

December 1, 2020

Kamoa-Kakula Copper Project secures US\$420 million in project-level credit facilities, including a EUR 176 million (US\$211 million) covered equipment financing facility with a US\$9 million down-payment facility, and a US\$200 million line of credit from Zijin Mining

The credit facilities will be used to accelerate Kamoa-Kakula's Phase 2 expansion to 7.6 million tonnes per annum to Q3 2022, significantly ahead of schedule

Kamoa-Kakula's outstanding economics are combined with first-class sustainability and social initiatives in keeping with the project's goal of producing the world's "greenest copper"

KOLWEZI, DEMOCRATIC REPUBLIC OF CONGO – Ivanhoe Mines (TSX: IVN; OTCQX: IVPAF) Co-Chairs Robert Friedland and Yufeng “Miles” Sun announced today that Kamoa Holding Limited, the joint-venture holding company of the Kamoa-Kakula Copper Project in the Democratic Republic of Congo (DRC), has secured an equipment financing facility of up to EUR 176 million (approximately US\$211 million), together with a US\$9 million down-payment facility. The two facilities will be used by the project to purchase underground mobile mining equipment and services from leading Swedish manufacturers Sandvik AB and Epiroc AB, and Finnish manufacturer Normet Oy.

In addition, Gold Mountains (H.K.) International Mining Company, a subsidiary of Zijin Mining Group, has provided Kamoa Holding Limited with a limited recourse line of credit of US\$200 million secured by the project's pre-production ore stockpiles to fund the Phase 2 concentrator expansion. US\$200 million is sufficient to cover the cost of the second, 3.8 million-tonne-per-annum (Mtpa) concentrator module at the Kakula Mine – doubling the mine's processing capacity from 3.8 Mtpa to 7.6 Mtpa.

At the end of October 2020, the project's pre-production surface stockpiles contained approximately one million tonnes of high-grade and medium-grade ore at an estimated grade of 3.47% copper. An additional 622,000 tonnes of low-grade development ore also has been stockpiled on surface. The project is positioned for a significant acceleration in the tonnage, as well as a marked increase in the grade, of ore added to the surface stockpiles as more mining crews soon will begin working in the higher-grade areas of

the Kakula and Kansoko mines. The pre-production surface stockpile figures will be updated imminently to reflect November's production.

The combined funds from the credit facilities will be used to fast track the overall development of Kakula's Phase 2 module, including the mill and associated infrastructure, as well as to accelerate mining activities at the Kakula and Kansoko deposits to keep both concentrator plants operating at full capacity. The additional funding is expected to accelerate the completion of the Phase 2 mill expansion from Q1 2023 to Q3 2022.

Kamoa-Kakula expects to soon draw down the equivalent of approximately US\$50 million of the equipment financing and down-payment facilities to account for the large fleet of mobile mining equipment already purchased and in operation at the Kakula Mine.

Phase 1 copper production at the Kakula Mine scheduled to begin in July 2021; Phase 2 development officially underway

Mr. Friedland commented, "Kamoa-Kakula remains solidly on track to begin Phase 1 copper production in July 2021, and these two non-dilutive, project-level credit facilities allow us to draw down funds as needed to execute the Phase 2 concentrator plant expansion project well ahead of our previous schedule. We share this vision for project optimization and advancement with our partners at the Kamoa-Kakula Project.

"Collectively, we have a very positive outlook for copper prices in the coming years; so we want to ensure that the operation reaches its near-term production capacity as expeditiously as possible, while also maintaining our strong balance sheet. Given today's uncertain macroeconomic environment, we view these credit facilities as judicious and timely, with an amortization schedule that fits well with the planned start-up of Kamoa-Kakula's Phase 2 expansion, which is expected to significantly increase the project's cash-generating capabilities.

"The recent, independently-prepared pre-feasibility study for the expanded, 7.6 Mtpa mining operation – sourcing ore from both the Kakula and Kansoko mines – highlights the exceptional economic returns of this second phase development. Using a copper price assumption of US\$3.10 a pound, the study outlines an after-tax NPV8% of US\$6.6 billion and an IRR of 69% over a 37-year mine life, as well as payback of just 2.5 years," Mr. Friedland added. "The pre-feasibility study also assumed that financing will be on the basis of 100% equity, so we have the opportunity to significantly increase returns by leveraging these credit facilities."

Kakula is projected to be the world's highest-grade major copper mine with an initial mining rate of 3.8 Mtpa at an estimated average feed grade of 6.6% copper over the first five years of operation. Kamoa-Kakula also is forecast to become the world's second-largest copper mine through a series of phased expansions to 19 Mtpa or more.

The long-lead items for the second 3.8 Mtpa concentrator plant have been ordered and the second phase of the project's development officially is underway. Requests for tenders for the second-phase earthworks and civil works also have been issued.

The full scope of the Phase 2 expanded facilities includes the underground expansion at the Kakula Mine to reach an annual production rate of 6 Mtpa, the commencement of commercial mining operations at the Kansoko Mine at a 1.6-Mtpa steady state, a second 3.8-Mtpa concentrator module at Kakula, and associated surface infrastructure to support the expansion at the various sites. A portion of the Phase 2 capital expenditure and subsequent expansions are expected to be funded by cash flows.

The Kamo-Kakula Copper Project is a joint venture between Ivanhoe Mines (39.6%), Zijin Mining Group (39.6%), Crystal River Global Limited (0.8%) and the DRC government (20%).

Kamo-Kakula committed to be a leader in environmentally-responsible copper mining

A recent independent audit of Kamo-Kakula's greenhouse gas intensity metrics performed by Hatch Ltd. of Mississauga, Canada, a leading, international environmental consulting firm, confirmed that Kamo-Kakula will be among the world's lowest greenhouse gas emitters per unit of copper produced, validating the project's commitment to be a leader in environmentally-responsible copper mining.

Kamo-Kakula will be powered by clean, renewable hydroelectricity and approximately one half of the mine's tailings will be mixed with cement and pumped back underground to fill mined-out voids, resulting in a surface tailings containment facility that is tiny compared to other major mines.

The Swedish Export Credit Agency (EKN), the Swedish Export Credit Corporation (SEK) and Standard Bank South Africa have conducted an environmental and social due diligence of the project based on the existing Environmental and Social Impact Assessment. The project has developed an Environmental and Social Action Plan with the purpose of managing identified risks in line with international standards.

"We are proud to combine the project's outstanding economics detailed in the recently released, independent Integrated Development Plan 2020, with first-class environmental, social, and community initiatives," Mr. Friedland stated.

Equipment financing facility

The EUR 176 million (approximately US\$211 million) equipment financing facility has an interest rate of 3.24%. The facility has an availability period of three years and amortizes over a period of five years from utilization and is tied to underground mining equipment at the Kamo-a-Kakula Project. EKN has provided both political and commercial cover to the lenders and will receive a one-off premium per tranche's first utilization that will average no more than 9.49%.

A facility of EUR 82 million (approximately US\$98 million) is available for the financing of the mining equipment for Phase 1, and a further facility of up to EUR 94 million (approximately US\$113 million) will be available for the Phase 2 mining equipment.

The equipment financing facility will be used for the purchase of best-in-class, mechanized underground mining equipment from Swedish companies Sandvik AB and Epiroc AB, and Finnish company Normet Oy, three of the world's leading suppliers.

The EKN guarantee is for an amount up to 85% of the export contract value from the equipment suppliers, and hence the determining factor in the sizing of the equipment finance facility. In order to optimize the overall funding package, a portion of the equipment purchase not covered under the EKN guarantee is being provided by Standard Bank DRC under the down-payment facility.

Mark Farren, Kamo-a-Copper's Chief Executive Officer (left), and Rochelle De Villiers, Kamo-a-Copper's Co-Chief Financial Officer (right), with one of the mine's Sandvik 63-tonne haul trucks from Sweden. Mr. Farren and Mr. De Villiers are key members of the project's on-site management team advancing the project.



Miner Jean Yav checking on one of Kamo-a-Kakula's Epiroc semi-autonomous, double-boom drilling rigs from Sweden, operating in the Kakula Mine.



Preparing for a blast in one of Kakula's high-grade access drives using a Normet Charmec emulsion charge-up vehicle from Finland.



Down-payment facility

The US\$9 million down-payment facility has an interest rate of 9.19% and will be amortized over four years. This facility is being provided by Standard Bank DRC.

This facility is available for the financing of the mining equipment for Phase 1, and may be upsized by a further US\$15 million for the Phase 2 mining equipment, subject to mutual agreement between Kamoa Copper and Standard Bank DRC.

The equipment finance is secured only by the equipment that is being financed. The down-payment facility is unsecured. No guarantee is required from any of the sponsors or parent companies with Kamoa Holding Limited issuing a non-binding Letter of Support, confirming its support for the project.

Drawdowns under the equipment finance facilities remain subject to a number of conditions precedent customary for facilities of this nature.

HCF International Advisers of London, UK, acted as financial advisor on the equipment finance and down-payment facilities.

Zijin line of credit secured by the surface ore stockpiles

The US\$200 million line of credit provided by Zijin has an annual interest rate of 10% per annum; however, interest will be capitalized and shall not be payable until commercial production commences at the Phase 2 concentrator. The line of credit may be drawn for a period of three years from the initial drawdown, in line with the approved budget for the project. Repayment of principal amounts of the line of credit will not commence until six months after commercial production at Phase 2, or by July 31, 2023 at the latest.

The line of credit is secured by the surface ore stockpiles at the Kakula and Kansoko mines, and once payments come due, will be repaid out of the mine's excess free cash flow before repayment of shareholder loans. Excess free cash flow will be determined annually, and will be equivalent to annual revenue, less operating charges, taxes, royalties, and capital expenditures. It also allows for a working capital allowance and provides Kamoa Holding with a minimum cash balance equal to 25% of forecast capital and operating expenditure for the forthcoming year.

The line of credit may be prepaid and Ivanhoe Mines has the right to advance to Kamoa Holding up to 50% of the then outstanding principal amount plus the accrued but unpaid interest, which funds would be used by Kamoa Holding to repay one half of the line of credit that would then result in both joint venture partners having advanced equivalent amounts for the Phase 2 development. The maturity date of the line of credit is five years from initial drawdown, but may be extended by a further two years subject to mutual consent.

At the end of October 2020, the project's pre-production surface stockpiles contained approximately one million tonnes of high-grade and medium-grade ore at an estimated grade of 3.47% copper, containing approximately 35,000 tonnes of copper. An additional 622,000 tonnes of low-grade development ore also has been stockpiled on surface.

The contained copper in the project's pre-production stockpiles is projected to grow to approximately 125,000 tonnes by July 2021, when the Phase 1 copper production is forecast to begin.

Laichang Zou, President of Zijin Mining (left), and Peter Zhou, Ivanhoe Mines' Executive Vice President, China (right), at the signing ceremony for the Zijin Mining US\$200 million line of credit provided to Kamo a Copper.



At the end of October, Kakula's main pre-production stockpiles at the mine's northern declines contained approximately 639,000 tonnes grading 3.71% copper. Additional ore stockpiles are located at Kakula's southern decline and the Kansoko decline.



Chart 1: Cumulative tonnes and grade of pre-production ore stockpiles at the Kakula and Kansoko mines from May 2020 to October 2020.

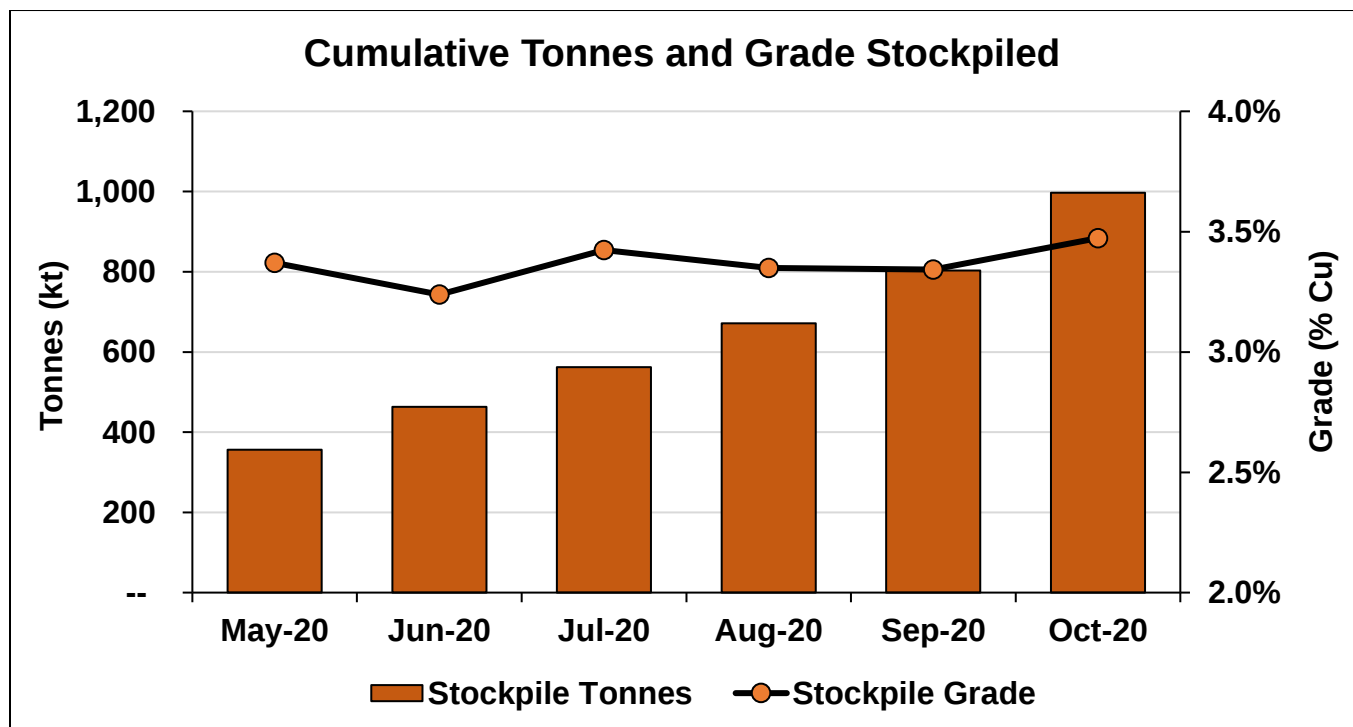


Chart 2: Growth in contained copper in pre-production ore stockpiles at the Kakula and Kansoko mines from May 2020 to October 2020.

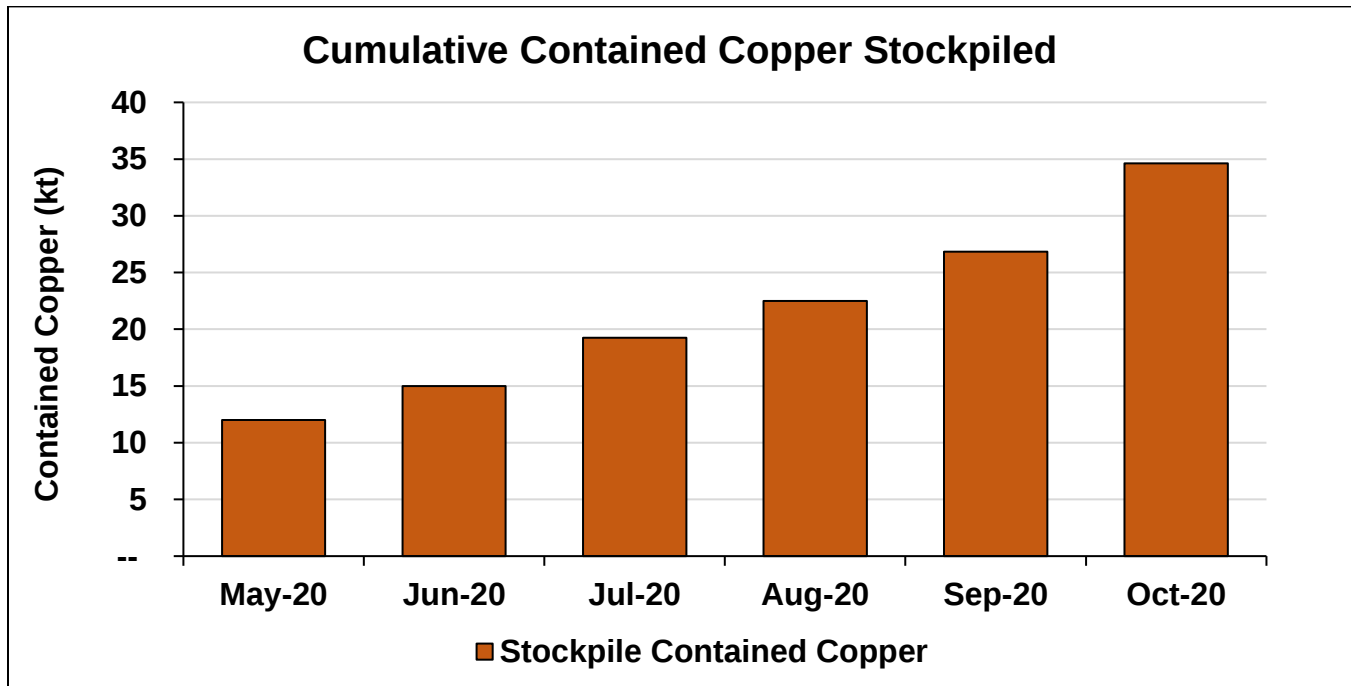
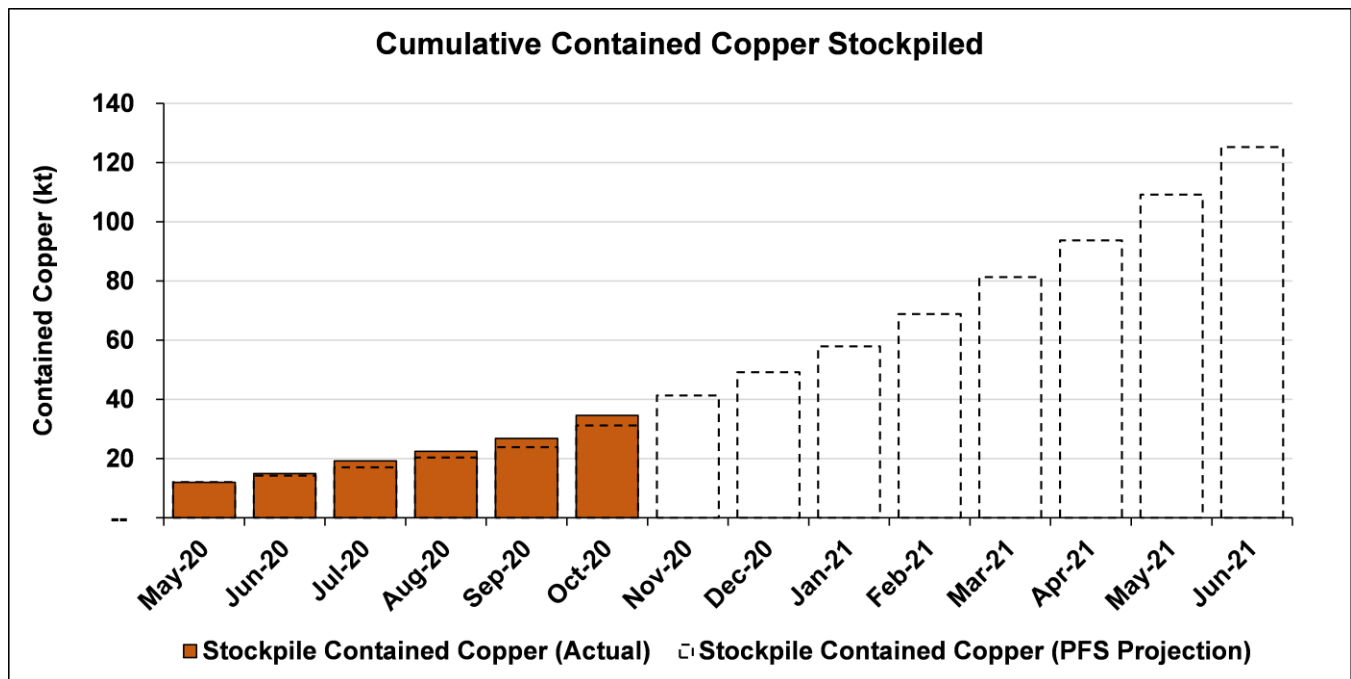


Chart 3: Projected growth in contained copper in the pre-production ore stockpiles at the Kakula and Kansoko mines up to the planned start of Phase 1 production in July 2021.



The Mwadingusha hydropower plant in the DRC that Ivanhoe and Zijin are upgrading in a private-public partnership venture with the DRC's state-owned power company, La Société Nationale d'Electricité, to provide long term, environmentally-friendly electricity for Kamo-a-Kakula and the Congolese people.



The two identical 7-megawatt ball mills at Kakula's initial 3.8-Mtpa concentrator plant, with the recently-installed screening plant and conveyor system.



Kamoa-Kakula's initial 3.8-Mtpa concentrator plant, showing the two rows of green flotation cells (rougher cells on the left; scavenger cells on the right), and the two ball mills (yellow).



Workers installing the feed chute for Kamoā-Kakula's Phase 1 high-pressure grinding rolls that will reduce the particle size of ore being fed into the two ball mills.



Lifting sections of the two 2,000-tonne silos at the Phase 1 backfill plant, which will be used to blend tailings from the processing plant with cement to produce paste backfill. The paste backfill will be pumped back underground and used to help support mined-out areas. Approximately 50% of the mine's tailings will be sent back underground, significantly reducing the surface tailings storage.



Electrician Simon Ndjamba Merve at the pump control panel for a new underground dam to supply water for drilling at the Kakula Mine.



Local women showcasing their crop of bananas grown in the Kamoia-Kakula banana plantation, one of the many Kakula Sustainable Livelihoods programs designed to enhance food security and the living standards of the people who reside within the project's footprint.



Bernadette Mpundu Mpia, the DRC government representative on the Kamoia Copper SA Board, visiting the Kamoia-Kakula banana plantation.



Electrical contractor Innocent Monga installing support columns at Kakula's main electrical substation.



Christian Mulemba in the new laundry facility at Kakula Village.



Qualified Persons

Disclosures of a scientific or technical nature regarding development scenarios at the Kamoa-Kakula Project in this news release have been reviewed and approved by Steve Amos, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of NI 43-101. Mr. Amos is not considered independent under NI 43-101 as he is the Head of the Kamoa Project. Mr. Amos has verified the technical data disclosed in this news release.

Other disclosures of a scientific or technical nature regarding the stockpiles in this news release have been reviewed and approved by George Gilchrist, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of NI 43-101. Mr. Gilchrist is not considered independent under NI 43-101 as he is the Vice President, Resources of Ivanhoe Mines. Mr. Gilchrist has verified the other technical data disclosed in this news release.

The stockpile grade estimates contained in this release are based upon bulk ore sampling from earlier underground headings, and vertical channel sample profiles from recent development. Bulk ore sampling was done on each heading every second blast and three 5-kilogram samples were taken. Since the beginning of October 2020, channel sample profiles are the primary data informing the stockpile grade estimates. These are cut approximately 15 metres apart in 1-metre vertical increments across the full vertical exposure using a handheld grinder, with a 100-to-150-gram sample collected. The samples are pulverized at the project's onsite laboratory and analyzed using a portable XRF (pXRF) instrument. Kamoa Copper has routinely analyzed its exploration drill core for copper using pXRF, in addition to analysis at a commercial laboratory using four acid digest and ICP-OES. This data has demonstrated that pXRF results can be relied upon for grade control and run-of-mine sampling.

Ivanhoe has prepared an independent, NI 43-101-compliant technical report for the Kamoa-Kakula Project, which is available on the company's website and under the company's SEDAR profile at www.sedar.com:

- Kamoa-Kakula Integrated Development Plan 2020 dated October 13, 2020, prepared by OreWin Pty Ltd., China Nerin Engineering Co., Ltd., DRA Global, Epoch Resources, Golder Associates Africa, KGHM Cuprum R&D Centre Ltd., Outotec Oyj, Paterson and Cooke, Stantec Consulting International LLC, SRK Consulting Inc., and Wood plc.

The technical report includes relevant information regarding the assumptions, parameters and methods of the mineral resource estimates on the Kamoa-Kakula Project cited in this news release, as well as information regarding data verification, exploration procedures and other matters relevant to the scientific and technical disclosure contained in this news release.

About Ivanhoe Mines

Ivanhoe Mines is a Canadian mining company focused on advancing its three principal joint-venture projects in Southern Africa: the development of major new, mechanized, underground mines at the Kamoa-Kakula copper discoveries in the DRC and at the Platreef palladium-platinum-nickel-copper-rhodium-gold discovery in South Africa; and the extensive

redevelopment and upgrading of the historic Kipushi zinc-copper-germanium-silver mine, also in the DRC. Kamoa-Kakula is expected to begin producing copper in July 2021 and, through phased expansions, is positioned to become one of the world's largest copper producers. Kamoa-Kakula and Kipushi will be powered by clean, renewable hydroelectricity and will be among the world's lowest greenhouse gas emitters per unit of metal produced. Ivanhoe also is exploring for new copper discoveries on its wholly-owned Western Foreland exploration licences in the DRC, near the Kamoa-Kakula Project.

Information contacts

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Forward-looking statements

Certain statements in this release constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws. Such statements and information involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the company, its projects, 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.

Such statements include without limitation, the timing and results of: (i) statements regarding the Kamoa-Kakula Project is positioned for a significant acceleration in the tonnage, as well as a marked increase in the grade, of ore added to the surface stockpiles as more mining crews will soon begin working in the higher-grade areas of the Kakula and Kansoko mines; (ii) statements regarding Kamoa-Kakula expects to soon draw down the equivalent of approximately US\$50 million of the equipment financing and down-payment facilities to account for the large fleet of mobile mining equipment already purchased and in operation at the Kakula Mine; (iii) statements regarding the additional funding from the credit facilities is expected to accelerate the completion of the Phase 2 mill expansion from Q1 2023 to Q3 2022; (iv) statements regarding a portion of the Phase 2 capital expenditure and subsequent expansions are expected to be funded by cash flows; (v) statements regarding the planned start-up of Kamoa-Kakula's Phase 2 expansion is expected to significantly increase the project's cash-generating capabilities; (vi) statements regarding the project has the opportunity to significantly increase the returns outlined in the recent pre-feasibility study by leveraging these credit facilities; (vii) statements regarding Kakula is projected to be the world's highest-grade major copper mine with an initial mining rate of 3.8 Mtpa at an estimated average feed grade of 6.6% copper over the first five years of operation; (viii) statements regarding Kamoa-Kakula also is forecast to become the world's second-largest copper mine through a series of phased expansions to 19 Mtpa or more; (ix) statements regarding the full scope of the Phase 2 expanded facilities is estimated to cost approximately US\$750 million; (x) statements regarding a portion of the Phase 2 capital expenditure and subsequent expansions are expected to be funded by cash flows; (xi) statements regarding Kamoa-Kakula will have the lowest emissions per tonne of copper concentrate produced of any of the world's major copper mines; and (xii) statements regarding the contained copper in the project's pre-production stockpiles is projected to grow to approximately 125,000 tonnes by July 2021, when the Phase 1 copper production is forecast to begin.

As well, all of the results of the Kakula definitive feasibility study, the Kakula-Kansoko pre-feasibility

study and the Kamo-a-Kakula preliminary economic assessment, constitute forward-looking statements or 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, estimates of capital and operating costs and the size and timing of phased development of the projects. Furthermore, with respect to this specific forward-looking information concerning the development of the Kamo-a-Kakula Project, the company has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include: (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; (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 compliance by joint venture partners with terms of agreements; (xiii) the availability and productivity of skilled labour; (xiv) the regulation of the mining industry by various governmental agencies; (xv) the ability to raise sufficient capital to develop such projects; (xvi) changes in project scope or design; and (xvii) political factors.

Forward-looking statements and information 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 or information, including, but not limited to, the factors discussed below and under "Risk Factors", and elsewhere in this release, 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 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 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 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 below in the "Risk Factors" section in the company's Q3 2020 MD&A and its current annual information form.