

July 19, 2017

Ivanhoe Mines appoints two additional leading financial institutions to arrange project financing for the development of the Platreef platinum-group metals, nickel, copper and gold mine in South Africa

Expressions of interest now received for approximately US\$900 million of the targeted US\$1 billion project financing

LONDON, ENGLAND – Robert Friedland, Executive Chairman of Ivanhoe Mines (TSX: IVN; OTCQX: IVPAF), and Lars-Eric Johansson, President and Chief Executive Officer, announced today that the company has appointed another two leading mine-financing institutions — KfW IPEX-Bank (KfW IPEX-Bank), a German government owned institution, and the Swedish Export Credit Corporation (SEK) — as Initial Mandated Lead Arrangers (IMLAs) to arrange debt financing for the ongoing development of the company’s Platreef platinum-group metals, nickel, copper and gold mine in South Africa.

KfW IPEX-Bank and SEK join the initial three IMLAs — Export Development Canada, Nedbank Limited (acting through its Corporate and Investment Banking division) and Societe Generale Corporate & Investment Banking — that were appointed earlier this year, details of which are in Ivanhoe’s April 25, 2017 news release available at www.ivanhoemines.com.

The IMLAs will make best efforts to arrange a total debt financing of up to US\$1 billion for the development of Platreef’s first-phase, four-million-tonne-per-annum (Mtpa) mine, with preliminary expressions of interest now received for approximately US\$900 million of the targeted US\$1 billion financing. The financing will be contingent upon a successful due diligence process including benchmarking the project against the International Financial Corporation’s (IFC) Environmental and Social Performance Standards.

Negotiation of a term sheet is ongoing between Ivanhoe’s finance team and the IMLAs and discussions were held during the week of July 3rd in Johannesburg, South Africa, and attended by all five IMLAs. This was followed by a site visit to the Platreef Project.

“With KfW IPEX-Bank’s and SEK’s involvement and with the indications of interest received from lenders totalling US\$900 million, we have great confidence that we will reach our total debt financing target,” said Mr. Friedland.

“We are thrilled by the addition of SEK and KfW IPEX-Bank to the IMLA group. SEK and KfW IPEX-Bank bring extensive experience in mining project finance, in particular in export and import finance, and bring with them the potential for significant German and Swedish government backing.”

About the Platreef Project

The Platreef Project is a Tier One discovery of platinum-group metals, nickel, copper and gold 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 structure have a 26% stake in the Platreef Project. 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.

Ivanplats plans to develop the Platreef Mine as an underground mining operation in three phases: 1) an initial annual rate of four Mtpa to establish an operating platform to support future expansions; 2) a doubling of production to eight Mtpa; and 3) another expansion phase to a steady-state 12 Mtpa. At a projected production rate of 12 Mtpa, Platreef would be the largest platinum-group metals mine in the world, producing more than 1.2 million ounces of platinum-group metals each year.

Qualified person

The 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 (NI 43-101). Mr. Torr has verified the technical data disclosed in this news release.

Technical information on the Platreef Project is contained 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.

About Ivanhoe Mines

Ivanhoe Mines is advancing its three principal projects in Southern 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 discovery on the Central African Copperbelt in the Democratic Republic of Congo (DRC); and 3) upgrading at the historic, high-grade [Kipushi](#) zinc-copper-silver-germanium mine, also on the DRC's Copperbelt. For details, visit www.ivanhoemines.com.

About KfW IPEX-Bank and SEK

Within the KfW Group, KfW IPEX-Bank is a legally independent group subsidiary. It offers medium- and long-term financing for key export industries, to develop infrastructure, and to fund environmental and climate protection projects across the globe. SEK is an independent institution that is owned by the Swedish government and acts as a complement to banks. SEK is focused solely on lending to the Swedish export sector.

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FORWARD-LOOKING STATEMENTS

Statements in this news release 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 news release, 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 and statements in this news release include, but is not limited to (i) statements regarding the IMLAs will make best efforts to arrange a total debt financing of up to US\$1 billion for the development of Platreef's first-phase, four-million-tonne-per-annum (Mtpa) mine, with preliminary expressions of interest now received for up to US\$900 million of the targeted US\$1 billion financing; (ii) statements regarding the financing will be contingent upon a successful due diligence process including benchmarking the project against the International Financial Corporation's (IFC) Environmental and Social Performance Standards; (iii) statements regarding Ivanplats plans to develop the Platreef Mine as an underground mining operation in three phases: 1) an initial annual rate of four Mtpa to establish an operating platform to support future expansions; 2) a doubling of production to eight Mtpa; and 3) another expansion phase to a steady-state 12 Mtpa; and (iv) statements regarding a projected production rate of 12 Mtpa, Platreef would be the largest platinum-group metals mine in the world, producing more than 1.2 million ounces of platinum-group metals each year.

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.

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.