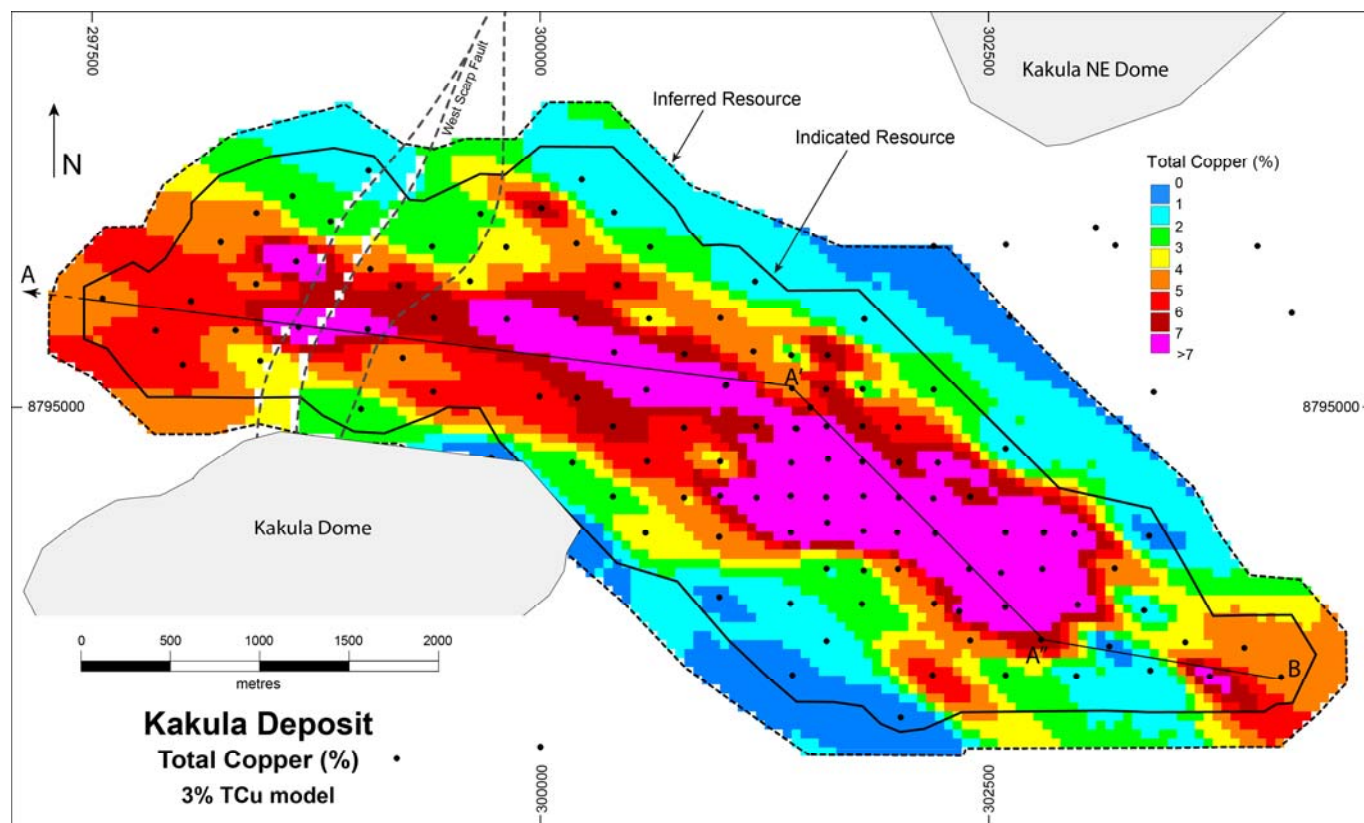
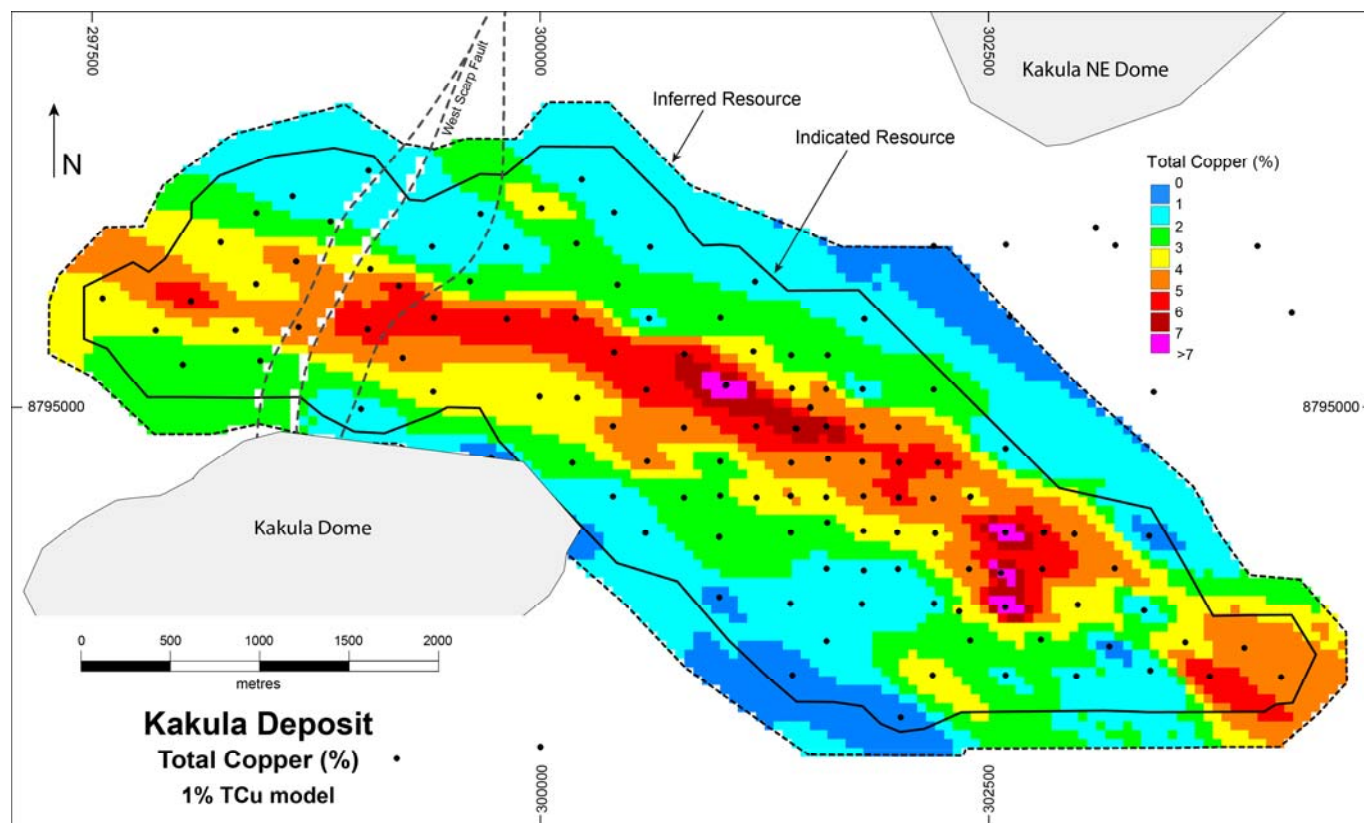


Figure 4. Average grades of Indicated and Inferred blocks in Kakula's 3% selective mineralized zone.



The Indicated and Inferred Mineral Resource perimeters indicate a confidence classification. Cut-off criteria are applied within the perimeters to state Mineral Resources.

Figure 5. Average grades of Indicated and Inferred blocks in Kakula's 1% selective mineralized zone.



The Indicated and Inferred Mineral Resource perimeters indicate a confidence classification. Cut-off criteria are applied within the perimeters to state Mineral Resources.

Kakula's updated resources add to an already tier one resource base at the Kamoa-Kakula Project

Kakula is the second major discovery on the Kamoa mining licence in the past nine years. The Kamoa Deposit, which was announced as a major new discovery in 2009, is now under initial development with twin declines nearing completion at the Kansoko Mine. An independent prefeasibility study was completed on the Kamoa Deposit in February 2016 and is the basis of Kamoa's current mineral reserve for the Kansoko Mine.

The combined Kamoa-Kakula Indicated Mineral Resources now total 1.10 billion tonnes grading 2.85% copper, containing 69.1 billion pounds of copper at a 1.0% copper cut-off grade and a minimum thickness of approximately three metres.

At a higher 1.4% copper cut-off grade and a minimum thickness of three metres, the combined Kamoa-Kakula Indicated Mineral Resources now total approximately one billion tonnes grading 3.02% copper, containing approximately 66 billion pounds of copper.

Kamoa-Kakula now also has Inferred Mineral Resources of approximately 191 million tonnes grading 2.37% copper and containing 10.0 billion pounds of copper, also at a 1.4% copper cut-off grade and an approximate minimum thickness of three metres.

The total consolidated Mineral Resource for the Kamoa-Kakula Project is shown in Table 4 and the sensitivity of the resource at various cut-offs is shown in Table 5.

Table 4. Consolidated Mineral Resource Statement, Kamoa-Kakula Project – May 16, 2017, 1% copper cut-off over minimum thickness of approximately 3 metres.

Deposit	Category	Tonnes (millions)	Area (Sq. km)	Copper Grade	True Thickness (metres)	Contained Copper (kTonnes)	Contained Copper (billion lbs)
Kamoa	Indicated	752	50.5	2.67%	5.2m	20,110	44.3
	Inferred	185	16.8	2.08%	3.8m	3,840	8.5
Kakula	Indicated	349	9.8	3.23%	12.0m	11,281	24.9
	Inferred	59	3.0	2.26%	6.4m	1,338	3.0
Total Kamoa Project	Indicated	1101	60.3	2.85%	6.3m	31,391	69.2
	Inferred	244	19.8	2.12%	4.3m	5,178	11.5

Notes to Accompany Kamoa Project Mineral Resource Table:

1. Ivanhoe's Mineral Resources Manager, George Gilchrist, Professional Natural Scientist (Pr. Sci. Nat) with the South African Council for Natural Scientific Professions (SACNASP), estimated the Mineral Resources under the supervision of Dr. Harry Parker and Gordon Seibel, both RM of Society of Mining, Metallurgy and Exploration (SME), who are the Qualified Persons for the Mineral Resource estimate. The effective date of the estimate is May 16, 2017. Mineral Resources are estimated using the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves. Mineral Resources at Kamoa are inclusive of Mineral Reserves. No Mineral Reserves are currently reported at Kakula.
2. Mineral Resources are estimated assuming underground mining methods, a copper price of US\$3.30/lb (Kamoa) and US\$3.00/lb (Kakula), a cut-off of 1% total copper, an approximate minimum thickness of 3 metres, and that concentrates will be produced and sent to a smelter.
3. Tonnage and contained-copper tonnes are reported in metric units, contained-copper pounds are reported in imperial units and grades are reported as percentages.
4. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content.

Table 5. Indicated and Inferred Mineral Resources, Kamoa-Kakula Project – May 16, 2017.

Category	Cut-off Grade (Cu%)	Tonnes (millions)	Area (Sq. km)	Copper Grade	Contained Copper (kTonnes)	Contained Copper (billion lbs)
Indicated	3.0	354	21.5	4.57%	16,206	35.7
Indicated	2.5	512	31.8	4.01%	20,518	45.3
Indicated	2.0	760	43.0	3.44%	26,147	57.6
Indicated	1.6	899	51.0	3.19%	28,620	63.1
Indicated	1.5	944	52.9	3.11%	29,330	64.7
Indicated	1.4	996	54.4	3.02%	30,076	66.3
Indicated	1.0	1101	60.3	2.85%	31,391	69.2

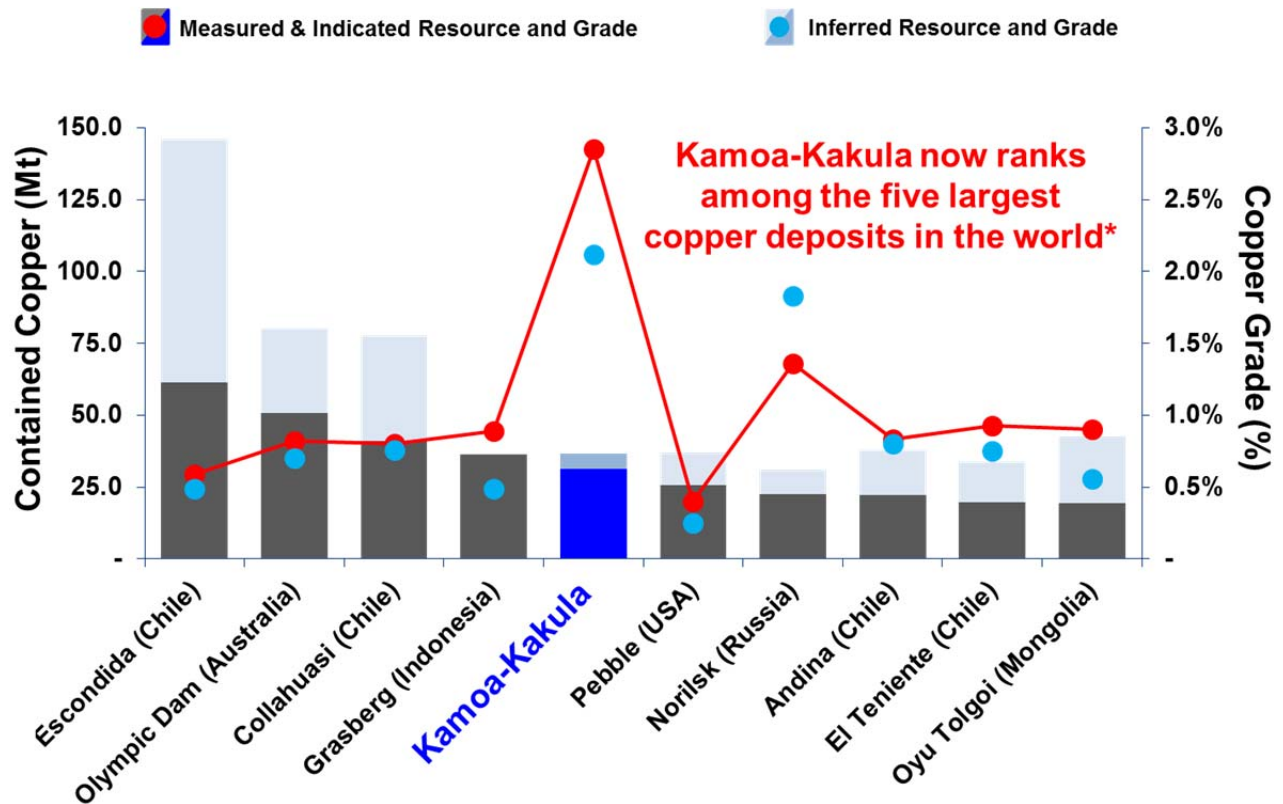
Category	Cut-off Grade (Cu%)	Tonnes (millions)	Area (Sq. km)	Copper Grade	Contained Copper (kTonnes)	Contained Copper (billion lbs)
Inferred	3.0	32	2.7	3.82%	1,215	2.7
Inferred	2.5	66	5.3	3.25%	2,142	4.8
Inferred	2.0	120	9.1	2.79%	3,332	7.3
Inferred	1.6	162	13.1	2.53%	4,109	9.1
Inferred	1.5	176	14.0	2.46%	4,314	9.5
Inferred	1.4	191	15.1	2.37%	4,540	10.0
Inferred	1.0	244	19.8	2.12%	5,178	11.5

Kamoa-Kakula now ranks as one of the world's five largest copper deposits

The May 2017 Kakula estimate firmly establishes the Kamoa-Kakula Project in the ranks of the five largest copper deposits in the world – and its copper grades are the highest, by a wide margin, of the copper world's top 10 deposits (see Figure 7). Significantly, both the Kakula Discovery and the earlier Kamoa Discovery continue to remain open for expansion.

Research by Wood Mackenzie also shows that the Kamoa-Kakula Project's distinctions include the world's largest, high-grade (>2.5% copper grade) copper deposit and the world's largest, undeveloped copper deposit, based on contained copper in the project's Measured and Indicated Mineral Resources.

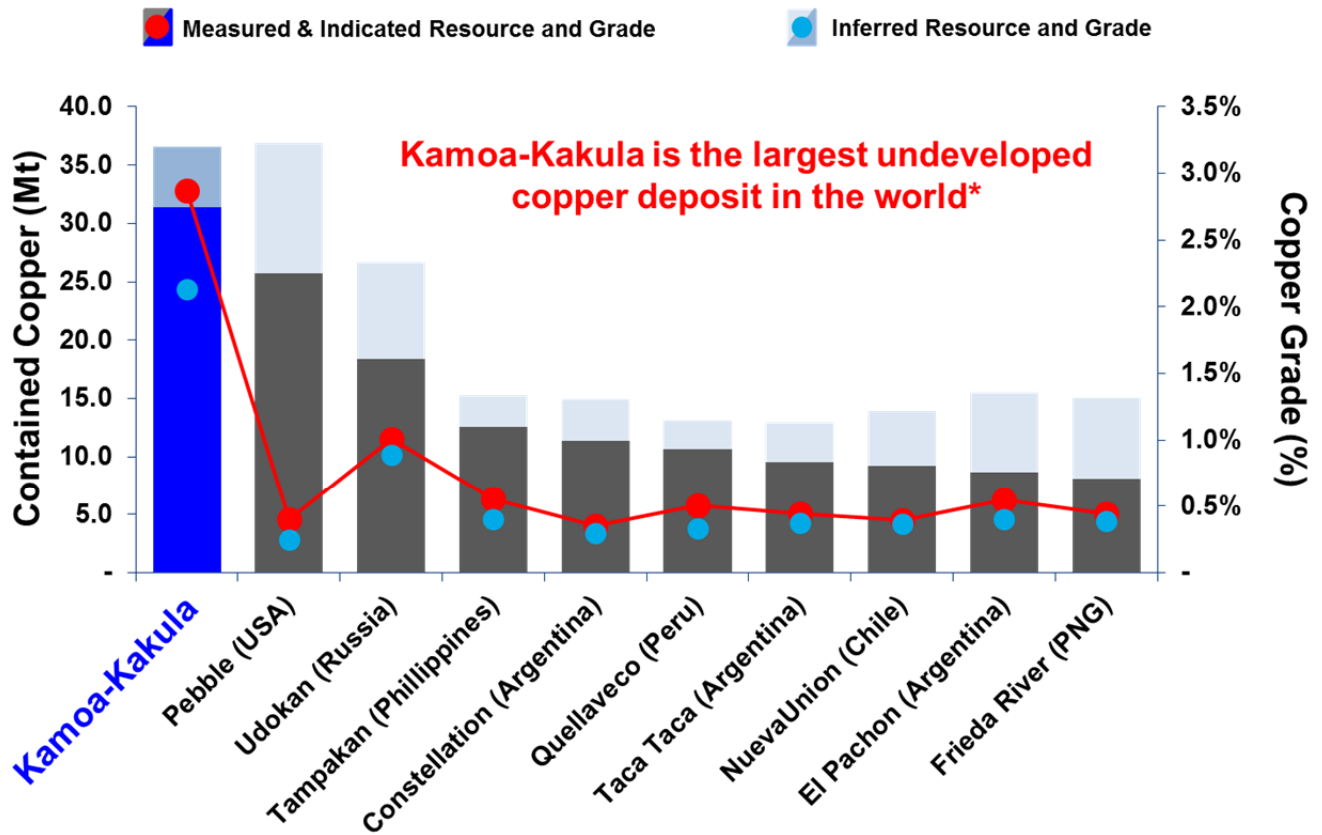
Figure 7. Among the world's largest copper deposits by contained copper, Kamo-Kakula has the highest copper grades by a wide margin.



Source: Wood Mackenzie

*Note: Selected based on contained copper (Measured & Indicated Mineral Resources, inclusive of Mineral Reserves, and Inferred Mineral Resources), ranked on contained copper in Measured and Indicated resources (2017)

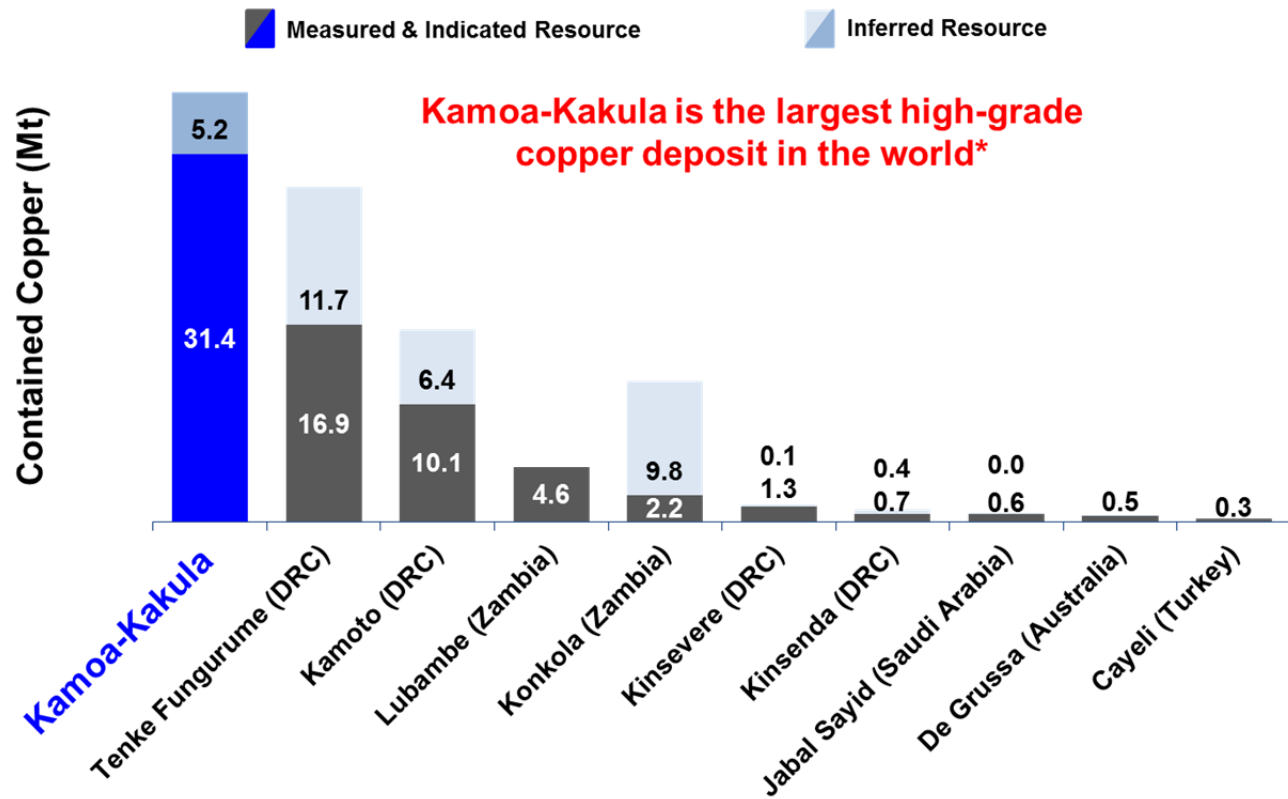
Figure 8. World's largest undeveloped copper deposits.



Source: Wood Mackenzie

* Note: Contained copper in undeveloped deposits (Measured and Indicated Resources, inclusive of Mineral Reserves, and Inferred Resources) ranked by contained copper in Measured and Indicated Resources (2017)

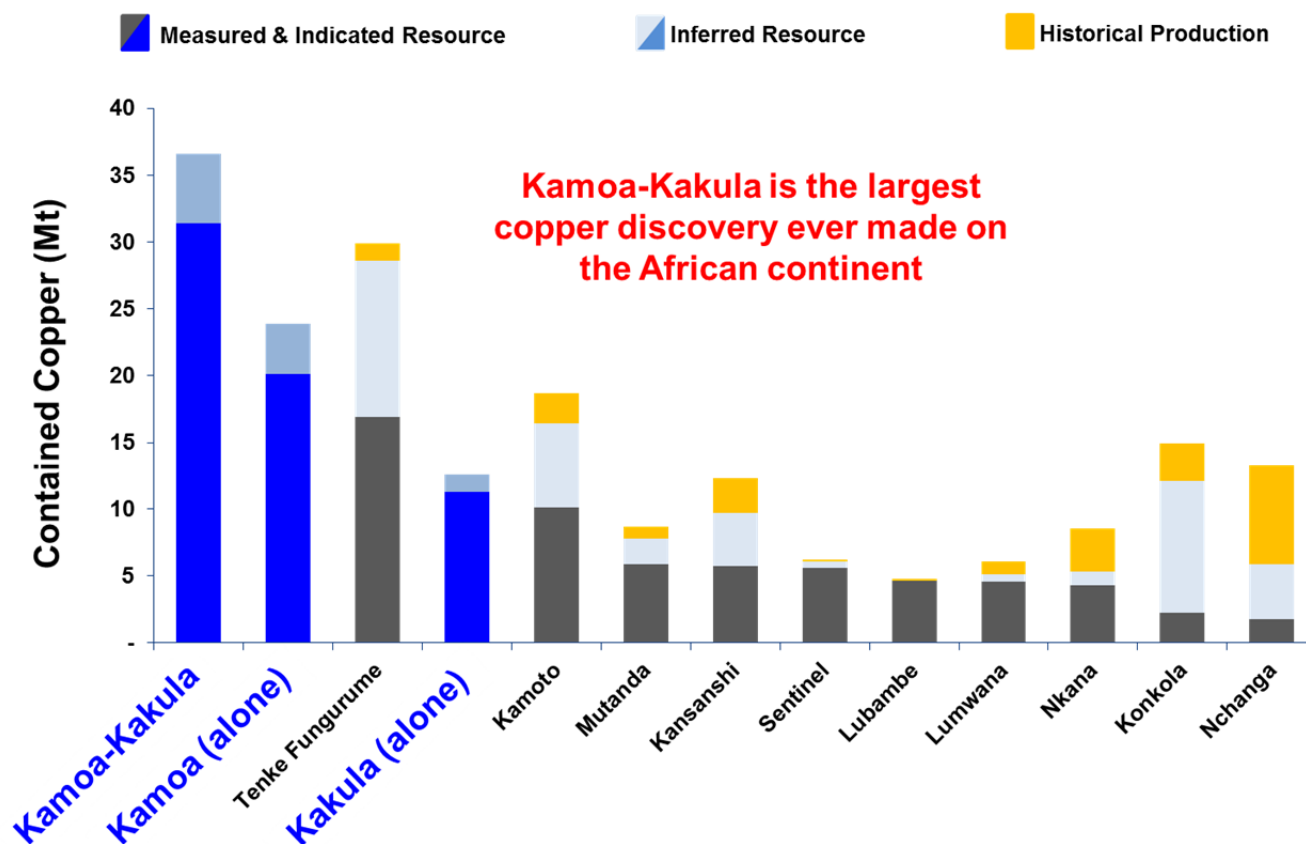
Figure 9. World's largest high-grade (above 2.5% copper grade) copper deposits.



Source: Wood Mackenzie

*Note: Contained copper in high-grade deposits (Measured & Indicated Mineral Resources, inclusive of Mineral Reserves, and Inferred Mineral Resources) with grades above 2.5% copper (2017)

Figure 10. Central African Copperbelt discoveries, ranked by resources and historical production.



Source: Wood Mackenzie and USGS

Revised preliminary economic assessment underway for two six-million-tonne-per-year mines – one at Kamoa's Kansoko Sud and one at Kakula

Following completion of the revised Kakula Mineral Resource estimate, Kamoa Copper has retained OreWin Pty. Ltd., of Australia, to prepare a follow-up preliminary economic assessment (PEA) for the development of the Kakula and Kamoa deposits.

The new PEA will be based on the May 2017 Mineral Resource estimate. It is expected that the increased resource base at Kakula will support a mine capacity of approximately six million tonnes per annum (Mtpa). The Kansoko Mine capacity also is expected to be six Mtpa, giving the revised PEA a projected peak mine production of approximately 12 Mtpa from the presently delineated Kamoa and Kakula deposits. In light of the successful step-out drilling at Kakula West, as well as the potential to find additional resources in high-priority targets located in the untested parts of the Kamoa-

Kakula Project area, the Kamo-a-Kakula development plans will be reassessed and amended as the project advances.

The PEA also will analyze process facilities, mining planning and scheduling, including capital costs and operating costs for both mining and concentrator operations. The PEA will draw on recommendations from the Kamo-a 2016 pre-feasibility study and the Kamo-a-Kakula PEA issued in December 2016.

Kakula mineralization is characteristically bottom loaded. The resource estimate demonstrates that opportunities exist to mine Kakula at much higher lateral and vertical cut-offs than at Kamo-a's Kansoko Sud. The clear zonation and grades in the central high-grade core should provide sequencing opportunities to mine at significantly elevated grades.

To help advance the mine-planning work at Kakula, the Kamo-a technical team is proceeding with the construction of a box cut at Kakula to accommodate decline ramps that will provide underground access to the deposit.

Qualified Person and Quality Control and Assurance

The independent qualified persons for the May 2017 Kakula Mineral Resource estimate are Dr. Harry Parker and Gordon Seibel, both RM SME, of Amec Foster Wheeler. Dr. Parker and Mr. Seibel are both independent of Ivanhoe Mines.

Other 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 is not independent of Ivanhoe Mines. Mr. Torr has verified the technical data disclosed in this news release not related to the current Mineral Resource estimate disclosed herein.

Ivanhoe Mines maintains a comprehensive chain of custody and quality assurance and quality control (QA/QC) program on assays from its Kamo-a-Kakula Project. Half-sawn core is processed at the Kamo-a-Kakula on-site preparation laboratory and prepared samples then are shipped by secure courier to Bureau Veritas Minerals (BVM) Laboratories in Australia, an ISO17025-accredited facility. Copper assays are determined at BVM by mixed-acid digestion with ICP finish. Industry-standard certified reference materials and blanks are inserted into the sample stream prior to dispatch to BVM. For detailed information about assay methods and data verification measures used to support the scientific and technical information, please refer to the January 20, 2017, technical report on the Kamo-a-Kakula Copper Project, on the SEDAR profile of Ivanhoe Mines at www.sedar.com.

Data verification for the Kakula Deposit

Dr. Parker and Mr. Seibel, (collectively the Amec Foster Wheeler QPs), reviewed the sample chain-of-custody, QA/QC procedures, and the accreditations of analytical laboratories used by Ivanhoe. The Amec Foster Wheeler QPs are of the opinion that the procedures and QA/QC are acceptable to support Mineral Resource estimation. Amec

Foster Wheeler also audited the assay database, core logging and geological interpretations and found no material issues with the data as a result of these audits.

In the opinion of the Amec Foster Wheeler QPs, the data verification programs undertaken on the geological and assay data collected from the Kakula Deposit support the geological interpretations and the analytical and database quality, and the data collected, can support Mineral Resource estimation.

About Ivanhoe Mines

Ivanhoe Mines is advancing its three principal projects in Sub-Saharan Africa: 1) Mine development at the **Platreef** platinum-palladium-gold-nickel-copper discovery on the Northern Limb of South Africa's Bushveld Complex; 2) mine development and exploration at the **Kamoa-Kakula** Copper Project on the Central African Copperbelt in the DRC; and 3) upgrading at the historic, high-grade **Kipushi** zinc-copper-lead-germanium mine, also on the DRC's Copperbelt. For details, visit www.ivanhoemines.com.

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Cautionary statement on forward-looking information

Certain statements in this release constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws, including without limitation, the timing and results of (1) statements regarding the Kakula Discovery remains open for significant expansion in multiple directions; (2) statements regarding twelve drill rigs rapidly expanding bonanza-grade copper resources along the Kakula trend, including the new Kakula West Discovery; (3) statements regarding the expectation that the expanded case preliminary economic assessment is to be issued in the third quarter 2017; (4) statements regarding that Ivanhoe is highly confident that fast-tracking mine development at Kakula and Kakula West will have a profound positive impact on the economics of the overall Kamoa-Kakula Project; (5) statements regarding Ivanhoe is confident that Kakula West has similar potential as the Kakula Deposit; (6) statements regarding the Kakula drilling program is expected to continue throughout 2017; (7) statements regarding that there at least nine high-priority targets located in the untested areas of the Kamoa-Kakula Project that are planned to be drill tested this year; (8) statements regarding the bottom-loaded mineralization at Kakula will support the construction of selective mineralized zone (SMZ) composites at cut-offs up to at least 3% copper; (9) statements regarding the potential exists to find another Kakula; (10) statements regarding the Kakula Discovery remains open for significant expansion along trend to the west and the southeast; (11) statements regarding the high-grade Kakula Discovery presents transformational opportunities for Kamoa-Kakula development; (12) statements regarding that mineralization at Kakula is consistently bottom-loaded and will support the construction of selective mineralized zone (SMZ) composites at cut-offs up to at least 3% copper; (13) statements regarding the lateral consistency of mineralization at these higher cut-offs presents significant opportunities for mine planning; (14) statements regarding two drill rigs will begin drilling infill holes between Kakula West and the Kakula resource area; (15) statements regarding the timing of a revised preliminary economic assessment (PEA) for two six-million-tonne-per-year mines – one at Kamoa's Kansoko Sud and one at Kakula; (16) statements regarding expectations that the increased resource base at Kakula will support a mine capacity of approximately six Mtpa; (17) statements regarding the Kansoko mine capacity also is expected to be six Mtpa, giving the revised PEA a projected peak mine production of approximately 12 Mtpa from the presently delineated Kamoa and Kakula deposits; (18) statements regarding, the

Kamoa-Kakula development plans will be reassessed and amended as the project advances; (19) statements regarding that the updated PEA will analyze process facilities, mining planning and scheduling, including capital costs and operating costs for both mining and concentrator operations and will draw on recommendations from the Kamoa 2016 pre-feasibility study and the Kamoa-Kakula PEA issued in December 2016; and (20) statements regarding the clear zonation and grades in the central high-grade core should provide sequencing opportunities to mine at significantly elevated grades; (21) statements regarding the Kamoa technical team is proceeding with the construction of a box cut at Kakula to accommodate decline ramps that will provide underground access to the deposit; and (22) statements regarding the continuation of the Kakula drilling program throughout 2017.

Such statements involve known and unknown risks, uncertainties and other factors which 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 release.

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, including the price of copper; unexpected failure or inadequacy of infrastructure, or delays in the development of infrastructure, the failure of exploration programs or other studies to deliver anticipated results or results that would justify and support continued studies, development or operations, and the results of economic studies and evaluations. 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 set forth in the “Risk Factors” section and elsewhere in the company’s most recent Management’s Discussion and Analysis report and Annual Information Form, available at www.sedar.com.

This news release also contains references to estimates of Mineral Resources. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on, among other things: (i) fluctuations in copper prices or other mineral prices; (ii) results of drilling; (iii) results of metallurgical testing and other studies; (iv) changes to proposed mining operations, including dilution; (v) the evaluation of mine plans subsequent to the date of any estimates; and (vi) the possible failure to receive required permits, approvals and licences, or changes to any such permits, approvals or licences.

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.