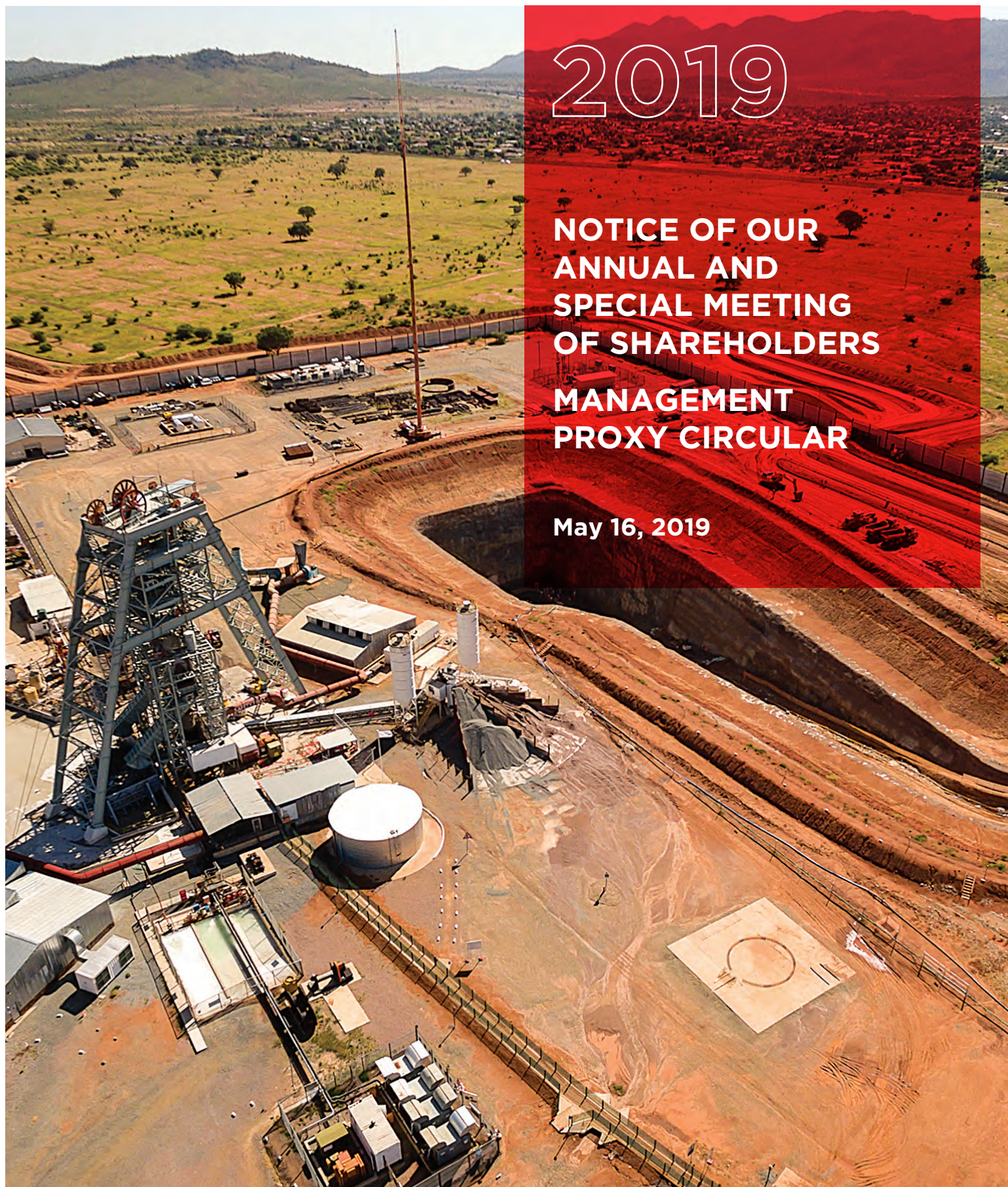
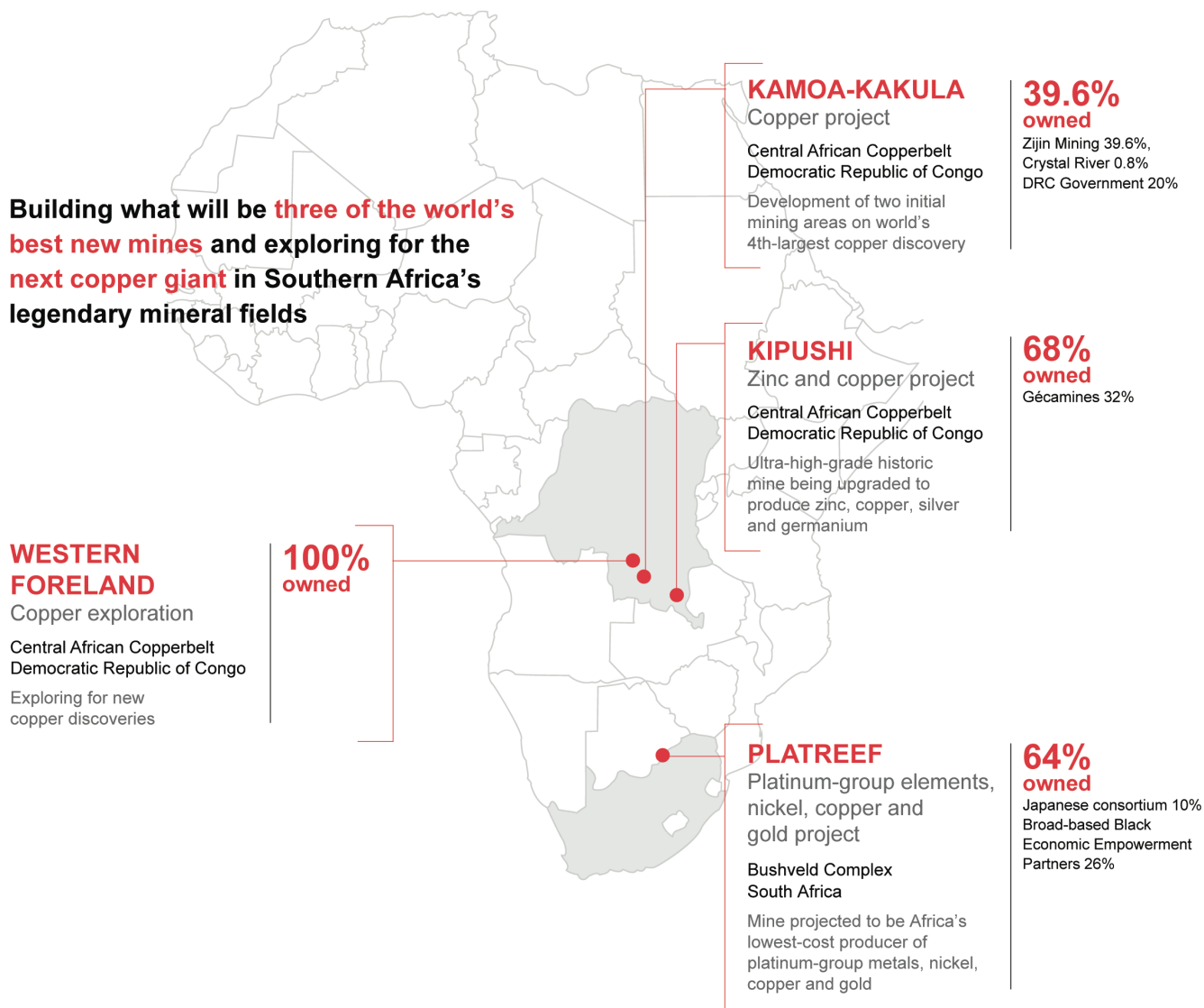


2019

**NOTICE OF OUR
ANNUAL AND
SPECIAL MEETING
OF SHAREHOLDERS
MANAGEMENT
PROXY CIRCULAR**

May 16, 2019





Ivanhoe Mines is a Canadian mineral exploration and development company with a vision to build a leading, commodity-diversified mining and exploration company. We are realizing this vision through the development of our principal projects in Southern Africa.

Our shares trade on the Toronto Stock Exchange under the symbol IVN and on the OTCQX Best Market in the United States under the symbol IVPAF.

Message to shareholders

Dear fellow shareholders,

On behalf of the Board of directors of Ivanhoe Mines, we are pleased to invite you to our 2019 Annual and Special Meeting of Shareholders, which will take place at 8 a.m. (Pacific Time) on Friday, June 28, 2019 in the Cheakamus Room at the Fairmont Waterfront Hotel, 900 Canada Place in Vancouver, British Columbia, Canada.

One very important item at this year's Annual and Special Meeting is the private placement financing announced on April 25, that will see CITIC Metal Co., Ltd. ("**CITIC Metal**"), through a subsidiary, CITIC Metal Africa Investments Limited, invest an additional C\$612 million (approximately US\$454 million) in Ivanhoe at C\$3.98 per share – a 29% premium to Ivanhoe's trading price at the time of the announcement.

With shareholder approval, the CITIC Metal investment is expected to close no later than September 7, 2019. This timing will allow Ivanhoe to rapidly move forward with construction of the Kamoa-Kakula Project's initial six million-tonne-per-annum high-grade copper mine at the Kakula Deposit in the Democratic Republic of Congo ("**DRC**") without relying on third-party project financing and being subject to the fees, interest or hedging requirements typically associated with project financing. Subsequently, Zijin Mining Group Co. Ltd. ("**Zijin**" or "**Zijin Mining**") – our joint-venture partner at Kamoa-Kakula – fully exercised its anti-dilution rights, also at C\$3.98 per share, which will generate additional proceeds for Ivanhoe of C\$67 million (US\$49 million) and maintain Zijin's ownership in Ivanhoe Mines at 9.8%.

The combined proceeds of more than C\$679 million (US\$503 million) from CITIC Metal and Zijin Mining will provide Ivanhoe with the equity cushion required to finance our first two mines in the DRC – Kakula and Kipushi – to commercial production, and significantly advance, or achieve, production at the Platreef Project in South Africa. Ivanhoe also is positioned to have its planned expansions at the Kamoa-Kakula Project funded from internally generated cash flows. CITIC Metal, currently our largest, strategic shareholder, will come to own 29.5% of our issued and outstanding common shares when the placement is completed.

This private placement marks the second major equity investment by CITIC Metal, one of China's leading international resources companies, bringing its total

investment in Ivanhoe to US\$1 billion. Last September, CITIC Metal completed a long-term, strategic cooperation and investment agreement that saw CITIC Metal invest C\$723 million (US\$555 million) to advance our three projects in Southern Africa. Under the terms of the September 2018 investment agreement, CITIC Metal acquired a 19.5% stake at a price of C\$3.68 per share.

CITIC Metal has been a shareholder in Ivanhoe Mines for less than a year now. Today, CITIC Metal deeply appreciates what we have known for quite some time: the Kamoa-Kakula Project is unquestionably the best copper development project in the world.



Robert M. Friedland
Founder,
Executive Co-Chairman



Yufeng (Miles) Sun
Non-Executive
Co-Chairman

CITIC Metal deeply appreciates what we have known for quite some time: the Kamoa-Kakula Project is unquestionably the best copper development project in the world.

Ivanhoe is on the verge of making a major, transformative leap forward to a producer

Mineral exploration and mine building is a marathon. It is a very long-term and challenging business, and the odds of success are quite unfavourable when starting from the beginning. After more than 25 years of relentless determination and intense focus on our exploration efforts in Southern Africa, we have earned the well-deserved reputation as one of the preeminent mine finders and mining company builders.

We are on the verge of a major, transformative leap forward from a mine finder to leading copper producer – thanks in large part to the support of our communities, private, public, and state-owned partners, and our long-standing shareholders

We are proud to say that our Kamoa and Kakula discoveries – initially a greenfield discovery by our geologists that was unveiled 10 years ago last month – now rank as the world's fourth-largest copper deposit, with copper

grades that are the highest, by a wide margin, of the world's top 10 copper deposits. And, there is significant potential to meaningfully expand the project's current copper resources as our team of talented geologists and geoscientists continue to make new, high-grade discoveries at Kamoa North and Kamoa Far North.

Today, we are on the verge of a major, transformative leap forward from a mine finder to leading copper producer – thanks in large part to the support of our communities, private, public, and state-owned partners, and our long-standing shareholders who share our passion for discovery, our belief in the people of Southern Africa, our long-term vision, and our differentiated business model.

Kakula is the first of multiple, large, high-grade, copper discoveries that are expected to be put into production at the Kamoa-Kakula Project. Initial production is scheduled for the first half of 2021, and Kakula's mine grades are expected to average 6.8% copper over the initial five years of operations.

With the support of the DRC government and the backing of our joint-venture partner, Zijin Mining, and our strategic shareholder, CITIC Metal, Kamoa-Kakula is in a position to reach a production rate of 18 million tonnes of ore a year, and become one of the world's greatest copper mining complexes, with peak annual copper production expected to exceed 700,000 tonnes.

While Kamoa-Kakula is the first of our three principal projects scheduled to begin production, with the CITIC Metal investment, we also will be able to fast track our Platreef and Kipushi projects toward production. Discussions are continuing with potential strategic partners and lenders to support our continuing advance toward a new era of commercial production at Kipushi, also in the DRC. Together with our joint-venture partner Gécamines, we have made significant progress in upgrading the mine's underground infrastructure and the Company now has a much clearer path to a resumption of production from the high-grade Big Zinc orebody.

At the Platreef Project in South Africa, we continue with project financing discussions for the development of the high-grade platinum-group elements, nickel, copper and gold mine. Construction of Platreef's first two shafts is proceeding, and based on the findings of an independent definitive feasibility study issued in July 2017, Platreef is projected to be Africa's lowest-cost producer of platinum-group metals, with a cash cost of \$351 per ounce of platinum, palladium, rhodium and gold, net of by-products, including sustaining capital costs.

We acknowledge the hard work of our talented women and men who do an outstanding job of developing our tier-one assets in Southern Africa, and identifying new opportunities to create value for our stakeholders. The health, safety and well-being of our people are core priorities within our organization, and we are proud that our safety-focused work culture has helped us to improve our safety performance year-over-year.

Changes to the Board and management

This year, we have 10 candidates nominated for election to the Board, including ourselves. Each of our directors brings significant mineral project expertise, financial, government relations or business expertise to Ivanhoe, and we thank them for their commitment to help shape Ivanhoe's strategic direction and lead us forward. Together with our management team, we will work to ensure the smooth transition from an exploration and development company, to a significant producer.

Ian Cockerill and Oyvind Hushovd have decided not to stand for re-election after serving on the Board for many years. Mr. Cockerill recently was appointed to the board of BHP, leading him to relinquish his other board commitments, while Mr. Hushovd is retiring. We have been very fortunate to have had the benefit of their depth of experience in the global mining sector and their strategic leadership, and we thank them for their significant contributions.

We are delighted that Jinghe Chen, Chairman of Zijin Mining, has accepted our invitation to join the Board as a non-executive director, reflecting the strong working partnership between Ivanhoe and Zijin as we co-develop the Kamoa-Kakula copper discoveries.

On May 1, we welcomed Tony Giardini as Ivanhoe's new President, replacing outgoing President and Chief Executive Officer Lars-Eric Johansson, who is retiring at the end of June. Mr. Giardini's extensive experience as a senior-level finance and mining executive positions him well to oversee the construction and operation of our projects. He played a key role during his time at the original Ivanhoe Mines, now Turquoise Hill Resources, in the successful financing, development and construction of the Oyu Tolgoi copper and gold mine in Mongolia.

Mr. Johansson has been at the helm of Ivanhoe Mines and its predecessor, Ivanplats, since May 2007, guiding us through our growth from a mineral explorer to the company we are today. Mr. Johansson successfully led our initial public offering in 2012 that raised US\$308 million, our partnering with Zijin Mining at Kamoa-Kakula, our strategic equity investments from CITIC Metal, and has done an exceptional job steering Ivanhoe Mines through a period of tremendous development. On behalf of the Board, we sincerely thank Mr. Johansson for his years of dedication and leadership.

Our vision for 2019 and beyond

The urgent, global need to drastically reduce the burning of fossil fuels for transportation and energy generation – the leading contributor to greenhouse gas emissions – will drive the demand for commodities for years to come, paving the way for responsible miners of 'green metals' to play a crucial part in solving some of the planet's biggest problems.

We are highly confident that future markets for metals will be influenced by the steady pace of urbanization and demands for cleaner air and water, which require strategic metals, such as nickel, zinc, platinum-group metals, and especially copper.

We see ourselves as more than just a mineral exploration or mining company – we also are a cohesive group of passionate shareholders who take an innovative approach to mineral exploration and building new, environmentally and socially responsible mines, to contribute to improving the state of our world and benefit all of humanity.

We also are confident that governments will commit future fiscal stimulation to the environment, and that bodes well for demand for the metals that we plan to supply, which in turn gives us the confidence to continue forging ahead on our projects' development plans.

We see ourselves as more than just a mineral exploration or mining company – we also are a cohesive group of passionate shareholders who take an innovative approach to mineral exploration and building

new, environmentally and socially responsible mines, to contribute to improving the state of our world and benefit all of humanity.

Focused on responsible mining and community initiatives

The entire Board is focused on enhancing value for our shareholders through responsible mining practices. One way we seek to enhance value is by better understanding, disclosing and managing our environmental and social impacts. We soon will publish our second annual sustainability report highlighting our people, community initiatives, responsible mining practices, sustainability performance in 2018, and our vision of the forces now shaping future markets for the metals we soon will be producing.

We have worked hard to form partnerships that can secure the delivery of long-term sustainability benefits to the people living within our projects' host communities. Our continued success requires cooperation with local communities, local governments, national governments and non-governmental organizations. Our stakeholder agreements with our host communities, local entrepreneurs and employees, will help to ensure that the social and economic benefits from our remarkable mineral discoveries are widely shared for generations to come.

On behalf of the Board and management of Ivanhoe, we thank you for sharing our passion and vision.

"Robert M. Friedland"

Robert M. Friedland
Founder, Executive
Co-Chairman

"Yufeng (Miles) Sun"

Yufeng (Miles) Sun
Non-Executive
Co-Chairman

Notice of our 2019 meeting of shareholders

How to get a copy of the
management proxy circular:

To reduce printing and mailing costs, we are using the notice and access provisions under National Instrument 54-101 to deliver the 2019 management proxy circular and other materials for the shareholder meeting.

You can access copies of our management proxy circular and our management's discussion and analysis and annual audited financial statements for the year ended December 31, 2018 on our website, www.ivanhoemines.com, and on our SEDAR profile, www.sedar.com.

To receive free printed copies, please call our transfer agent, AST Trust Company (Canada), toll-free at 1-888-453-6443, or contact our Vice President, Compliance and Corporate Secretary:

Tel 1-888-571-4545 (toll-free)
1-604-688-6630 (not toll-free)

Fax 1-604-682-2060

Email info@ivanhoemines.com

Mail Ivanhoe Mines Ltd.
Suite 654 - 999 Canada Place
Vancouver, British Columbia
V6C 3E1

IVANHOE MINES

NEW HORIZONS

You have the right to vote at the 2019 annual and special meeting of shareholders of Ivanhoe Mines Ltd. if you were a registered holder of our Class A common shares at the close of business on May 3, 2019.

When

Friday, June 28, 2019
8 a.m. (Pacific Time)

Where

Cheakamus Room
Fairmont Waterfront Hotel
900 Canada Place Way
Vancouver, British Columbia V6C 3L5

Items of business

1. Receive the Ivanhoe Mines Ltd. audited financial statements for the year ended December 31, 2018 and the auditor's report;
2. Set the number of directors at 10 for the year;
3. Elect directors for the year;
4. Re-appoint PricewaterhouseCoopers Inc., Chartered Accountants, as auditor for the year and authorize the directors to set the auditor's fees;
5. Consider and, if deemed advisable, pass, with or without variation, an ordinary resolution authorizing and approving the issuance of 153,821,507 Class A shares to CITIC Metal Africa Investments Limited and the material effect on control of Ivanhoe resulting from the issuance of such Class A shares to CITIC Metal Africa Investments Limited, all as more particularly described in the accompanying management proxy circular; and
6. Transact any other business that properly comes before the meeting.

You can vote in person at the meeting or by proxy if you are a shareholder of record. Our management proxy circular gives important information about the items of business and how to vote your shares and how other shareholders may vote shares not held of record.

Your vote is important

Take some time to read the management proxy circular before you vote your shares. Be sure to submit your completed proxy form or voting instruction form by the deadline indicated on your form for your vote to be counted.

By order of the Board of directors,

"Lars-Eric Johansson"

Lars-Eric Johansson
President and
Chief Executive Officer

May 16, 2019

"Mary Vincelli"

Mary Vincelli
Vice President, Compliance
and Corporate Secretary

2019 Management proxy circular

In this document:

- *we, us, our, Company, Ivanhoe Mines and Ivanhoe* mean Ivanhoe Mines Ltd. and our subsidiaries and joint ventures
- *Board* means *Board of directors*
- *you, your* and *shareholder* refer to holders of Ivanhoe Mines Class A common shares, unless stated otherwise
- *Class A shares, common shares and shares* mean Ivanhoe Class A common shares
- all dollar amounts are in U.S. dollars (US\$) unless indicated otherwise
- references to C\$ mean Canadian dollars
- information is as of May 10, 2019 unless indicated otherwise.

Record date

May 3, 2019

Corporate office

Ivanhoe Mines Ltd.
Suite 654 – 999 Canada Place
Vancouver, British Columbia
V6C 3E1

Tel: 1-604-688-6630

Fax: 1-604-682-2060

You have received this management proxy circular because you owned Ivanhoe Mines Class A common shares as of the close of business on May 3, 2019.

Management is soliciting your proxy for the meeting.

Proxy solicitation is mostly by mail, but you may also be contacted by an Ivanhoe director, officer or employee to encourage you to vote. We pay for these costs.

This management proxy circular contains important information about the business of the meeting and the voting process. Please read it carefully before you vote your shares.

The Board has approved the contents of this management proxy circular and has authorized us to distribute it to all shareholders of record and to non-objecting beneficial owners.

By order of the Board,

“Mary Vincelli”

Mary Vincelli
Vice President, Compliance
and Corporate Secretary

May 16, 2019

If you acquired Ivanhoe shares after May 3, 2019, you are not entitled to receive notice of or to vote at the meeting unless you have a properly endorsed share certificate or other proof that you own the shares as of record and you make a demand to our transfer agent that your name be included on the list of shareholders of record.

Contact our transfer agent, AST Trust Company (Canada), at least 10 days before the meeting to ask for your name to be included on the list of shareholders of record. See page 18 for how to contact AST.

This management proxy circular includes important information about our 2019 shareholder meeting, the items of business and how to vote your shares.

It also tells you about governance at Ivanhoe Mines and how we pay our executives and directors. Please read it carefully and then vote.

What's inside

- 8 1. About the shareholder meeting
 - 9 When and where
 - 9 Business of the meeting
 - 17 Voting information
 - 22 About the nominated directors
- 34 2. Corporate governance
 - 35 Building an effective Board
 - 40 Board responsibilities
 - 42 Board committees
 - 44 Additional information about the Board
- 48 3. Executive compensation
 - 49 Compensation discussion and analysis
 - 67 Compensation details
- 84 4. Other information
- 86 Appendix



1.

ABOUT THE SHAREHOLDER MEETING

Your vote is important.

You can vote in person at the meeting or by proxy. This section includes important information about the meeting, the items of business and how to vote your shares.

- 9 When and where
- 9 Business of the meeting
- 17 Voting information
- 22 About the nominated directors

Headframe for Shaft 5 at the Kipushi Mine in the DRC. Shaft 5 will be the main production shaft when mining begins at Kipushi's Big Zinc orebody, that has an average resource grade of 35% zinc.

> When and where

Our 2019 annual and special meeting of shareholders will begin at 8 a.m. (Pacific Time) on Friday, June 28, 2019 at the Fairmont Waterfront Hotel – Cheakamus Room, 900 Canada Place Way, Vancouver, British Columbia V6C 3L5.

We must have a quorum to transact business at a shareholder meeting. That means we need to have at least two persons present, in person or represented by proxy, who together hold at least 5% of the Class A shares) that are entitled to be voted at the meeting for the meeting to proceed.

According to the Business Corporations Act (British Columbia) (“**BCBCA**”) and our articles, we must receive a simple majority of the votes cast at the meeting (by person or proxy) to pass an ordinary resolution. All items to be voted on at our 2019 annual and special meeting are ordinary resolutions.

> Business of the meeting

1. Receive our financial statements (www.ivanhoemines.com)

We will present our audited financial statements for the year ended December 31, 2018 and the auditor’s report.

You can access copies of our management’s discussion and analysis and annual audited financial statements for the 2018 fiscal year on our website (www.ivanhoemines.com) and on our SEDAR profile (www.sedar.com).

2. Set the number of directors

This year the Board has determined to nominate 10 directors for Ivanhoe’s Board. You will vote on setting this year’s Board for election at 10 directors.

Management recommends you vote **FOR** setting the number of directors at 10.

3. Elect directors (see page 22)

Directors are elected annually and hold office until the next annual general meeting of shareholders or until their successors are elected or appointed.

Management has nominated the 10 people below for election as Ivanhoe directors. Each nominee currently serves on our Board, with the exception of new nominee Jinghe Chen, and has expressed his or her willingness to serve another term. Management does not contemplate that any of the nominees will be unable to serve as a director. Each nominee will hold office until our next annual general meeting, until they resign, or until their successors are elected or appointed.

Management recommends you vote **FOR** each nominee.

You will vote on electing each of the 10 nominated directors. You can vote for or withhold your vote for each nominated director:

| | |
|---------------------|----------------------|
| Robert M. Friedland | William B. Hayden |
| Yufeng (Miles) Sun | Livia Mahler |
| Egizio Bianchini | Peter G. Meredith |
| Tadeu Carneiro | Kgalema P. Motlanthe |
| Jinghe Chen | Guy J. de Selliers |

Majority voting policy

Our majority voting policy requires a director who receives more *withheld* than *for* votes in an uncontested election to submit their resignation immediately following the shareholder meeting. The Board will meet to discuss the matter and accept the resignation absent any exceptional circumstances. Within 90 days of the shareholder meeting, the Board will consider any exceptional circumstances, issue a news release announcing its decision and explaining its reasons not to accept the resignation, and provide a copy of its decision to the Toronto Stock Exchange (“**TSX**”). The director does not participate in the Board’s deliberations or vote on the matter. If the Board accepts the resignation, it will still issue a news release and deliver a copy to the TSX, but it can leave the vacancy until the next annual meeting, fill the Board seat by appointing a new director who the Board believes will have the confidence of shareholders, or call a special meeting of shareholders to consider a new nominee to fill the position. If the Board rejects the resignation, it will discuss the matter with the TSX and take the necessary steps to resolve the exceptional circumstances before the next general shareholder meeting.

The Board considers any of the following to be an exceptional circumstance:

- if accepting the resignation means we would no longer be in compliance with corporate or securities law;
- if accepting the resignation means we would be breaching the terms of a commercial agreement;
- if the director is a key member of a special committee and accepting the resignation would jeopardize the achievement of that committee’s mandate; or
- if majority voting was used for a purpose inconsistent with the policy objectives set out by the TSX.

You can access a copy of the majority voting policy on our website (www.ivanhoemines.com).

Exceptional circumstances do not include recurring events, the director’s length of service, qualifications, experience, meeting attendance or contributions.

No director has received a majority withheld vote since the policy was implemented in 2013. The policy only applies in uncontested elections. A plurality vote applies in contested elections, where the number of director nominees exceeds the number of directors to be elected.

4. Appoint the auditor

Re-appoint PricewaterhouseCoopers Inc., Chartered Accountants (“**PwC**”) as auditor for the 2019 fiscal year and authorize the directors to set the auditor’s fees. PwC has served as our auditor since March 2015.

The table below shows the fees paid to PwC in the last two fiscal years. Fees represent professional services and do not include any out-of-pocket disbursements or fees associated with filings made on Ivanhoe’s behalf.

| | 2017 | 2018 |
|--|------------------|------------------|
| Audit fees for professional services for the audit of our annual consolidated financial statements | \$293,882 | \$328,985 |
| Audit related fees for services related to the interim reports as well as services related to statutory and regulatory filings | \$56,089 | \$59,864 |
| Tax fees for tax compliance, tax advice and tax planning | \$14,000 | – |
| All other fees for translation services provided by the auditor | – | \$29,328 |
| Total | \$363,971 | \$418,177 |

Management recommends you vote **FOR** re-appointing PwC as our auditor and authorizing the directors to set the auditor’s fees.

Amounts have been converted to US\$ using the average exchange rate for each financial year. You can read more about the Audit committee on page 42.

5. Approval of the CITIC Private Placement

Management recommends you vote **FOR** approval of the CITIC Private Placement Resolution.

We will be asking you to consider and, if deemed advisable, pass, with or without variation, the CITIC Private Placement Resolution, being an ordinary resolution authorizing and approving the issuance of 153,821,507 Class A shares to CITIC Metal Africa Investments Limited (“**CITIC Metal Africa**”) under the terms of a Subscription Agreement dated April 25, 2019 between Ivanhoe and CITIC Metal Africa and the deemed material effect on control of Ivanhoe resulting from the issuance of such Class A shares to CITIC Metal Africa (the “**CITIC Private Placement**”), the details of which are set out below. The CITIC Private Placement Resolution requires disinterested shareholder approval in accordance with the rules of the TSX as described below.

Description of the CITIC Private Placement

The execution and public announcement of the CITIC Private Placement was the culmination of a comprehensive review of financing alternatives by Ivanhoe and arm’s length negotiations between representatives of Ivanhoe, on the one hand, and representatives of CITIC Metal Africa, on the other hand, together with each of their respective advisors.

On September 19, 2018, CITIC Metal Africa, a direct subsidiary of CITIC Metal Co., Ltd., one of China’s leading international resources companies, completed an initial strategic equity investment in Ivanhoe by acquiring 196,602,037 Class A shares (representing approximately 19.5% of Ivanhoe’s then issued and outstanding Class A shares) through a private placement at a price of C\$3.68 per Class A share, yielding gross proceeds to Ivanhoe of approximately C\$723 million (US\$560 million).

Following completion of the initial investment by CITIC Metal Africa, Ivanhoe has continued to advance its projects, and has explored and assessed various strategic alternatives to finance its share of construction costs for the Kakula copper mine in the Democratic Republic of Congo (“**DRC**”) and to fast-track production at all of Ivanhoe’s development projects in Southern Africa. As part of this process, representatives of Ivanhoe reviewed and assessed numerous strategic financing and other opportunities presented to Ivanhoe, having regard to the best interests of Ivanhoe as well as to Ivanhoe’s operations and financial position, industry conditions and geopolitical considerations.

During this period, representatives of Ivanhoe and CITIC Metal Africa engaged from time to time in various discussions with respect to potential transactions among the parties, including, among other things, an additional equity investment in Ivanhoe. In connection with such discussions, Ivanhoe and CITIC Metal Africa entered into a non-binding indicative term sheet in dated April 12, 2019 with respect to a potential additional investment by CITIC into Ivanhoe. During the remainder of April 2019, representatives and legal counsel of each of the parties commenced formal negotiation of definitive agreements for the CITIC Private Placement, and the parties negotiated the terms and conditions of the CITIC Private Placement.

On April 25, 2019, Ivanhoe and CITIC Metal Africa entered into a subscription agreement (“**Subscription Agreement**”) in respect of the CITIC Private Placement pursuant to which, among other things, CITIC Metal Africa agreed to subscribe for 153,821,507 Class A shares (representing approximately 15.1% of Ivanhoe’s current issued and outstanding Class A shares) at a price of C\$3.98 per Class A share for aggregate gross proceeds to Ivanhoe of C\$612,209,598. CITIC Metal Africa, currently Ivanhoe’s largest shareholder with a current shareholding of approximately 19.3% of Ivanhoe’s issued and outstanding Class A shares, would come to own approximately 29.9% of Ivanhoe’s issued and outstanding Class A shares upon completion of the CITIC Private Placement.

Similar to the conditions precedent agreed to in connection with CITIC Metal Africa’s initial investment in Ivanhoe in 2018, completion of the CITIC Private Placement is conditional upon completion of customary, confirmatory due diligence by CITIC Metal Africa and certain internal approvals. The CITIC Private Placement is also subject to approval by the TSX and records with certain Chinese regulatory agencies,

which also were required and obtained for CITIC Metal Africa's initial investment in Ivanhoe. Receipt of all necessary approvals and completion of the transaction is expected no later than September 7, 2019.

As a result of the proposed purchase of Class A shares by CITIC Metal Africa under the Subscription Agreement, Zijin Mining Group Co., Ltd. ("**Zijin**") has the right (but not the obligation) to purchase up to 16,754,296 Class A shares at a price of C\$3.98 per Class A share for additional aggregate gross proceeds to Ivanhoe of C\$66,682,098.08 pursuant to an existing Anti-Dilution Agreement dated March 23, 2015 between Ivanhoe and Zijin ("**Zijin Anti-Dilution Rights**"). Zijin has exercised the Zijin Anti-Dilution Rights in full. As a result, CITIC Metal Africa's shareholding will be reduced to 29.5% of Ivanhoe's issued and outstanding Class A shares.

TSX conditional approval for the CITIC Private Placement was obtained on May 16, 2019, but is subject to, among other things, receipt of disinterested shareholder approval of the CITIC Private Placement Resolution.

Amended and restated investor rights agreement and reciprocal lock-up

On closing of the CITIC Private Placement, Ivanhoe has agreed to enter into an amended and restated investor rights agreement ("**Amended and Restated Investor Rights Agreement**"), which will amend and restate the existing investor rights agreement between Ivanhoe and CITIC Metal Africa that was entered into in 2018.

Under the Amended and Restated Investor Rights Agreement:

- CITIC Metal Africa would have the continuing right (for so long as it maintains an ownership interest of no less than 10% of the Class A shares) to nominate three (3) directors to the Board, an increase of one (1) additional director from the two (2) directors currently nominated by CITIC Metal Africa;
- CITIC Metal Africa would have continuing anti-dilution rights to enable it to maintain up to its resulting 29.9% Class A share ownership in Ivanhoe; and
- CITIC Metal Africa would continue to agree to a standstill and not to increase its ownership in Ivanhoe in excess of 29.9% until after January 8, 2023.

Ivanhoe has also agreed in the Amended and Restated Investor Rights Agreement that it would use its reasonable best efforts to assist CITIC Metal Africa, or an affiliate, to negotiate an offtake agreement in respect of production from Phase 1 of the Kamoakakula Project, or to transfer Ivanhoe's rights to any offtake which it may become entitled to at fair market value.

The Subscription Agreement also provides that, upon completion of the CITIC Private Placement, CITIC Metal Africa and Robert Friedland would enter into an amended and restated reciprocal standstill agreement ("**Amended and Restated Reciprocal Standstill Agreement**") that prevents Mr. Friedland from increasing his ownership in Ivanhoe to more than 19.9% until after January 8, 2023, and which also provides certain reciprocal disposition and tag-along rights to the other in the event of a sale of Class A shares by either party. These increased standstill periods have been agreed to be lengthened to provide sufficient time to bring the Kamoakakula Project's 6 Mtpa high-grade copper mine at the Kakula deposit to production, and to advance the first of its subsequent, planned expansions, as well as the Kipushi and Platreef projects. It is expected that Ivanhoe's entire shareholder base will benefit from the economic growth and significant cash flows that result from commercial production at these three mines.

The foregoing is a summary of the material terms of the Subscription Agreement, the Amended and Restated Investor Rights Agreement and the Amended and Restated Reciprocal Standstill Agreement and is qualified in its entirety by reference to the specific terms of the Subscription Agreement (which includes the forms of the Amended and Restated Investor Rights Agreement and the Amended and Restated Reciprocal Standstill Agreement), a copy of which has been filed on Ivanhoe's profile on SEDAR at www.sedar.com.

Resulting share ownership

The following table sets out the resulting Class A share ownership upon completion of the CITIC Private Placement, on a non-diluted basis, using the 1,018,436,090 Class A shares issued and outstanding as of the date of this management proxy circular.

| Name of insider | Current ownership | Ownership following CITIC Private Placement | |
|---|-------------------|---|--|
| | | Before exercise of Zijin Anti-Dilution Rights | After exercise of Zijin Anti-Dilution Rights |
| CITIC Metal Africa Investments Limited ¹ | 19.3% | 29.9% | 29.5% |
| Robert M. Friedland ² | 16.9% | 14.7% | 14.5% |

1 CITIC Metal Africa beneficially owns 196,602,037 Class A shares as at the date of this circular.

2 Includes 135,570,260 Class A shares held indirectly through Newstar Advantage Ltd., a company beneficially owned and controlled by Mr. Friedland, and 34,454,717 Class A shares Mr. Friedland holds beneficially. Mr. Friedland also has the right to acquire 2,525,000 unissued Class A shares by exercising vested stock options he was granted as an incentive award. Those options can be exercised for Class A shares within 60 days of the date of this management proxy circular, and may therefore be deemed outstanding for certain purposes under securities laws. They are not included in the Class A shares reported in the table above. The table also does not include any unissued Class A shares issuable upon the vesting of restricted share units.

Use of proceeds

The aggregate gross proceeds from the CITIC Private Placement will total C\$612,209,598. The use of proceeds from the CITIC Private Placement (and the proceeds from exercise by Zijin of the Zijin Anti-Dilution Rights) will be the development of Ivanhoe's Kamoakakula Project in DRC, to advance the Kipushi project in DRC to commercial production, to significantly advance the Platreef project in South Africa, and for general corporate and working capital purposes. The investment will provide Ivanhoe with the equity funding required to fast-track Kamoakakula's 6 Mtpa Phase 1 mine to production. Ivanhoe's joint-venture partner at the Kamoakakula Project, Zijin, is required to fund its equivalent share of approximately US\$540 million of the mine's initial capital costs. Ivanhoe and Zijin also are in financing discussions with international export-credit agencies and equipment-finance providers, which could materially reduce the amount of funding that Ivanhoe and Zijin would have to contribute.

TSX requirements

Under the rules and policies of the TSX shareholder approval is required for transactions involving the issuance of equity securities that are considered to materially affect control of a listed company and private placements during any six month period to insiders for securities greater than 10% of the number of securities which are outstanding. Under the rules and policies of the TSX, a transaction is considered to "materially affects control" if it gives any securityholder or combination of securityholders acting together the ability to influence the outcome of a vote of securityholders, including the ability to block significant transactions. The TSX considers that a private placement has such effect if a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together would result from the private placement.

Upon completion of the CITIC Private Placement under the Subscription Agreement, CITIC Metal Africa would come to own 350,423,544 Class A shares (representing approximately 29.5% of the issued and outstanding Class A shares of Ivanhoe), which will be considered to materially affect control of Ivanhoe. See "Resulting Share Ownership" above. Accordingly, under Subsections 604(a) and 607(g) of the TSX Company Manual, Ivanhoe is required to obtain the approval of a majority of the shareholders voting in person or by proxy in favour of the CITIC Private Placement Resolution, with the votes attached to the Class A shares beneficially owned or controlled by CITIC Metal Africa excluded from such vote.

The table below sets out CITIC Metal Africa's ownership of Class A shares and percentage interest in Ivanhoe as at the date of this management proxy circular that will be excluded from the vote on the CITIC Private Placement Resolution.

| Securityholder excluded from the CITIC Private Placement Resolution | Class A shares | Interest |
|---|----------------|----------|
| CITIC Metal Africa Investments Limited | 196,602,037 | 19.3% |

Securities law matters

Pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, CITIC Metal Africa is a “related party” of Ivanhoe, as CITIC Metal Africa is a person that has beneficial ownership of, and control or direction over, directly or indirectly, securities of Ivanhoe carrying more than 10% of the voting rights attached to all of Ivanhoe's outstanding voting securities. The completion of the CITIC Private Placement and the issuance of the Class A shares to CITIC Metal Africa pursuant to the Subscription Agreement is therefore a “related party transaction” pursuant to MI 61-101.

MI 61-101 requires an issuer to obtain a formal valuation for a related party transaction. However, pursuant to subsection 5.5(a) of MI 61-101, at the time the Subscription Agreement was agreed to, the fair market value of the Class A shares subscribed for pursuant to the Subscription Agreement did not exceed 25 per cent of Ivanhoe's market capitalization. As a result, the CITIC Private Placement meets the requirements of Section 5.5(a) of MI 61-101 and Ivanhoe is therefore exempted from having to obtain a formal valuation in connection with the CITIC Private Placement.

MI 61-101 also provides that an issuer shall not carry out a related party transaction unless the issuer has obtained minority approval for the transaction in accordance with MI 61-101. However, pursuant to subsection 5.7(a) of MI 61-101, at the time the Subscription Agreement was agreed to, the fair market value of the Class A shares subscribed for pursuant to the Subscription Agreement did not exceed 25 per cent of Ivanhoe's market capitalization. As a result, the CITIC Private Placement meets the requirements of Section 5.7(a) of MI 61-101 and Ivanhoe is therefore exempted from having to obtain minority approval under MI 61-101 for the CITIC Private Placement.

Further to subsection 4.2(3) of MI 61-101, Ivanhoe confirms that: (i) neither Ivanhoe nor any of its directors or senior officers are aware of any prior valuation in respect of Ivanhoe that has been made in the 24 months preceding the date of this management proxy circular; and (ii) Ivanhoe did not receive any bona fide prior offer relating to the subject matter of, or otherwise being relevant to, the CITIC Private Placement, during the 24 months before the date of execution of the Subscription Agreement.

Risk factors

Shareholders should carefully consider the risk factors set forth in the section entitled “Risk Factors” on pages 71 to 87 in the Company's Annual Information Form for the year ended December 31, 2018 which are incorporated by reference in this management proxy circular, as well as the risk factor set forth below.

As a result of the acquisition of Class A shares and other rights granted to CITIC Metal Africa in connection with the CITIC Private Placement, CITIC Metal Africa will have the ability to significantly influence the business and affairs of Ivanhoe.

The Class A shares issuable to CITIC Metal Africa pursuant to the CITIC Private Placement, together with the Class A shares previously issued to CITIC Metal Africa in 2018, will give CITIC Metal Africa the voting power to significantly influence the policies, business and affairs of Ivanhoe and the outcome of any significant corporate transaction or other matter, including a merger, business combination or a sale of all, or substantially all, of Ivanhoe's assets. CITIC Metal Africa's share position in Ivanhoe may have the effect

of delaying, deterring or preventing a change of control of Ivanhoe in the future that otherwise could result in a premium in the market price of the Class A shares.

Resolutions to be voted upon

At the meeting, Ivanhoe shareholders (other than CITIC Metal Africa) will be asked to consider and, if deemed advisable, pass, with or without variation, an ordinary resolution approving and authorizing the issuance of 153,821,507 Class A shares to CITIC Metal Africa pursuant to the CITIC Private Placement, and the material effect on control of Ivanhoe resulting from the issuance of such Class A shares to CITIC Metal Africa, as follows (CITIC Private Placement Resolution):

“BE IT RESOLVED THAT:

- (a) The CITIC Private Placement, and the material effect on control of Ivanhoe resulting from the CITIC Private Placement, all as more particularly described in the management proxy circular, is hereby authorized and approved;*
- (b) Notwithstanding that these resolutions have been duly passed by the shareholders of Ivanhoe, the directors of Ivanhoe are authorized, in their discretion, to determine, at any time, to delay or abandon the implementation of these resolutions without further approval of the shareholders of Ivanhoe;*
- (c) Any officer or director of Ivanhoe is hereby authorized, acting for, in the name of and on behalf of Ivanhoe, to execute, under the seal of Ivanhoe or otherwise, and to deliver or cause to be delivered, all such documents, agreements and instruments, and to do or cause to be done all such other acts and things, as such officer or director determines to be necessary or desirable in order to carry out the intent of the foregoing paragraphs of this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing; and*
- (d) These approvals are given for all purposes under the TSX Company Manual.”*

Recommendation of the Board

The members of the Board have unanimously approved the CITIC Private Placement. Yufeng (Miles) Sun, as a result of his position as a director of CITIC Metal Africa and as the Vice Chairman and President of CITIC Metal Group Limited (an indirect parent holding 100% of CITIC Metal Africa), has declared his “disclosable interest” with respect to the CITIC Private Placement under the *Business Corporations Act* (British Columbia) and abstained from voting. The Board's approval of the CITIC Private Placement and its recommendation to shareholders regarding the approval of the CITIC Private Placement Resolution was based upon careful consideration of, among other things:

- Ivanhoe's financing requirements and the desire to rapidly advance development of Ivanhoe's Kamoakakula Project;
- consideration of alternative financing options available to Ivanhoe;
- the dilution to existing shareholders as a result of the issuance of the Class A shares to CITIC Metal Africa pursuant to the CITIC Private Placement (and to Zijin pursuant to the Zijin Anti-Dilution Rights, if applicable);
- that the CITIC Private Placement Resolution must be approved by a majority of the votes cast by shareholders present in person or represented by proxy at the meeting and entitled to vote thereat, excluding CITIC Metal Africa; and
- all other matters deemed relevant by the Board.

Accordingly, the Board recommends that the shareholders vote **FOR the CITIC Private Placement Resolution.**

In the course of evaluating the issuance of the CITIC Private Placement, the members of the Board consulted with Ivanhoe's senior management and legal counsel, reviewed relevant information and considered a number of factors, including the factors described above. No materially contrary views by a director or any material disagreement between the Board arose during consideration of the CITIC Private Placement by the Board.

In the absence of contrary instructions, the persons named in the accompanying form of proxy or voting instruction form intend to vote any Class A shares represented by such proxies or voting instruction forms **FOR** the CITIC Private Placement Resolution.

6. Transact any other business

You (or your proxyholder) can vote as you see fit on any amendment, variation or other matter that comes before the meeting. However, if you do not specify a choice on your proxy form, the proxy form confers discretionary authority on the proxy holder with respect to any matter for which a choice is not specified, or any amendment or variation to a matter, or any other matter that properly comes before the meeting. As of the date of this management proxy circular, management is not aware of an amendment, variation or other matter that may come before the meeting.

Interest of certain persons in matters to be acted upon at the meeting

We are not aware of any director, executive officer or director nominee, or their associates or affiliates, having a direct or indirect material interest (as a beneficial shareholder or in any other way) in any item of business, other than the election of directors and with the exception of director and director nominee Yufeng (Miles) Sun, who is currently a director of CITIC Metal Africa Investments Limited and also the Vice-Chairman and President of CITIC Metal Group Limited (an indirect parent holding 100% of CITIC Metal Africa Investments Limited). CITIC Metal Africa is seeking to purchase additional shares in the CITIC Private Placement, and which is subject to approval at the meeting (see page 11).

Other than as described below, we are also not aware of any director, executive officer or director nominee, or their associates or affiliates, having a direct or indirect material interest (as a beneficial shareholder or in any other way) at any time since the beginning of fiscal 2018 in any transaction or proposed transaction which has materially affected or would have a material effect on Ivanhoe or any of our subsidiaries or joint ventures, except Robert Friedland, our Executive Co-Chairman, who is also the Chief Executive Officer of High Power Exploration Inc. (HPX). Ivanhoe made available a \$50 million secured convertible loan facility to HPX in April 2019.

Ivanhoe is a party to a cost-sharing agreement with Kaizen Discovery Inc. (TSX-V), GoviEx Uranium Inc. (TSX-V), Peregrine Diamonds Ltd., Cordoba Minerals Corp. (TSX-V; OTCQB), High Power Exploration Inc., Ivanhoe Capital Corporation, VRB Energy Inc. and I-Pulse Inc. Except for GoviEx Uranium Inc. and Peregrine Diamonds Ltd., Mr. Friedland, Executive Co-Chairman, has a material direct or indirect beneficial interest in these companies. Under the agreement, Ivanhoe shares, on a cost-recovery basis, office space, furnishings, equipment and communications facilities in Vancouver, Singapore, London and Tokyo. We also share the costs of employing administrative and certain management personnel in these offices. In 2018, our share of these costs was \$5.8 million. In 2001, we agreed, as part of the cost-sharing arrangements and in connection with Mr. Friedland's position as the Executive Co-Chairman, to share the costs of operating an aircraft owned by a private company Mr. Friedland is the sole shareholder of. We paid \$2.5 million toward aircraft operating costs in 2018.

> Voting information

SOLICITATION OF PROXIES

Ivanhoe's Board and management encourage you to vote. Proxy solicitation will be primarily by mail using the notice and access provisions described below, but proxies also may be solicited by our directors, officers and regular employees personally, by telephone or by other means of electronic communication to encourage you to vote. The Company pays for these costs.

Record date

Our Board has fixed the close of business on **May 3, 2019** as the record date. If you owned Class A shares, directly, as of the record date, you are entitled to receive notice of, and to vote your shares at, the shareholder meeting. Shareholders who acquired Class A shares following the record date will not be entitled to notice of, or to vote at, the meeting, unless a shareholder transfers Class A shares and the transferee produces a properly endorsed share certificate for, or otherwise establishes registered ownership of, any of the transferred Class A shares and makes a demand to AST Trust Company (Canada) no later than 10 days before the meeting that the transferee's name be included in the list of shareholders.

If you do not hold your Ivanhoe Class A shares as of record, but hold them through an intermediary (like a bank, trust, company, securities dealer, trustee or administrator of self-administered RRSPs, RRIAs, RESPs or similar plans), we describe how you can vote under the heading "Voting by non-registered (beneficial) shareholders" on page 20.

MEETING MATERIALS

Notice and access

To reduce printing and mailing costs, we are using the notice and access provisions under National Instrument 54-101 to deliver the 2019 management proxy circular, management's discussion and analysis and annual audited financial statements for the year ended December 31, 2018, and other materials (collectively, the "**meeting materials**") for the shareholder meeting. Instead of receiving printed copies of the meeting materials, you will receive a notice with information on the meeting date, where it is being held and when, as well as information on how you may access the meeting materials electronically.

The Company will not use the procedures known as "stratification", meaning all shareholders will receive notice of the shareholder meeting in accordance with the notice and access provisions.

Copies of the meeting materials

You can access electronic copies of our meeting materials on our website, www.ivanhoemines.com, and on our SEDAR profile, www.sedar.com.

You can also request printed copies of the meeting materials in advance of the shareholder meeting, however your request should be sent so our transfer agent, AST Trust Company (Canada), receives it by 8 a.m. on Friday, June 14, 2019 in order to allow sufficient time to you to receive the printed copies and return your proxy or voting instruction form to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the city of Vancouver, British Columbia) prior to the time set for the meeting or any adjournments or postponements thereof.

To receive free printed copies, please call our transfer agent, AST Trust Company (Canada), or contact our Vice President, Compliance and Corporate Secretary:

| | | | |
|-----------------------------------|----------------------------|----------------------|--|
| AST Trust Company (Canada) | | Ivanhoe Mines | |
| Tel | 1-888-453-6443 (toll-free) | Tel | 1-888-571-4545 (toll-free) 1-604-688-6630 (not toll-free) |
| | | Fax | 1-604-682-2060 |
| | | Email | info@ivanhoemines.com |
| | | Mail | Ivanhoe Mines Ltd. Suite 654-999 Canada Place Vancouver, British Columbia V6C 3E1 |

Printed copies of the meeting materials can be sent by mail at no cost to shareholders up to one year after the shareholder meeting.

WHO CAN VOTE

Our authorized share capital consists of an unlimited number of Class A common shares without par value, an unlimited number of Class B common shares without par value and an unlimited number of preferred shares without par value. At the close of business on May 10, 2019, there were 1,018,436,090 fully paid and non-assessable Class A shares issued and outstanding and no Class B shares or preferred shares issued and outstanding.

Each Class A common share represents one vote. Class A common shareholders of record are entitled to vote their shares at the meeting.

Principal shareholders

As of the date of this management proxy circular, the Board and management are aware of the following persons who beneficially own, or control or direct, directly or indirectly, Class A shares carrying 10% or more of the voting rights attached to all outstanding Ivanhoe Class A shares.

| | Number of voting shares beneficially owned | Percentage of voting shares outstanding |
|--|--|---|
| CITIC Metal Africa Investments Limited | 196,602,037 | 19.30% |
| Robert M. Friedland | 170,024,977 ¹ | 16.69% |
| Fidelity ² | 123,130,737 ³ | 12.09% |

1 Includes 135,570,260 Class A shares held indirectly through Newstar Advantage Ltd., a company beneficially owned and controlled by Mr. Friedland, and 34,454,717 Class A shares Mr. Friedland holds beneficially. Mr. Friedland also has the right to acquire 2,525,000 unissued Class A shares by exercising vested stock options he was granted as an incentive award. Those options can be exercised for Class A shares within 60 days of the date of this management proxy circular, and may therefore be deemed outstanding for certain purposes under securities laws. They are not included in the Class A shares reported in the table above. The table also does not include 441,391 unissued Class A shares issuable upon the vesting of restricted share units.

2 As defined in the Early Warning Report under the Alternative Monthly Reporting System of National Instrument 62-103F3 dated October 9, 2018 and filed on SEDAR on October 10, 2018.

3 Fidelity controls but does not own any of these Class A shares, except 2,448 Class A shares.

HOW TO VOTE

The voting process varies depending on whether you are a registered or non-registered (beneficial) shareholder.

Registered shareholders

You can vote in person at the meeting or vote by proxy.

Voting in person

Do not complete your proxy form. Bring the form and your photo ID to the meeting and check in with an AST Trust Company (Canada) representative when you arrive at the meeting.

Voting by proxy

Voting by proxy means you are appointing someone else to be your proxyholder to attend the meeting and vote your shares according to your instructions.

The Ivanhoe representatives named in the proxy form can serve as your proxyholder. **If you prefer, you can appoint someone else to be your proxyholder.** That person does not have to be an Ivanhoe shareholder. Print that person's name in the space provided on the form, and make sure they know you have appointed them as your proxyholder and that they must attend the meeting on your behalf and vote your shares according to your instructions.

If you appoint the Ivanhoe proxyholders named in the proxy form as your proxyholder and you complete the proxy form, they will vote your shares according to your instructions. If you sign and date your proxy form and return it to AST Trust Company (Canada) but do not specify your voting instructions, the Ivanhoe proxyholders will vote your shares according to management's recommendation:

- FOR setting the number of directors at 10 for the year;
- FOR electing each nominated director;
- FOR re-appointing PricewaterhouseCoopers Inc. as auditor; and
- FOR approving the CITIC Private Placement.

If you do not specify a choice on your proxy form, the proxy form confers discretionary authority on the proxyholder with respect to any matter for which a choice is not specified, or any amendment or variation to a matter, or any other matter that properly comes before the meeting.

Seven ways to provide your voting instructions

Complete your proxy form, then sign and date it. If your attorney is completing and signing the form on your behalf, you must provide written authorization.

Our transfer agent, AST Trust Company (Canada), must receive your vote by 8 a.m. (Pacific Time) on June 26, 2019 for your vote to be counted, or 48 hours (excluding Saturdays, Sundays at statutory holidays in Vancouver, British Columbia) before the date of the reconvened meeting if the meeting is postponed or adjourned.

Send us your form in one of five ways:



Hand deliver

Bring your completed proxy form to The Oceanic Plaza, 1600 - 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 or Suite 1200, 1 Toronto Street, Toronto, Ontario M5C 2V6



Mail

Mail your completed proxy form to AST Trust Company (Canada), Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1



Email

Scan your completed proxy form and email it to proxyvote@astfinancial.com (French language proxies to be sent to votezprocuration@astfinancial.com)



Fax

Fax both sides of your completed proxy form to:
1-866-781-3111 (toll free in Canada and the United States) or
1-416-368-2502 (outside Canada and the United States)



Smartphone

Scan the QR code on the proxy form

You can also provide your voting instructions online or by telephone:



Internet

Go to www.astvotemyproxy.com and follow the on-screen instructions.
You'll need your 13-digit control number, which is on the reverse side of the proxy form in your package



Phone

Call 1-888-489-5760 (toll free in Canada and the United States) from a touch tone phone

Revoking your proxy

If you change your mind about how you want to vote your shares and you have voted by proxy, you can revoke your proxy in any of the following ways:

- Vote again by phone, email or on the Internet before 8 a.m. (Pacific Time) on June 26, 2019;
- Complete a new proxy form with a later date and fax it to 1-866-781-3111 or mailing it to AST Trust Company (Canada), Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1. AST needs to receive the new proxy form before 8 a.m. (Pacific Time) on June 26, 2019;
- Send a notice in writing from you or your authorized attorney (or by a duly authorized officer if the shareholder is a corporation) revoking the proxy, to our Vice President, Compliance and Corporate Secretary so that it is received before 8 a.m. (Pacific Time) on June 26, 2019, or bring the notice to the meeting and deliver it to the chair prior to the start of the meeting but not later than before the matters of business are voted on; and
- Attend the meeting and vote in person – your proxyholder cannot then attend and vote for you.

Voting by non-registered (beneficial) shareholders

Most of our shareholders are *non-registered* (beneficial) shareholders.

That means your shares are registered in the name of your intermediary (like a bank, trust company, securities dealer, securities broker, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans) or in the name of a depository or clearing agency (like CDS Clearing and Depository Services Inc.) that the intermediary uses.

You have the ability to provide voting instructions for shares you own beneficially to your intermediary, or vote in person at the meeting as proxy for yourself.

To reduce printing and mailing costs, we are using the notice and access provisions under National Instrument 54-101 to deliver the 2019 management proxy circular and other materials for the shareholder meeting. Intermediaries often use service companies to forward meeting materials to beneficial shareholders. We pay the cost for intermediaries to deliver our meeting materials to beneficial shareholders.

Intermediaries often use service companies to send meeting materials to beneficial shareholders. If you have not waived the right to receive the meeting materials, your package will typically include either a voting instruction form or a proxy form signed by your intermediary as the holder of record for you to provide your voting instructions or to vote as proxy. Some intermediaries such as banks and brokerage firms have a service for providing voting instructions over the internet. Your package includes information about the internet service if your intermediary offers the service.

Voting instruction form

A voting instruction form is usually an unsigned one-page, pre-printed form provided to a beneficial holder and when signed and returned by the beneficial holder constitutes instructions on how to vote which the intermediary or service provider must follow.

Some intermediaries or service companies may also use a regular proxy form as a voting instruction form instead, with a page of instructions and a label with a bar code and other information. In order for the proxy form to be properly voted as a voting instruction form, the label must be affixed to the properly completed proxy form, signed and submitted to your intermediary or service company so they can carry out your voting instructions.

Proxy form

A proxy form is used by a shareholder of record to appoint someone else to attend the meeting and vote their shares on their behalf. Some intermediaries who are shareholders of record may provide you with a proxy form which is already signed by the intermediary (usually by a facsimile or stamped signature) and restricted to the number of Class A shares you beneficially own. In order to vote your shares in this manner, the beneficial holder must complete the proxy form, sign it and date it and then send it to AST Trust Company (Canada), Suite 1600, The Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1. You can also send it to AST's Toronto office at 320 Bay Street, Banking Hall Level, Toronto, Ontario M5H 4A6.

Voting in person as a beneficial holder

If you want to attend the meeting and vote your shares in person, strike out the names of the Ivanhoe representatives named in the proxy form (not a voting instruction form) and print your name in the space provided. If you want to appoint someone else to attend the meeting and vote your shares for you according to your instructions, print their name in the space provided on the proxy form. The person does not need to be an Ivanhoe shareholder. Then follow the instructions provided by your intermediary for returning the form.

A voting instruction form cannot be used to vote directly at the meeting.

Changing your vote as a beneficial holder

Follow the instructions provided from your intermediary for revoking or changing your voting instructions or pre-signed proxy, or contact your intermediary right away. You must ensure this happens far enough ahead of the meeting so your intermediary or service provider can act on your revocation or changed instructions in time for the meeting.

> About the nominated directors

We are committed to assembling a strong and effective Board.

Ivanhoe's Board is led by Robert Friedland, our Founder and Executive Co-Chairman, and Yufeng (Miles) Sun, Non-Executive Co-Chairman (one of the nominees put forward by our strategic shareholder partner, CITIC Metal Africa Investments Limited).

Tadeu Carneiro, an independent director, metallurgical engineer, business executive and lecturer, serves as our Lead Independent Director.

This year we have 10 nominated directors – Ian Cockerill and Oyvind Hushovd have decided not to stand for re-election after serving on the Board for many years. Each nominee is qualified and currently serves on our Board (with the exception of new nominee Jinghe Chen). If the CITIC Private Placement is approved at the meeting, CITIC Metal will be entitled to nominate, and we are required to appoint, an additional director to the Board, in which case it will constitute 11 directors. Such appointment would only occur following the meeting and assuming the CITIC Private Placement is approved.

Six of the 10 nominees are independent, as defined by the Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. See page 37 for more information.

Together the 10 nominated directors provide a strong foundation of skills from the mining, finance, government and capital markets sectors – skills we believe are critical for strong oversight of our business and affairs.

2018 Meeting attendance

This table is a summary of director meeting attendance in 2018. The Board met twice in person and six times by teleconference. Five resolutions were passed in writing by the Board in lieu of a meeting. Resolutions in writing must be executed by all of the directors entitled to vote on a matter in order to be effective.

You can read more about our governance structure beginning on page 35.

The independent directors also met separately three times in 2018, and the non-executive directors met separately once.

| | Number of meetings | Overall meeting attendance |
|---|--------------------|----------------------------|
| Board of directors | 8 | 98.6% |
| Audit committee | 5 | 100% |
| Compensation and human resources committee | 5 | 100% |
| Nominating and corporate governance committee | 5 | 100% |
| Sustainability committee | 3 | 100% |
| Technical committee (advisory) | 1 | 100% |

Equity ownership

The director profiles that follow are an overview of each nominee's background, skills and experience, 2018 meeting attendance and Ivanhoe shareholdings, among other things. Each nominated director has provided the information about the Ivanhoe equity they own directly or indirectly as of May 10, 2019 and May 8, 2018. Directors are required to own Ivanhoe shares, unless specifically exempted, to align their interests with those of our shareholders and give them a vested interest in Ivanhoe's future success. Recognizing that equity securities fluctuate in value, once a director reaches the minimum share ownership requirement, we consider them to be in compliance as long as they continue to maintain their holdings. See page 37 to read more about our director equity ownership requirements.



Robert M. Friedland
Founder, Executive Co-Chairman

Singapore
Age: 68
Director since: 2000
2018 votes for: 97.27%
 Not independent

Board committees
 n/a

Areas of experience
 > CEO/board
 > International finance
 > Mining industry
 > Public capital markets
 > Managing/Leading growth

International financier Robert Friedland founded this Company in 1998 to advance mineral prospects in Southern Africa. He has served as Executive Chairman and a director of the Company, formerly named Ivanplats Limited, since November 2000 and was President from June 2003 to May 2008.

For more than 25 years, Mr. Friedland has been recognized by leaders of the global financial sector and mineral resource industries as an entrepreneurial explorer, company builder and technology innovator. He has successfully developed a portfolio of respected public and private companies whose initiatives have led to several of the world's most significant mineral discoveries and mine developments, applications of disruptive technologies and contributions to significant economic growth in established and emerging markets in Asia, the Asia Pacific Region, Southern Africa and the Americas.

In January 2016, Mr. Friedland was inducted into the prestigious Canadian Mining Hall of Fame, which cited his company-building and exploration achievements, honouring him as “a dynamic, transformative force in the Canadian and international mining industries” and “one of the most recognized mining personalities and achievers in the world”. In May 2017, he received a Lifetime Achievement Award from the Northern Miner, the century-old flagship of Canada’s leading mining-industry media group. In 2016 and 2015, the U.K.-based Mining Journal ranked him as one of the Top 20 Most Influential People shaping the future of the world of mining, declaring him “the undisputed king of junior development”.

Mr. Friedland founded Ivanhoe Capital Corporation in 1987, his family's private enterprise hub, which he leads from bases in Singapore, Beijing, London and Vancouver. Ivanhoe Capital specializes in the provision of venture capital and project financing for international business enterprises.

The original Ivanhoe Mines (“**Original Ivanhoe Mines**”) was founded by Mr. Friedland in 1994, which he led as Executive Chairman and Chief Executive Officer through 18 years of exploration and mining ventures in Asia and Asia Pacific. Corporate achievements included the discovery of the Oyu Tolgoi chain of copper-gold-silver deposits in Mongolia and initial development of the mining complex. That company changed its name to Turquoise Hill Resources in 2012 after Rio Tinto acquired a controlling interest. The Ivanhoe Mines name subsequently was assumed by the former Ivanplats in a strategic corporate alignment in 2013.

Mr. Friedland holds an undergraduate degree in political science from Reed College, Oregon, USA.

Principal occupation, business or employment (last 5 years)

- Founder (November 2000 – present), Executive Chairman (November 2000 – September 2018) and Executive Co-Chairman (September 2018 – present) of Ivanhoe
- Co-Chairman of Clean TeQ Holdings Limited (September 2016 – present)
- Co-Chairman of SK Global Entertainment Inc. (March 2017 – present)
- Chairman (January 2018 – present), Chief Executive Officer (December 2015 – present) and Co-Chairman (December 2015 – December 2017) of High Power Exploration Inc.
- Executive Chairman of the former Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) (March 1994 – April 2012)
- Chief Executive Officer of the former Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) (October 2010 – April 2012)
- Co-Founder and Chairman of I-Pulse Inc. (April 2008 – present)
- Chairman of Ivanhoe Capital Corporation (January 1991 – present)
- President and Chief Executive Officer of Ivanhoe Capital Corporation (July 1988 – present)

| 2018 meeting attendance | Number of meetings | Percentage | Other current public board memberships | |
|-------------------------|--------------------|-------------|---|----------------------|
| Board of directors | 8 | 100% | Clean TeQ Holdings Limited (ASX/TSX: CLQ) | Since September 2016 |
| Total: | 8 | 100% | | |

Security holdings (as at May 10, 2019 and May 8, 2018)

| Year | Class A shares | DSUs | RSUs | Options | Meets share ownership requirement |
|------|----------------|------|-----------|-----------|-----------------------------------|
| 2019 | 170,024,977 | — | 441,391 | 2,800,000 | |
| 2018 | 168,999,707 | — | 1,081,203 | 3,800,000 | |



Yufeng (Miles) Sun
Non-Executive Co-Chairman

Hong Kong
Age: 54
Director since:
September 2018
2018 votes for: n/a
Not independent

Board committees
> Sustainability

Areas of experience
> Chairman/board
> International finance
> Mining industry
> Public capital markets
> Managing/Leading growth

Yufeng (Miles) Sun became the Non-Executive Co-Chairman on September 19, 2018 with the closing of a C\$723 million equity investment in Ivanhoe by CITIC Metal Africa Investments Limited (CITIC Metal Africa). Mr. Sun was nominated by CITIC Metal Africa under the terms of the equity investment and acquisition of an approximate 19.5% interest in Ivanhoe Mines.

Mr. Sun is Vice Chairman and President of CITIC Metal Group Limited and Chairman of CITIC Resources Holdings Limited, which are each based in Hong Kong. He joined CITIC Group Corporation in August 1987 and managed the company's trading business in the United States for five years. In April 1999, he joined CITIC Metal Co., Ltd. and served as its General Manager from January 2003 to January 2014 and Chairman from February 2014 to November 2016, during which CITIC Metal Co. Ltd. developed into a major commodity trading and mining investment subsidiary of CITIC Group. Mr. Sun is a director of CITIC Metal Africa Investments Limited.

Mr. Sun holds a Master of Business Administration from the University of Delaware and Bachelor of English Literature from Shanghai International Studies University.

Principal occupation, business or employment (last 5 years)

- Vice-Chairman and President of CITIC Metal Group Limited (November 2016 – present) (an indirect parent holding 100% of CITIC Metal Africa Investment Limited)
- Chairman of CITIC Resources Holdings Limited (March 2019 – present)

| 2018 meeting attendance | Number of meetings | Percentage | Other current public board memberships |
|---|--------------------|------------|--|
| Board of directors (joined September 19, 2018) | 1 | 100% | n/a |
| Sustainability committee (joined December 4, 2018) | n/a | | |
| Total: | 1 | 100% | |

Security holdings (as at May 10, 2019 and May 8, 2018)

| Year | Class A shares | DSUs | RSUs | Options | The Board has waived the application of the share ownership requirement to Mr. Sun given his executive role with the parent company of our largest shareholder (see page 37) |
|------|----------------|------|--------|-----------|--|
| 2019 | – | – | 92,123 | 2,000,000 | |
| 2018 | – | – | – | – | |



Egizio Bianchini
Executive Vice Chairman

Toronto, Canada

Age: 59

Director since:

March 2018

2018 votes for: 97.42%

Not independent

Board committees

> Technical (chair)

Areas of experience

> Banking
> International finance
> Mining industry
> Public capital markets

Egizio Bianchini became Executive Vice Chairman and a director in March 2018. He joined Ivanhoe Mines after a 29-year career at BMO Capital Markets, a member of Canada-based BMO Financial Group, where he served as Co-Head of the Global Metals & Mining Group, and as Vice Chairman from April 2011 to March 2018. With more than 30 years' experience in the metals and mining financial services sector, Mr. Bianchini has an extensive track record in advising a wide range of metals and mining companies around the world and in structuring and executing initial public offerings and other capital raisings.

Before joining BMO Capital Markets, Mr. Bianchini worked for Echo Bay Mines Ltd. – a major producer of precious metals.

Mr. Bianchini holds a Master of Business Administration degree from the University of British Columbia and a Bachelor of Science in Geology from the University of Toronto.

Principal occupation, business or employment (last 5 years)

- Co-Head of the Global Metals & Mining Group (July 1989 – March 2018) and Vice Chairman (April 2011 – March 2018) of BMO Financial Group.

| 2018 meeting attendance | Number of meetings | Percentage | Other current public board memberships |
|---|--------------------|-------------|--|
| Board of directors | 8 | 100% | n/a |
| Technical committee (joined March 19, 2018) (chair since May 2019) | 1 | 100% | |
| Total: | 9 | 100% | |

Security holdings (as at May 10, 2019 and May 8, 2018)

| Year | Class A shares | DSUs | RSUs | Options | Has until March 12, 2023 to meet the share ownership requirement (see page 37) |
|------|----------------|------|---------|-----------|--|
| 2019 | – | – | 115,564 | 3,500,000 | |
| 2018 | – | – | – | 3,500,000 | |



Tadeu Carneiro

Lead Independent Director (since April 2019)

Boston, USA

Age: 59

Director since:

September 2018

2018 votes for: n/a

Independent

Board committees

- > Compensation and human resources
- > Nominating and corporate governance (chair)
- > Technical

Areas of experience

- > CEO/board
- > Managing/leading growth
- > Mining industry
- > Technology development
- > Governance
- > International politics

Tadeu Carneiro became a director of Ivanhoe on September 19, 2018 with the closing of a C\$723 million equity investment in Ivanhoe by CITIC Metal Africa Investments Limited. Mr. Carneiro was nominated by CITIC Metal Africa Investments Limited under the terms of the equity investment and acquisition of an approximate 19.5% interest in Ivanhoe Mines.

Mr. Carneiro is Chief Executive Officer of Boston Electrometallurgical Corporation, an invited lecturer in the Department of Materials Science and Engineering at the Massachusetts Institute of Technology in USA.

Before retiring as Chief Executive Officer of Companhia Brasileira de Metalurgia e Mineração (CBMM) in December 2016, Mr. Carneiro spent 30 years with the company in progressively senior leadership positions.

Mr. Carneiro holds his graduate degrees in Metallurgical Engineering from the University of São Paulo and a Master of Business Administration and Management degree from the University of Pittsburgh. He is a fellow of the Institute of Materials, Minerals and Mining (UK) since 2013. He is also a member of the board of directors of the SBS-Sirio Libanes Hospital in Brazil since 2015.

Principal occupation, business or employment (last 5 years)

- Chief Executive Officer of CBMM - Companhia Brasileira de Metalurgia e Mineração (2007 to 2016)
- Chairman and Chief Executive Officer of Boston Electrometallurgical Corporation (2017 to present)

| 2018 meeting attendance | Number of meetings | Percentage | Other current public board memberships |
|--|--------------------|-------------|--|
| Board of directors (joined September 19, 2018) | 1 | 100% | n/a |
| Nominating and corporate governance committee (joined December 4, 2018) (chair, since May 2019) | n/a | | |
| Compensation and human resources committee (joined December 4, 2018) | n/a | | |
| Technical committee (joined December 4, 2018) | n/a | | |
| Total: | 1 | 100% | |

Security holdings (as at May 10, 2019 and May 8, 2018)

| Year | Class A shares | DSUs | RSUs | Options | Meets share ownership requirement |
|------|----------------|--------|------|---------|-----------------------------------|
| 2019 | 191,650 | 15,383 | — | — | |
| 2018 | — | — | — | — | |



Jinghe Chen

Xiamen, China

Age: 62

Director since: n/a (first election)

2018 votes for: n/a

Independent

Board committees

> n/a

Areas of experience

- > Board Chairman
- > Geological exploration
- > Mining development
- > Cross-border investment

Jinghe Chen, a leading figure in the Chinese mining industry, is Chairman of Zijin Mining Group Co., Ltd. (“Zijin”). He has 37 years’ experience in geological exploration and mining development.

Mr. Chen graduated as a geologist from Fuzhou University in 1982. After graduation, he began working as an exploration geologist in China. He led the exploration team that discovered and delineated the Zijinshan Gold Mine, the largest gold mine in China. In 1993, Mr. Chen founded and was the core leader of Zijin. Since 1993, with Mr. Chen’s entrepreneurial vision and strategic thinking, Zijin has grown to become a large, global mining company with revenues and total assets both exceeding US\$15 billion, and with economic returns among the world’s top mining companies. Today, Zijin is China’s largest gold and zinc producer, and its second largest copper producer. Zijin also has high-quality mining assets in 11 countries outside of China. Zijin is dual listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange.

Mr. Chen holds an Executive MBA degree from Xiamen University and a Bachelor’s degree in Geology from Fuzhou University.

Principal occupation, business or employment (last 5 years)

- Director (September 2000 – present), Chairman (April 2004 – present) of Zijin Mining Group Co., Ltd.
- Director of State Key Laboratory of Comprehensive Utilization of Low Grade and Refractory Gold Ores (April 2011 – present)
- Vice President of China Mining Association (November 2005 – present)
- Vice President of China Gold Association (November 2011 – present)
- Vice President of China Non-ferrous Metals Industry Association (March 2015 – present)

| 2018 meeting attendance | Number of meetings | Percentage | Other current public board memberships | |
|-----------------------------------|--------------------|------------|---|----------------------|
| Board of directors (2019 nominee) | n/a | n/a | Zijin Mining Group Co., Ltd. (SH:601899, SEHK:2899) | Since September 2000 |
| Total: | n/a | | | |

Security holdings (as at May 10, 2019 and May 8, 2018)

| Year | Class A shares | DSUs | RSUs | Options | The Compensation and human resources committee will consider the application of the stock ownership policy to Mr. Chen following the annual and special meeting of shareholders. |
|------|----------------|------|------|---------|--|
| 2019 | – | – | – | – | |
| 2018 | – | – | – | – | |



William Hayden

New South Wales, Australia

Age: 67

Director since: March 2007 (also May 1998 to September 2002)

2018 votes for: 98.28%

Independent

Board committees

- > Audit
- > Sustainability
- > Technical

Areas of experience

- > CEO/board
- > Mining industry
- > International project management
- > Public capital markets

William Hayden is a geologist with over 38 years' experience in the mineral exploration industry, much of which has been in Africa and the Asia-Pacific region. He has been involved with Ivanhoe since the amalgamation of African Mineral Corp. with China Industrial Minerals Company Ltd. in 1998, and served as its President from May 1998 to November 2001. Since 1986, Mr. Hayden has worked in a management capacity with several exploration and mining companies both in Australia and overseas. Mr. Hayden served as President of Ivanhoe Philippines, Inc. (which at the time was a subsidiary of the Original Ivanhoe Mines) from July 2005 to December 2011.

Mr. Hayden currently serves as a director of the following publicly listed companies: Trilogy Metals Inc. (formerly NovaCopper Inc.) (since June 2015) and Globe Metals and Mining Ltd. (since November 2009). He also served as a director of Noble Metals Ltd. (formerly Condoto Platinum NL) from February 2011 to December 2018. Mr. Hayden also served as a non-executive director of Ivanhoe Australia Ltd. (now Chinova Resources Pty Limited) from November 2006 to May 2010 and director of China Polymetallic Mining Ltd. (from November 2011 to May 2016).

Mr. Hayden holds a Bachelor of Science (Hons) in Geology from Sierra Nevada College, Nevada.

Principal occupation, business or employment (last 5 years)

- Self-employed geologist

| 2018 meeting attendance | Number of meetings | Percentage | Other current public board memberships | |
|--------------------------|--------------------|-------------|--|---------------------|
| Board of directors | 8 | 100% | Globe Metals and Mining Ltd. (ASX: GBE) | Since November 2009 |
| Audit committee | 5 | 100% | | |
| Sustainability committee | 3 | 100% | Trilogy Metals Inc. (formerly NovaCopper Inc.) (TSX/NYSE: TMQ) | Since June 2015 |
| Total: | 16 | 100% | | |

Security holdings (as at May 10, 2019 and May 8, 2018)

| Year | Class A shares | DSUs | RSUs | Options | Meets share ownership requirement |
|------|----------------|--------|------|---------|-----------------------------------|
| 2019 | 505,287 | 57,766 | — | — | |
| 2018 | 476,666 | 73,918 | — | — | |



Livia Mahler

British Columbia, Canada

Age: 60

Director since:
March 2015

2018 votes for: 98.28%

Independent

Board committees

- > Audit
- > Compensation and human resources (chair)

Areas of experience

- > CEO/board
- > International finance
- > Mining industry
- > Compensation
- > Public capital markets

Livia Mahler joined the Board in March 2015. She is the President and Chief Executive Officer of Computational Geosciences Inc., a company she co-founded in 2010. Computational Geosciences provides leading edge data processing solutions to maximize the value of geophysical exploration surveys and has worked with some of the world's largest mining companies. Since February 2000, Ms. Mahler has served as the Managing Partner of Greenstone Venture Partners, a technology focused venture capital firm. Prior to this, she was the Senior Investment Manager, Venture Capital Division for the Business Development Bank of Canada.

Ms. Mahler currently serves as a director of Endeavour Mining Corporation (TSX: EDV, ASX: EVR, OTCQX: EDVMF), a gold producing company. Ms. Mahler previously served as a board member of DuSolo Fertilizers Inc. (TSX-V: DSF) from February 2014 to August 2015, Turquoise Hill Resources Ltd. (NYSE/TSX: TRQ) from May 2009 to May 2013 and Diversified Royalty Corp. (TSX: DIV), formerly BENEV Capital Inc., from June 2011 to November 2014.

Ms. Mahler holds a Bachelor of Science degree from the Hebrew University of Jerusalem and a Master of Business Administration from the University of British Columbia.

Principal occupation, business or employment (last 5 years)

- President and Chief Executive Officer, Computational Geoscience Inc. (December 2010 - present)
- Managing Partner and co-founder, Greenstone Venture Partners (February 2000 - present)

| 2018 meeting attendance | Number of meetings | Percentage | Other current public board memberships | |
|--|--------------------|-------------|--|--------------------|
| Board of directors | 8 | 100% | Endeavour Mining Corporation (TSX: EDV, ASX: EVR, OTCQX: EDVMF) | Since October 2016 |
| Audit committee | 5 | 100% | | |
| Compensation and human resources committee (chair) | 5 | 100% | | |
| Total: | 18 | 100% | | |

Security holdings (as at May 10, 2019 and May 8, 2018)

| Year | Class A shares | DSUs | RSUs | Options | Meets share ownership requirement |
|------|----------------|--------|------|---------|-----------------------------------|
| 2019 | 37,440 | 57,766 | — | — | |
| 2018 | — | 68,237 | — | — | |



Peter Meredith CPA, CA

British Columbia, Canada

Age: 75

Director since: May 1998

2018 votes for: 97.39%

Independent

Board committees

- > Audit (chair)
- > Nominating and corporate governance
- > Compensation and human resources

Areas of experience

- > CEO/board
- > International finance
- > Mining industry
- > Public capital markets

Peter Meredith has been a director of the Company since 1998.

Mr. Meredith is the former Deputy Chairman and Chief Financial Officer of the Original Ivanhoe Mines, where he was involved in overseeing business development and corporate relations. He also served as its Chief Financial Officer from May 2004 to May 2006, and from June 1999 to November 2001, and as its Deputy Chairman from May 2006 to April 2012. He served as a Director of the Original Ivanhoe Mines (now Turquoise Hill Resources Ltd.) from March 2005 to May 2013. He has served as Chairman of Cordoba Minerals Corp. since April 2016, Chairman of Great Canadian Gaming Corporation from June 2015 to present and served as Chairman of Kaizen Discovery Inc. from December 2013 to June 2016. Mr. Meredith was also Chairman of SouthGobi Resources Ltd. until September 2012. He also served as a Director of Peregrine Diamonds Ltd. from March 2013 to March 2018.

Prior to joining Ivanhoe Mines Ltd., Mr. Meredith spent 31 years with Deloitte LLP, chartered accountants, and retired as a partner in 1996. Mr. Meredith is a Chartered Professional Accountant and is a member of the Institute of Chartered Professional Accountants of British Columbia and the Institute of Chartered Professional Accountants of Ontario.

Mr. Meredith was certified as a Chartered Accountant by the Canadian Institute of Chartered Accountants (1968).


Principal occupation, business or employment (last 5 years)

- Chairman of Great Canadian Gaming Corporation (June 2015 – present)
- Chairman of Cordoba Minerals Corp. (April 2016 – present) (not standing for re-election in 2019)
- Chairman of Kaizen Discovery Inc. (December 2013 – June 2016)

| 2018 meeting attendance | Number of meetings | Percentage | Other current public board memberships | |
|---|--------------------|-------------|---|------------------|
| Board of directors | 8 | 100% | Capstone Mining Corp. (TSX: CS) | Since April 2019 |
| Audit committee (chair, since December 2018) | n/a | | Cordoba Minerals Corp. (Chairman) (TSX-V: CDB.V) | Since April 2016 |
| Total: | 8 | 100% | Great Canadian Corporation (TSX: GC) | Since June 2000 |

Security holdings (as at May 10, 2019 and May 8, 2018)

| Year | Class A shares | DSUs | RSUs | Options | Meets share ownership requirement |
|------|----------------|--------|------|---------|-----------------------------------|
| 2019 | 1,304,825 | 57,766 | – | – | |
| 2018 | 1,304,825 | 73,918 | – | – | |

| | |
|---|---|
|  | <div> Kgalema P. Motlanthe </div> <div> Johannesburg, South Africa Age: 69 Director since: April 2018 2018 votes for: 99.46% Independent </div> <div> Board committees > Nominating and corporate governance </div> <div> Areas of experience > Government > International politics > Trade unions > Governance > Board > International project management </div> |
|---|---|

Kgalema P. Motlanthe was President of the Republic of South Africa between 2008 and 2009. He was elected to the position of President by Parliament on September 25, 2008 and served until May 9, 2009.

During Mr. Motlanthe's Presidency, he was the Chairman of the Southern African Development Community (SADC). Working in collaboration with other leaders of the 15-nation regional body, Mr. Motlanthe oversaw the implementation of Zimbabwe's Global Political Agreement. He also engaged with other world leaders in the G20 to help minimize the impact of the global financial crisis on South Africa's economy.

Following his Presidency, Mr. Motlanthe was appointed by his successor, President Jacob Zuma, to serve as Deputy President of South Africa and served in that capacity from May 11, 2009 until May 24, 2014. He was also Deputy President of the ruling African National Congress (ANC) from 2007 until 2012, and Secretary-General of the ANC from 1997 to 2007.

In earlier years, Mr. Motlanthe's role in the international movement against South Africa's apartheid system led to a 10-year prison sentence on Robben Island, the same jail where Nelson Mandela was incarcerated. Following his release in 1987, he worked for the National Union of Mineworkers (NUM) and became the union's General Secretary in 1992, succeeding Cyril Ramaphosa (South Africa's newly-elected President) who had helped to build the union and make it one of the most powerful in the country at the time. During his 10 years with the NUM, Mr. Motlanthe was credited with helping to establish the Mineworkers Investment Company, which was wholly owned by the NUM and made investments in companies that did not pose a conflict of interest for the union. Mr. Motlanthe played a crucial role in forming the Mineworkers Development Agency, which dealt with the developmental and social needs of retrenched miners and their families. He also helped to form initiatives to provide bursaries to miners and their dependents, as well as education and skills training.

Mr. Motlanthe currently heads the Motlanthe Foundation that is dedicated to a range of public-benefit activities, including conflict resolution, the promotion of human rights and democracy and the provision of care for pre-school-age children, along with buildings, equipment and educational support for public primary schools. He also led the African Union's Election Observer Mission to Sierra Leone in 2018, which found that the Presidential run-off election was conducted in line with international standards. Mr. Motlanthe is a goodwill ambassador of the International Council of Ophthalmology and continues to play an active role in HIV and Aids awareness in Africa.

In addition, Mr. Motlanthe is a trustee to the following foundations and/or organizations:

- Nelson Mandela Foundation
- Ahmed Kathrada Foundation
- Institute for African Alternatives
- Brazzaville Foundation
- The Brenthurst Foundation
- Liliesleaf Trust

Principal occupation, business or employment (last 5 years)

- Deputy President (May 2009 – May 2014) and President (September 2008 – May 2009) of the Republic of South Africa
- Secretary General of the African National Congress (ANC) (December 1997 – December 2007)

| 2018 meeting attendance | Number of meetings | Percentage | Other current public board memberships |
|--|--------------------|-------------|--|
| Board of directors (joined on April 10, 2018) | 6 | 87.5% | |
| Nominating and corporate governance committee (joined April 10, 2018) | 4 | 100% | |
| Total: | 10 | 100% | |

Security holdings (as at May 10, 2019 and May 8, 2018)

| Year | Class A shares | DSUs | RSUs | Options | Has until December 31, 2021 to meet his share ownership requirement (see page 37) |
|------|----------------|--------|------|---------|---|
| 2019 | — | 19,387 | — | — | |
| 2018 | - | 6,918 | — | — | |



Guy de Selliers

England, United Kingdom
Age: 66
Director since: May 2011
2018 votes for: 97.49%
 Not independent

Board committees
 > Sustainability (chair)

Areas of experience
 > CEO/board
 > International finance
 > Mining industry
 > Public capital markets

Guy de Selliers has been a director since May 2011. He has more than 40 years of experience in international finance and business. He is President and co-founder of HCF International Advisers Limited, a corporate finance advisory firm focused on the mining and metals industry.

Mr. de Selliers' corporate responsibilities include:

- Member of the board of Solvac SA, a holding company with a significant stake in Solvay S.A., a leading European chemical group (Euronext-listed);
- board Vice-Chairman and Chairman of the Risk and Capital Committee of Ageas S.A., a Europe-based insurance group with activities in Europe and Asia (Euronext-listed);
- Chairman of the board of AG Insurance, the leading insurance company in Belgium (Founded In 1824); and
- Director of Cranemere Group Ltd., a privately held investment holding company (UK).

Mr. de Selliers began his career in the World Bank's mining division in June 1977, following which he worked at Lehman Brothers as Senior Vice President, International Investment Banking. In July 1990, he became part of the team responsible for creating the European Bank for Reconstruction and Development (EBRD). Mr. de Selliers was Vice Chairman of the Credit Committee and a member of the EBRD's Executive Committee.

In December 1997, Mr. de Selliers became Chief Executive of MC-BBL Eastern Holdings until its sale, following which he joined Robert Fleming and Co. as board member and Chairman, Eastern Europe in September 1998. Following his retirement from Chase JP Morgan, which had purchased Robert Fleming and Co., he founded HCF International Advisers Limited in 2005.

Mr. de Selliers is a member of Pamplona Private Equity's Advisory board and serves as Chairman of the board of Trustees of Partners in Hope (a United Kingdom-based charity). He also acted as an expert advisor to the European Commission on a number of matters.

Mr. de Selliers earned a Master's degree in Engineering and a Master's degree in Economics from the University of Louvain.

Principal occupation, business or employment (last 5 years)

- President of HCF International Advisers Limited (March 2003 – present)

| 2018 meeting attendance | Number of meetings | Percentage | Other current public board memberships | |
|----------------------------------|--------------------|-------------|--|------------------|
| Board of directors | 8 | 100% | Ageas S.A. (Euronext: AGS) | Since April 2009 |
| Sustainability committee (chair) | 3 | 100% | Solvac S.A. (Euronext: SOLV) | Since May 2015 |
| Total: | 11 | 100% | | |

Security holdings (as at May 10, 2019 and May 8, 2018)

| Year | Class A shares | DSUs | RSUs | Options | Meets share ownership requirement |
|------|----------------|--------|------|---------|-----------------------------------|
| 2019 | 948,621 | 65,046 | – | – | |
| 2018 | 520,000 | 73,918 | – | – | |

Cease trade orders, bankruptcies, penalties or sanctions

To the knowledge of management, except as stated below no director or executive officer of the Company, or shareholder holding a sufficient number of securities to affect materially the control of the Ivanhoe is, as of the date of this management proxy circular, or was, within the 10 years before the date of this management proxy circular:

- a director or executive officer of any company (including Ivanhoe) that was subject of a cease trade order or an order that denied the Company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days and that was issued while such person was acting in that capacity or after such person was acting in such capacity and which resulted from an event that occurred while the person was acting in that capacity; or
- a director or executive officer of any company (including Ivanhoe) that, while such person was acting in that capacity, or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Robert Friedland served as the Executive Co-Chairman of Ivanhoe Energy Inc. ("**Ivanhoe Energy**") from May 2008 to October 2014 and was Deputy Chairman from June 1999 to May 2008, President from May 2008 to May 2010, and Chief Executive Officer from May 2008 to December 2011. Peter Meredith served as a director of Ivanhoe Energy from December 2007 to December 2014. Cease trade orders were issued against Ivanhoe Energy in Alberta (July 15, 2015), Quebec (May 7, 2015), Manitoba (May 6, 2015), Ontario (May 4, 2015) and British Columbia (April 14, 2015) because the company did not file its audited financial statements and associated filings for the year ending December 31, 2014. The cease trade orders remain in effect as at the date of this management proxy circular. On February 20, 2015, Ivanhoe Energy filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the Bankruptcy and Insolvency Act (Canada). Ivanhoe Energy was assigned into bankruptcy on June 2, 2015 and dissolved on May 16, 2017. Cease trade orders were issued against Ivanhoe Energy in Alberta (July 15, 2015), Quebec (May 7, 2015), Manitoba (May 6, 2015), Ontario (May 4, 2015) and British Columbia (April 14, 2015) in respect of the company failing to file its audited financial statements and associated filings for the year ending December 31, 2014, which cease trade orders remain in effect as at the date of this management proxy circular.

On December 18, 2018, Zwoop Limited ("**Zwoop**") was placed into voluntary wind-up and liquidators were appointed under the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance (CWUMPO). Ms. Mahler was a director of Zwoop as at December 18, 2018. Mr. Friedland was a director until September 21, 2018.

Noble Metals Ltd. ("**Noble Metals**") was suspended from trading on the Australian Securities Exchange on March 17, 2017 for failure to lodge half-yearly accounts for the period ending December 31, 2016. Mr. Hayden resigned as a director of Noble Metals on December 30, 2018.



2.

CORPORATE GOVERNANCE

We believe in strong governance – corporate integrity, transparency and accountability and in the consistent application of strategies and practices that treat people and the environment with respect, while pursuing the underlying business objective of building value.

Ivanhoe is continued under the *Business Corporations Act* (British Columbia).

- 35 Building an effective Board
- 40 Board responsibilities
- 42 Board committees
- 44 Additional information about the Board

One of the new miners at the Platreef underground mine in South Africa. Ivanhoe Mines is committed to build Platreef as a modern, safe, highly-mechanized mine that will employ a new generation of highly-skilled employees.

> Building an effective Board

STRUCTURE

Executive Co-Chairmen

Provide strong Board leadership.

Represent our two largest shareholders:

- Robert Friedland, Founder, Executive Co-Chairman
- Yufeng (Miles) Sun, Non-Executive Co-Chairman
(nominated by CITIC Metal Africa Investments Limited)

Executive Vice Chairman

Provides leadership on commercial aspects of the business including marketing and financing. Egizio Bianchini has been in this role since March 2018.

Lead Independent Director

Provides independent Board leadership:

- ensures Board functions effectively and independently of management;
- oversees the quality of the information sent to directors;
- acts as a facilitator with respect to interaction among the independent directors and between management and the independent directors;
- chairs any meetings of the independent directors held from time to time; and
- oversees the governance obligations of Board and Board committees generally.

Tadeu Carneiro has been in this role since April 2019.

Board committees

Four standing committees help the Board carry out its duties and responsibilities:

- Audit committee;
- Nominating and corporate governance committee;
- Compensation and human resources committee; and
- Sustainability committee.

The Technical committee acts in an advisory capacity to the Board and has independent and non-independent directors as members. See the 2018 committee reports on page 42.

Management

Management functions are only performed by directors or senior officers.

The President and CEO is responsible for our day-to-day operations and, with the management team, implementing the strategic initiatives approved by the Board.

The President and CEO also reports to the Board regularly on our short-term results and long-term business development activities.

Position descriptions

The Board has adopted position descriptions for the President and Chief Executive Officer, Lead Independent Director and the chairs of each standing committee.

Meetings

The Board meets at least quarterly and holds ad hoc meetings usually by telephone conference calls as required.

Board committees meet as often as necessary. The Audit committee meets at least four times a year, and the Nominating and corporate governance committee and Compensation and human resources committee meet at least twice a year to fulfill their mandates.

You can read about each committee beginning on page 42. Copies of the Board and four committee charters are available on our website (www.ivanhoemines.com).

Ethical business conduct

We expect the highest standards of professional and ethical conduct from everyone at Ivanhoe.

Our code of business conduct and ethics describes our commitment to a culture of honesty, integrity, accountability and respect for our communities and provides guidelines, principles and policies for everyone to comply with. The code applies to directors, officers and employees of the Company and its subsidiaries and covers issues ranging from compliance with laws, rules and regulations, conflicts of interest, corporate opportunities, confidentiality and Company assets to insider trading, fair dealing, health and safety, compliance with environmental laws, corporate disclosure and Company records among other things. A companion booklet provides general information about anti-bribery laws and also applies to consultants, contractors, advisors and others involved in business with Ivanhoe.

The Board promotes a culture of ethical business conduct through communication and supervision as part of their stewardship responsibility. Compliance is monitored internally and the Audit committee oversees and administers the code.

Anyone can report a suspected violation of the code. Reports are confidential and can be made anonymously. Our reporting system is run by an independent third party and generates alerts for the Audit committee and Corporate Secretary. The Corporate Secretary reviews all reports with the Audit committee chair when received and then investigates on the committee's behalf any alleged breaches of the code and reports the findings to the committee chair. The Company prohibits retaliatory action against any director, officer or employee who, in good faith, reports a concern about questionable ethical, moral, accounting, auditing or other matters in good faith.

A copy of the code is on our website (www.ivanhoemines.com) and on SEDAR (www.sedar.com). You can also ask for a copy by writing to the Corporate Secretary.

Conflicts of interest

Some Board members are directors or officers of, or have significant shareholdings in, other mineral resource companies that may participate in ventures similar to Ivanhoe, creating a conflict of interest when negotiating and concluding terms of the extent of the participation.

If a director has an interest in a material contract or material transaction involving Ivanhoe, he or she must disclose their interest to the Board and not participate in a vote on a contract or transaction in accordance with applicable law. It is not always easy to determine if a conflict of interest exists, so we encourage any potential conflicts to be reported to a member of senior management who is independent of the potential conflict. The management representative will assess the issue in consultation with legal counsel. If deemed appropriate, we may establish a special committee of independent directors to review a matter where one or more directors, or members of management, may have a conflict.

Ethics hotline

Call 1-888-581-2173 (toll-free)

Go online

<https://secure.ethicspoint.com/domain/media/en/gui/35636/index.html>

Equity ownership

Directors are required to own Ivanhoe shares, unless specifically exempted, to align their interests with those of our shareholders and give them a vested interest in our future success.

Non-executive directors must hold the value of their basic annual retainer (\$60,000) in Ivanhoe shares, and meet that requirement by December 31 of the third year following the date they joined the Board. The Board has waived the application of the stock ownership policy to Mr. Sun given his executive role as Vice Chairman and President of CITIC Metal Group Limited, an affiliated company of our largest shareholder, CITIC Metal Africa Investments Limited.

Recognizing that equity securities fluctuate in value, once a director reaches the minimum requirement, we consider them to be in compliance as long as they continue to maintain their holdings. Our non-executive directors currently meet the requirement except Mr. Motlanthe, who became an Ivanhoe director in 2018 and has until December 31, 2021 to meet the requirement.

Mr. Friedland and Mr. Bianchini are subject to executive share ownership requirements (see page 66). Mr. Friedland has met this requirement while Mr. Bianchini must do so by March 2023.

BOARD COMPOSITION

The Nominating and corporate governance committee reviews Board composition at least annually to make sure the size and composition of our Board continues to meet our needs. The committee considers several factors, including any necessary or desirable competencies, our diversity policy and goals and objectives, as well as appropriate structures and procedures that allow the Board to function with the proper degree of independence from management.

The committee also reviews our corporate governance policies, practices and procedures in light of ongoing developments in securities law, stock exchange and regulatory requirements, and industry best practices relating to corporate governance.

Independence

A director is *independent* if he or she does not have a direct or indirect material relationship with Ivanhoe. A “material relationship” is one that could, in the view of Board, reasonably be expected to interfere with the director’s ability to exercise independent judgment.

Six of the 2019 nominated directors (60%) are independent: Tadeu Carneiro, Jinghe Chen, William Hayden, Livia Mahler, Peter Meredith and Kgalema Motlanthe. Mr. Carneiro serves as Lead Independent Director.

The four non-independent directors are Robert Friedland (Executive Co-Chairman), Yufeng (Miles) Sun (Non-Executive Co-Chairman and Vice-Chairman and President of CITIC Metal Group Limited), Egizio Bianchini (Executive Vice Chairman) and Guy de Selliers. Mr. de Selliers is not independent because of his material interest in HCF International Advisers Limited, which provides financial advisory services to Ivanhoe.

The Board reviews director independence at least once a year. Independent directors meet from time to time to receive updates on corporate developments. The independent directors met three times in 2018.

The Board believes that meetings of the Compensation and human resources committee and the Nominating and corporate governance committee also provide an adequate forum to facilitate open and candid discussion among the independent directors because both committees are 100% independent. A committee member can request at any time for part of a committee meeting be held *in camera* without management present. Each of these committees met five times in 2018.

Diversity

Our diversity policy has a goal to increase the representation of women and other minority groups on our Board, in our management ranks, and in our Company generally, and is implemented through a range of Company-wide diversity initiatives.

We presently have one female director, representing 9% of the Board, and we consider the representation of women when identifying and nominating director candidates for election or re-election to the Board. If all of management's nominees for election as a director are elected, women will represent 10% of the total number of the then 10 directors. When a Board vacancy comes available or is made available, the Nominating and corporate governance committee specifically considers whether there is a suitable female candidate available as part of its decision-making process.

Our diversity policy allows us to set targets for the representation of women on the Board but we have not done so as of the date of this management proxy circular. We consider that at this point in the development of our business and mineral projects that, while gender is an important consideration, it should not be the overriding consideration given our need for a Board with a diverse skill set in finance, government relations, capital markets, mine development and exploration. We continue to examine the appropriateness of setting targets while continuing to seek strong candidates with core skills and experience relevant to our stage of development.

Periodically the Nominating and corporate governance committee reviews the diversity policy with the aim of assessing progress made against the overall objective, although no specific quantitative targets have been set.

Skills and experience

Our Board represents a broad mix of diverse skills and experience to provide strong oversight of our business and affairs. The Nominating and corporate governance committee maintains a matrix of the skills and experience of its directors across 14 key sectors and professional fields required by the Board and its committees to meet their respective mandates. The skills matrix is designed to help the Nominating and corporate governance committee with its gap analysis when reviewing the needs of the Board.

| Knowledge and experience | |
|------------------------------------|---|
| Mining, Technical | Legal |
| Mining, Operations | Regulatory / Compliance |
| Safety / Health / Environmental | Government affairs / Government relations |
| International business | Executive compensation |
| Corporate finance | Information technology / Cyber security |
| Finance / Accounting / Tax / Audit | Chair / C-suite experience |
| Marketing | Board experience (other listed companies) |

ORIENTATION AND CONTINUING EDUCATION

The Board is responsible for our director development program.

Orientation

New directors receive briefings by management on our business and prospects (positive and negative) so they have a good foundation of knowledge as they start their duties as a director. They also have an opportunity to make site visits to our properties and to meet with our auditor and legal counsel.

New directors also receive a manual with copies of our disclosure documents, policies, charters and other important documents for background and reference.

Continuing education

We do not have a formal continuing education program, however directors receive presentations by management and outside advisors so they have up to date knowledge and understanding of Ivanhoe, industry developments, corporate governance, executive compensation trends and the legal, regulatory and financial environments.

Directors are also encouraged to take courses or attend sessions or conferences relevant to Ivanhoe and our business, particularly with respect to corporate governance and the mining industry.

BOARD ASSESSMENT AND SUCCESSION

Assessment

The Nominating and corporate governance committee is responsible for the annual Board assessment process which includes Board, committee and director effectiveness.

Directors complete a detailed questionnaire to rate performance in key areas and provide a qualitative assessment in each of those areas.

The committee reviews the results, identifies areas for follow-up and develops a proposed action plan and prepares a summary report for the Board.

The committee chair presents the summary of the assessment to the Board. The committee monitors the issues identified for follow-up and updates the Board periodically.

Succession

We do not have term limits or a retirement age for directors. As mine development can routinely take more than a decade from discovery to first production, the Board believes that Ivanhoe and our shareholders benefit from directors who have significant experience in mining and business and serve successive terms.

The Nominating and corporate governance committee keeps abreast of necessary or desirable competencies and reviews Board composition regularly. It considers Board size and other factors important to Ivanhoe.

Our diversity policy requires the committee and the Board to consider diversity, including the representation of women, diverse backgrounds and other attributes when identifying and nominating director candidates. It also considers background and experience, skill set relative to the balance of skills required by the Board and committees to meet their respective mandates, and any regulatory requirements.

The Nominating and corporate governance committee discusses Board composition, our diversity policy and goals and objectives with the Board from time to time. Discussions in 2018 led to the search for a director candidate in Africa with international political experience, resulting in the appointment of Mr. Motlanthe to the Board in April 2018. The appointments of Mr. Sun and Mr. Carneiro (nominated by our largest shareholder, CITIC Metal Africa Investments Limited) and Mr. Bianchini also in 2018 extend the depth of the Board's skills and experience. In 2019, the Board invited Jinghe Chen, Chairman of Zijin, to become a member of the Board. You can read about these five nominees in more detail in the director profiles starting on page 22.

> Board responsibilities

The Board has overall responsibility for governance including oversight of management, our affairs and risk.

The Board is responsible for supervising the conduct of our affairs and management of the business, including setting long-term goals and objectives for Ivanhoe, formulating the plans and strategies necessary to achieve those objectives, supervising management in implementing the plans and strategies, and reviewing the principal risks inherent in our business.

The Board delegates the responsibility for managing our day to day affairs to senior management but retains a supervisory role of, and ultimate responsibility for, all matters relating to Ivanhoe and the business.

The Board strives to ensure that actions taken by the Company are in the best interest of the Company's shareholders.

Anyone investing in Ivanhoe must rely on the ability, expertise, judgment, discretion, integrity and good faith of management.

The obligations of the Board must be performed continuously, and in times of crisis or emergency the Board may assume a more direct role in managing our affairs.

Strategic planning

The Board approves our long-term strategy, annual operating and capital budgets, any material dispositions, acquisitions and investments outside of the ordinary course of business or not provided for in the approved budgets, organizational development plans and the appointment of senior executive officers.

The Board is directly involved in the strategic planning process, overseeing and monitoring our significant corporate plans and strategic initiatives and Company performance. The strategic planning process includes annual and quarterly budget reviews and approvals, and discussions with management about strategic and budgetary issues. The Board devotes at least one meeting every year to an in-depth review and discussion of the strategic plan proposed by management.

The Board expects management to efficiently implement the strategic plan, to keep the Board fully apprised of the progress and to be fully accountable to the Board for all matters it has been assigned responsibility for.

Risk management

Even though we have undertaken various economic studies, including pre-feasibility or feasibility studies, investing in Ivanhoe shares should be considered highly speculative because of the nature of our business and our early stage of development.

The Board reviews the principal risks in our business, including financial risks, through regular reports from management. It reviews operations and relevant risk issues at each Board meeting and discusses with management the systems in place to manage those risks.

The Board also assesses the integrity of the internal financial control and management information systems directly and through the Audit committee.

Certain responsibilities have been delegated to the Sustainability committee including the review of our safety, health and environmental policies and compliance, and oversight of our sustainability performance and risk.

Managing compensation risk

See page 53 for information about our approach to risk management and compensation.

Leadership succession

Our management structure includes the Executive Co-Chairmen, the Executive Vice Chairman and the President and Chief Executive Officer, highlighting the depth of management expertise supporting leadership succession. We do not have a formal succession plan, however, the Nominating and corporate governance committee reviews leadership succession at least once a year, or as required.

Leadership diversity

In 2018, two of eight executive officers at Ivanhoe and our subsidiaries were women, representing 25% of the executive team. Our Chief Financial Officer is a woman and a NEO.

The table to the right shows the change in women in management at Ivanhoe and our subsidiaries over the last three fiscal years.

| | 2015 | 2018 |
|--------------------|------------------|------------------|
| Executive officers | 2 of 7 (28.6%) | 2 of 8 (25%) |
| Senior management | 11 of 43 (25.6%) | 10 of 53 (18.9%) |

We consider the representation of female executives in our succession planning and in the process for the appointment of executive and senior officers. Our diversity policy allows us to set targets for the representation of women in executive officer positions, but we have not done so as of the date of this management proxy circular. When an executive role becomes available or is created, we specifically consider whether there is a suitable female candidate available as part of the decision-making process.

We continue to examine the appropriateness of setting targets, including targets for gender representation at all levels in the organization and, if so, what targets are appropriate for the jurisdiction of our operations, industry and our organizational structure.

Communications and engagement

We are committed to ensuring that communications to and with the investing public and other stakeholders about Ivanhoe are timely, factual and accurate and broadly disseminated in accordance with legal and regulatory requirements that apply to us.

Our disclosure review officers are responsible for developing and overseeing our corporate disclosure policies, protocols and practices for all electronic, written and oral disclosure made by, or on behalf of, Ivanhoe.

Disclosure is reviewed by the President and Chief Executive Officer, Chief Financial Officer, Corporate Secretary, and Vice President, Investor Relations and also distributed to the Co-Chairmen and Vice Chairman at the same time.

We promptly respond to shareholder concerns and meet with investors on request as part of our shareholder engagement activities. Management keeps the Board informed of any major concerns expressed by shareholders and other stakeholders.

Contacting the Board

You can contact the Executive Co-Chairman, the Non-Executive Co-Chairman, the Executive Vice Chairman, or the chair of any Board committee by writing to:

Ivanhoe Mines Ltd.
Suite 654 – 999 Canada Place
Vancouver, British Columbia
Canada V6C 3E1
info@ivanhoemines.com

> Board committees

The Board has four standing committees and one advisory committee:

- Audit committee;
- Compensation and human resources committee;
- Nominating and corporate governance committee;
- Sustainability committee; and
- Technical committee.

The Technical committee acts in an advisory capacity and assists the Board in overseeing matters affecting our mineral reserves and resources, project development, asset operations and other operational activities relating to exploration, permitting, construction and development of our mineral properties and projects. The committee meets as often as necessary and has three members: Egizio Bianchini (chair), Tadeu Carneiro and William Hayden.

The Board reviews and reassesses the adequacy of the charters for the standing committees every year. Copies of the committee charters are available on our website (www.ivanhoemines.com) or by contacting our Corporate Secretary.

Audit committee

Members:

- > Peter Meredith, CPA, CA
(chair since December 4, 2018)
- > William Hayden
- > Livia Mahler

All members are independent in keeping with the audit committee's charter.

Meetings in 2018: 5

Attendance: 100%

The Audit committee assists the Board in overseeing our financial statements and other financial disclosure, compliance with legal and regulatory requirements, risk management, internal financial and accounting controls, and our management information systems.

The Audit committee is a liaison between the Board and our independent auditor. It also approves all audit and non-audit services provided by the independent auditor, consults with the auditor independent of management and oversees the work of the auditor and our internal audit department.

The Audit committee charter sets out our relationship with, and expectations of, the external auditor. This includes determining the independence of the external auditor, the approval of any non-audit mandates of the external auditor and the engagement, evaluation, compensation and termination of the external auditor. The committee also oversees the external auditor's relationship with, and expectations of, the internal auditor function and provides oversight of internal control and the disclosure of financial and related information.

All three members of the Audit committee are financially literate within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") of the Canadian Securities Administrators. All three members are independent within the meaning of NI 52-110.

The Audit committee meets at least quarterly to fulfill its mandate. You can find more information about the Audit committee, including the charter and qualifications of the members, in our most recent annual information form, which is available on our website (www.ivanhoemines.com) and on SEDAR (www.sedar.com).

Compensation and human resources committee

Members:

- > Livia Mahler
(chair since May 19, 2016)
- > Tadeu Carneiro
- > Peter Meredith

All members are independent in keeping with the committee's charter.

Meetings in 2018: 5

Attendance: 100%

The Compensation and human resources committee is primarily responsible for assisting the Board in setting our overall compensation policy and monitoring its implementation. It also reviews and approves compensation for our directors and executive officers.

The committee regularly reviews and makes recommendations on our compensation policies and compensation programs, including the short and long-term incentive compensation plans, equity-based plans and benefit plans. The committee can retain independent advisors as necessary or advisable for its purposes.

All three members have been directors and executive officers for a variety of publicly listed and private companies, and have considerable experience to carry out their committee responsibilities. Each member is qualified and together they have the necessary skills and experience to carry out their duties responsibly and make informed decisions about the suitability of our compensation policies and practices and director and executive compensation in light of our business, objectives and comparative market practices.

The Compensation and human resources committee is 100% independent and meets at least twice a year to fulfill its mandate.

Nominating and corporate governance committee

Members:

- > Tadeu Carneiro
(chair since May 7, 2019)
- > Peter Meredith
- > Kgalema Motlanthe

All members are independent in keeping with the committee's charter.

Meetings in 2018: 5

Attendance: 100%

The Nominating and corporate governance committee assists the Board in nominating directors and in developing, monitoring and implementing our approach to corporate governance. The committee ensures that we comply with legal and regulatory requirements and that we have the appropriate policies and processes to ensure our compliance, including timely disclosure of relevant corporate information and regulatory reporting.

All committee members have a working familiarity with our corporate governance policies, practices and guidelines and the committee also monitors our diversity policy.

The committee can also establish permanent or ad hoc committees as necessary, and monitors our diversity policy.

The Nominating and corporate governance committee meets at least twice a year to fulfill its mandate.

Sustainability committee

Members:

- > Guy J. de Selliers
(chair since May 19, 2016)
- > Yufeng (Miles) Sun
- > William Hayden

One of three members is independent. The committee has no mandated independence requirements.

Meetings in 2018: 3

Attendance: 100%

The Sustainability committee is primarily responsible for establishing and overseeing our sustainability policies relating to safety, health and the environment. It monitors the effectiveness of these policies and our compliance with them. It also receives results and reports from management on our sustainability performance, and reviews our sustainability-related disclosure.

The committee liaises with management as needed as the Board believes that management's input is important in reviewing our environmental affairs.

The Sustainability committee meets at least two times a year to fulfill its mandate.

> Additional information about the Board

Serving on other boards

We do not limit the number of boards our directors can serve on, but all directors must commit the necessary time and attention to their responsibilities as a member of the Ivanhoe Board and committees. None of our directors serve on more than four other public company boards.

You can read more about each nominated director in the profiles beginning on page 22.

Attendance

We expect our directors to attend all Board meetings, their committee meetings and the annual meeting of shareholders. Average attendance in 2018 was 98.6%.

You can read about each nominated director's attendance in the profiles beginning on page 22.

Director compensation

Our non-executive director compensation program is designed to attract and retain qualified individuals to serve on the Board.

Non-executive directors receive a cash retainer, and an equity retainer paid (except for Mr. Sun) in deferred share units (“**DSUs**”) - notional shares that mirror the market value of Ivanhoe Class A shares. Mr. Sun, as a Co-Chairman, is not eligible to participate in the DSU plan as Chairman is an officer title although he does not perform an executive role with the Company. The equity retainer ensures directors have a stake in our future success, helps them meet our share ownership requirements and aligns their interests with those of our shareholders. Mr. Friedland and Mr. Bianchini do not receive director compensation and are paid in their roles as Executive Co-Chairman and Executive Vice Chairman (see page 62).

Benchmarking

We review non-executive director compensation every year to make sure our program is competitive and appropriate for director responsibilities, time commitments and accountabilities. A general review is conducted annually and a more comprehensive review is carried out every two or three years.

The Compensation and human resources committee benchmarks director compensation against a peer comparator group of 15 companies, the same group it uses to benchmark executive compensation (see page 55). Companies are in gold, copper, diversified metals and mining and precious metals and minerals and 11 of the 15 companies have projects in Africa.

2018 Peer comparator group

- | | | |
|--------------------------|--------------------------------|-------------------------|
| • B2Gold Corp. | • Impala Platinum Holding Ltd. | • Trevali Mining Corp. |
| • Katanga Mining Ltd. | • Northam Platinum Limited | • Acacia Mining PLC |
| • IAMGOLD Corp. | • NovaGold Resources Ltd. | • Nevsun Resources Ltd. |
| • Endeavour Mining Corp. | • Pretium Resources Inc. | • Capstone Mining Corp. |
| • Hudbay Minerals Inc. | • SEMAFO Inc. | • Lonmin PLC |

Director fee schedule

The table below shows the non-executive director fee schedule for 2018. On January 1, 2018, the retainer for the chair of the Compensation and human resources committee increased from \$15,000 to \$20,000 to recognize the scope of responsibilities.

| | |
|--|-----------|
| Annual Board retainer | |
| Cash | \$60,000 |
| Equity (DSUs, with the exception of Mr. Sun) | \$20,000 |
| Additional annual retainers | |
| Non-Executive Co-Chairman ¹ | \$200,000 |
| Lead Director | \$40,000 |
| Committee chair (Audit committee and Compensation and human resources committee) | \$20,000 |
| Committee chair (Nominating and corporate governance committee) | \$10,000 |
| Committee chair (Sustainability committee and Technical committee) | \$10,000 |
| Meeting fees | |
| Each Board and committee meeting attended (paid annually) | \$1,500 |
| Travel fees | |
| Per travel day (paid annually) | \$1,500 |

1 Mr. Sun was granted 17,304 RSUs in 2018 and 74,819 RSUs on January 1, 2019. The additional annual retainer paid to Mr. Sun is payable as to \$80,000 (40%) in cash and \$120,000 (60%) in RSUs but is paid over to CITIC Metal in accordance with CITIC Metal's internal policies. Mr. Sun is not subject to the non-executive director limitations in the RSU plan as Co-Chairman is an officer title although he does not perform an executive role with us. Mr. Sun's RSUs will settle in cash.

The equity portion of the Board retainer is generally granted to directors on January 1 of each fiscal year. The number of securities awarded (DSUs or RSUs, in the case of Mr. Sun) is calculated using the five-day volume weighted average trading price of our shares on the TSX immediately before the award date.

DSUs vest immediately and are paid out on December 31 of the third year following the grant date after deducting withholding taxes. Directors can choose to have the DSUs settled in cash, shares issued from treasury, or a combination of both. For more information about our incentive plans, please see page 77 for our DSU plan and page 74 for our RSU plan.

Director compensation table

The table below shows the fees paid to non-executive directors in 2018. Mr. Friedland and Mr. Bianchini do not receive director compensation because they are compensated in their roles as executive officers of Ivanhoe (see page 62).

| | Fees earned | Share-based awards | Option-based awards | All other compensation | Total compensation | % received as share-based compensation |
|--|-------------|--------------------|---------------------|------------------------|--------------------|--|
| Tadeu Carneiro (appointed September 19, 2018) | \$21,457 | \$5,697 | – | \$78 | \$27,231 | 21% |
| Ian Cockerill | \$162,000 | \$20,000 | – | \$324 | \$182,324 | 11% |
| William Hayden | \$96,000 | \$20,000 | – | \$324 | \$116,324 | 17% |
| Oyvind Hushovd | \$116,033 | \$20,000 | – | \$324 | \$136,357 | 15% |
| Livia Mahler | \$128,000 | \$20,000 | – | \$324 | \$148,324 | 13% |
| Peter Meredith | \$88,522 | \$20,000 | – | \$324 | \$108,846 | 18% |
| Kgalema Motlanthe (appointed April 10, 2018) | \$69,016 | \$14,573 | – | \$240 | \$83,829 | 21% |
| Guy de Selliers | \$94,000 | \$20,000 | – | \$324 | \$114,311 | 17% |
| Yufeng (Miles) Sun (appointed September 19, 2018) | \$41,065 | \$34,192 | \$69,734 | \$78 | \$75,568 | 45% |

Outstanding option-based awards and share-based awards

The table below shows the outstanding option-based and share-based awards for each non-executive director at the end of fiscal 2018.

Mr. Sun received a grant of 2,000,000 options and 17,304 RSUs on December 4, 2018. The options had an exercise price of \$2.6117 based on the five-day volume weighted average trading price of our shares on the TSX immediately before the grant date. The RSUs granted to Mr. Sun represent the portion of 2018 director's fees payable in RSUs.

| | Option-based awards | | | | Share-based awards | | |
|--------------------|---|------------------------------------|------------------------|--|--|--|---|
| | Number of Class A shares underlying unexercised options | Option exercise price ¹ | Option expiration date | Value of unexercised in-the-money options ² | Number of shares or units that have not vested | Market or payout value of share-based awards that have not vested ³ | Market or payout value of vested share-based awards not paid out or distributed |
| Tadeu Carneiro | – | – | – | – | – | – | \$5,070 |
| Ian Cockerill | – | – | – | – | – | – | \$78,817 |
| William Hayden | – | – | – | – | – | – | \$78,817 |
| Oyvind Hushovd | – | – | – | – | – | – | \$78,817 |
| Livia Mahler | – | – | – | – | – | – | \$78,817 |
| Peter Meredith | – | – | – | – | – | – | \$78,817 |
| Kgalema Motlanthe | – | – | – | – | – | – | \$12,037 |
| Guy de Selliers | – | – | – | – | – | – | \$78,817 |
| Yufeng (Miles) Sun | 2,000,000 | \$1.92 | Dec 4, 2023 | nil | 17,304 | \$30,109 | n/a |

1 Options are issued in C\$. This amount has been converted from C\$ to US\$ using the prevailing exchange rate on December 31, 2018 of 1.36 and rounded to the nearest cent.

2 The value of options is the difference between the option's exercise price and \$1.74 (the closing price of an Ivanhoe share on TSX on December 31, 2018), if the options are in the money.

3 We calculate the market or payout value of share-based awards by multiplying the number of units by \$1.74 (the closing price of an Ivanhoe share on TSX on December 31, 2018).

Incentive plan awards – Value vested or earned during the year

The table below shows the value of option and share-based awards that vested or were earned in 2018 by the non-executive directors.

| | Option-based awards – Value vested during the year | Share-based awards – Value vested during the year | Non-equity incentive plan compensation – Value earned during the year |
|--------------------|--|---|---|
| Tadeu Carneiro | – | \$5,697 | – |
| Ian Cockerill | – | \$20,000 | – |
| William Hayden | – | \$20,000 | – |
| Oyvind Hushovd | – | \$20,000 | – |
| Livia Mahler | – | \$20,000 | – |
| Peter Meredith | – | \$20,000 | – |
| Kgalema Motlanthe | – | \$14,573 | – |
| Guy de Selliers | – | \$20,000 | – |
| Yufeng (Miles) Sun | nil ¹ | nil ¹ | – |

1 No options or RSUs granted to Mr. Sun vested in 2018.

Outstanding share-based awards

The table below shows outstanding DSU awards as of the date of this management proxy circular and the director's decision about how to settle the DSUs when the units vest (cash or shares).

| | Year | DSUs awarded | Settlement date | Settlement | |
|---|------|---------------------|-------------------|------------|--------|
| | | | | Cash | Shares |
| Tadeu Carneiro (appointed September 19, 2018) | 2019 | 12,469 | December 31, 2022 | | 100% |
| | 2018 | 2,914 | December 31, 2021 | | 100% |
| Ian Cockerill | 2019 | 12,469 | December 31, 2022 | | 100% |
| | 2018 | 5,849 | December 31, 2021 | | 100% |
| | 2017 | 10,837 | December 31, 2020 | | 100% |
| | 2016 | 28,611 | December 31, 2019 | | 100% |
| | 2015 | 28,621 | December 31, 2018 | | 100% |
| William Hayden | 2019 | 12,469 | December 31, 2022 | | 100% |
| | 2018 | 5,849 | December 31, 2021 | | 100% |
| | 2017 | 10,837 | December 31, 2020 | | 100% |
| | 2016 | 28,611 | December 31, 2019 | | 100% |
| | 2015 | 28,621 | December 31, 2018 | | 100% |
| Oyvind Hushovd | 2019 | 12,469 | December 31, 2022 | 100% | |
| | 2018 | 5,849 | December 31, 2021 | 100% | |
| | 2017 | 10,837 | December 31, 2020 | 100% | |
| | 2016 | 28,611 | December 31, 2019 | 100% | |
| | 2015 | 28,621 | December 31, 2018 | 100% | |
| Livia Mahler | 2019 | 12,469 | December 31, 2022 | 50% | 50% |
| | 2018 | 5,849 | December 31, 2021 | 50% | 50% |
| | 2017 | 10,837 | December 31, 2020 | 50% | 50% |
| | 2016 | 28,611 | December 31, 2019 | | 100% |
| | 2015 | 22,940 | December 31, 2018 | | 100% |
| Peter Meredith | 2019 | 12,469 | December 31, 2022 | 100% | |
| | 2018 | 5,849 | December 31, 2021 | | 100% |
| | 2017 | 10,837 | December 31, 2020 | 100% | |
| | 2016 | 28,611 | December 31, 2019 | 100% | |
| | 2015 | 28,621 | December 31, 2018 | 100% | |
| Kgalema Motlanthe (appointed April 10, 2018) | 2019 | 12,469 | December 31, 2022 | | 100% |
| | 2018 | 6,918 | December 31, 2021 | | 100% |
| Guy de Selliers | 2019 | 19,749 ¹ | December 31, 2022 | | 100% |
| | 2018 | 5,849 | December 31, 2021 | 100% | |
| | 2017 | 10,837 | December 31, 2020 | | 100% |
| | 2016 | 28,611 | December 31, 2019 | | 100% |
| | 2015 | 28,621 | December 31, 2018 | | 100% |
| Yufeng (Miles) Sun ² (appointed September 19, 2018) | 2019 | n/a | n/a | | |
| | 2018 | n/a | n/a | | |

1 Mr. de Selliers elected to receive 100% of his 2019 director cash retainer in DSUs. This amount includes 7,280 DSUs representing fees earned during the first quarter in addition to the annual grant of DSUs.

2 Mr. Sun was granted 17,304 RSUs in 2018 and 74,819 RSUs on January 1, 2019. The additional annual retainer paid to Mr. Sun is payable as to \$80,000 (40%) in cash and \$120,000 (60%) in RSUs but is paid over to CITIC Metal in accordance with CITIC Metal's internal policies. Mr. Sun is not subject to the non-executive director limitations in the RSU plan as Co-Chairman is an officer title although he does not perform an executive role with us. Mr. Sun's RSUs will settle in cash.

3.

EXECUTIVE COMPENSATION

Compensation at Ivanhoe is structured to reward the appropriate corporate behaviour and business outcomes that align with our long-term growth strategies and with the interests of shareholders.

This part of the circular discusses how we compensate our senior executives and the compensation decisions for our most senior officers for 2018.

Compensation discussion and analysis

- 49 Overview
- 50 Our approach to executive compensation
- 51 Overseeing compensation
- 54 Annual decision-making process
- 57 Compensation program
- 62 2018 Compensation decisions
- 65 Share performance

Compensation details

- 67 Summary compensation table
- 68 Equity compensation
- 82 Termination and change of control

Ongoing construction of access declines for the Kamo-a-Kakula Copper Project's high-grade Kakula Mine.

> Overview

Mining is a highly cyclical industry that is characterized by capital-intensive and long-term development projects. Very few mineral discoveries become producing mines, and the process for those that do may take up to 15 years.

It is imperative to attract and retain the best possible talent, and to make sure they have incentives that focus them on the long-term success of the Company.

Compensation at Ivanhoe is structured to reward corporate achievement and the business outcomes that align with the Company's long-term growth strategies and with the interests of long-term shareholders.

This part of our management proxy circular discusses how we compensate our most senior officers, including our Chief Executive Officer, Chief Financial Officer and three other highest paid executive officers of Ivanhoe and our subsidiaries in fiscal 2018 (collectively, our named executive officers or NEOs):



Robert M. Friedland
Executive
Co-Chairman



Egizio Bianchini
Executive Vice
Chairman



**Lars-Eric
Johansson**
President and Chief
Executive Officer



Marna Cloete
Chief Financial
Officer



Mark Farren
Executive Vice
President,
Operations

> Our approach to executive compensation

Ivanhoe's executive compensation program is designed to provide competitive pay that rewards executives for their contributions to our short and long-term success – simply, to pay for performance.

COMPENSATION OBJECTIVES

1

Attract, motivate and retain qualified and experienced executives

We offer fixed and variable pay to motivate our executives to deliver strong performance.

We benchmark executive compensation to make sure our program is competitive, using a peer group of 15 mining companies, including 11 with projects in Africa.

Management and the Compensation and human resources committee retain outside consultants to receive independent analysis and input.

2

Align the interests of executives and shareholders

Executives must own Ivanhoe equity so they have a stake in our future success. They have five years to meet the requirement.

Executives may receive options or restricted share units as a long-term incentive. The value of restricted share units is tied to the price of Ivanhoe shares. To focus executives on our longer-term success, restricted share units vest 33% each year starting on the first anniversary of the grant, and options vest 25% each year starting on the first anniversary of the grant.

3

Provide transparent and market competitive compensation

Our compensation structure supports our short and long-term strategic goals.

We use a performance scorecard with pre-defined objectives and targets to assess performance.

The Board can use discretion to minimize unintended consequences affecting executive compensation and ensure that total compensation matches both the contributions and performance of the individual executive, achievement of corporate objectives and the intentions of the Board.

> Overseeing compensation

The Board is responsible for Ivanhoe's compensation program, and has delegated some of these responsibilities to the Compensation and human resources committee.

Board of directors

The Board oversees Ivanhoe's compensation program, and has final approval of the compensation program, our equity compensation plans and our decision-making process.

Compensation and human resources committee

The Compensation and human resources committee is primarily responsible for assisting the Board in setting our overall compensation policy and monitoring its implementation. It also reviews and recommends compensation for our directors and executive officers and in doing so receives and reviews the recommendations of the CEO regarding executive compensation.

The committee regularly reviews and makes recommendations to the Board on our compensation policies and compensation programs, including the short and long-term incentive compensation plans, equity-based plans and benefit plans. The committee can retain independent advisors as necessary.

You can read more about the committee on page 43 and in the committee mandate on our website (www.ivanhoemines.com).

Outside consultants

The Compensation and human resources committee can retain outside consultants, at the Company's expense, for advice on any matter within its mandate, including compensation program design, determining appropriate peer groups, pay levels and compensation components. This external advice helps the committee ensure that compensation remains market competitive.

Compensation and human resources committee

The committee is made up of three directors, all of whom have the necessary experience necessary to fulfill the committee's mandate. They are all independent directors.

Livia Mahler, Chair

Joined in May 2015

Chair since May 2016

- Served as a member of the compensation committees for several other private and public companies, including Computational Geoscience Inc., Turquoise Hill Resources Ltd. (the original Ivanhoe Mines) and Diversified Royalty Corp;
- Has worked with professional compensation consultants for both executive and director compensation; and
- Has extensive experience developing and negotiating compensation packages for senior management personnel.

Tadeu Carneiro

Joined in December 2018

- Has a strong business and academic background, providing a broad perspective;
- Held a variety of senior leadership roles during a 30-year career at Companhia Brasileira de Metalurgia e Mineração, including Chief Executive Officer, which oversaw executive compensation programs for the company; and
- Currently serves as Chief Executive Officer of Boston Electrometallurgical Corporation.

Peter Meredith

Joined in May 2019

- Serves as the chair of the Human Resources and Compensation Committee for Capstone Mining Corp.; and
- Has extensive executive compensation experience as chairman (and compensation committee chair for five years) of Great Canadian Gaming Corp. and deputy chairman of the Original Ivanhoe Mines (now Turquoise Hill Resources Ltd.). Mr. Meredith spent 31 years with Deloitte LLP, Chartered Professional Accountants and collaborated with professional remuneration consultants on the establishment and implementation of a number of compensation programs including senior management compensation programs.

Peter Meredith replaced Ian Cockerill on the Compensation and human resources committee in May 2019. Mr. Cockerill was a member of the committee since May 2012, and served as its chair until May 2016. He had extensive experience with the design, motivation, and implementation of compensation programs in various international organizations and worked with external remuneration consultants across the globe.

Outside consultants

The committee engaged Mercer Canada Ltd. ("**Mercer**") in 2018 to provide independent advice on both director and executive compensation. Mercer's review included:

- development of a new peer group;
- a market assessment of executive pay levels, including base salary, target total cash compensation and target total direct compensation for members of executive management;
- evaluation of executive pay levels for benchmarking purposes; and
- recommendations to the committee for potential adjustments to compensation levels and the mix of compensation components.

The committee approves the services to be provided by the outside consultant and pre-approves the fees. The table below shows the fees paid to Mercer in the last two fiscal years.

| Fees paid to Mercer (\$ thousands) | 2017 | 2018 |
|--|----------|----------|
| Executive compensation-related fees | | |
| Fees for services related to determining compensation for our directors and officers | \$7,839 | \$30,354 |
| All other fees | | |
| Fees for services related to advice on employee compensation | \$2,397 | \$645 |
| Total | \$10,236 | \$30,999 |

Managing compensation risk

The Compensation and human resources committee and the Board periodically assess the risks associated with our compensation philosophy and practices.

Balancing short- and long-term incentives

The current executive incentive structure was introduced in 2017 to focus on Ivanhoe's short- and long-term strategic goals, and incorporates various objectives to ensure the metrics do not distort either the intended compensation or executive behaviour or encourage excessive risk-taking.

The Board considers the overall compensation program, including the short- and long-term incentives, and can adjust the final awards against the targets to ensure that an appropriate level of total direct compensation is provided.

Setting incentive targets

Individual targets are reviewed annually for both short- and long-term incentives. Together with the weighted corporate objectives, these targets enable the Compensation and human resources committee to objectively evaluate performance before making its recommendations to the Board.

Monitoring

Performance is measured against actual achievements on a continuous basis, so the Board can react to any significant unanticipated risks.

Board discretion

The Board has discretion and flexibility in making compensation recommendations so that it can minimize unintended consequences or unanticipated corporate events affecting executive compensation.

The Board maintains full discretion over all executive compensation decisions to ensure that the total compensation received matches both the contributions and performance of the individual executive, the achievement of corporate objectives and the intentions of the Board.

Board discretion ensures that pay aligns with performance given or despite the current operating environment. For example, the Board can adjust calculated amounts for executive officers when critical strategic objectives are met in a low commodity price environment or ensure that awards are not excessive in a high commodity price environment.

Anti-hedging

Our corporate disclosure, confidentiality and securities trading policy prohibits everyone at Ivanhoe from engaging in short-term or speculative transactions involving Ivanhoe securities.

Executives are not permitted to buy financial instruments, including prepaid variable forward contracts, equity swaps or collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of our equity securities granted as compensation or that the executive or director holds, directly or indirectly.

> Annual decision-making process

The Compensation and human resources committee and the Board use an annual six-step process for making executive compensation decisions. The Board makes all final executive compensation decisions and retains full discretion over Ivanhoe's executive compensation program and policies.

1

**Design the
program and
set target
compensation**

The committee reviews compensation elements, weightings and our peer group, and recommends any changes to the Board for approval based on this review. It also conducts more comprehensive reviews every two or three years in conjunction with an outside consultant. The last comprehensive review was completed in early 2018.

The committee uses the peer group and other relevant information to recommend target total direct compensation and the target compensation mix and for each executive role. This ensures compensation is competitive.

2

**Set
performance
objectives**

Management recommends the corporate performance scorecard at the beginning of the year, including performance objectives, measures and weightings that are tied to our operating plan and support our long-term strategic goals. The committee reviews the scorecard and recommends it to the Board for approval.

Individual performance objectives are established for each executive. These are tied to the corporate scorecard, our operating plan and our long-term strategic goals.

3

**Monitor
corporate
performance**

The committee regularly receives management reports on Company performance against our annual operating plan, so the Board can react to any significant unanticipated risks.

4

**Evaluate
performance**

At the end of the financial year, the committee, working with the CEO, assesses the Company's performance against each measure in the scorecard and recommends the corporate performance scores for each key performance indicator ("KPI") and the overall corporate performance score to the Board for approval.

The committee evaluates the CEO's performance based on his own performance evaluation, and reviews the CEO's assessment of the individual performance of the other executive officers.

5

Recommend compensation

The CEO recommends to the committee the amount and form of executive compensation for all executive officers except himself, including short- and long-term incentive awards.

The committee reviews the CEO's recommendations, and recommends compensation for the executive officers, including to the CEO, to the Board based on our compensation philosophy, our peer group, the committee's assessment of corporate and individual performance (against performance goals and targets), recruiting and retention needs, and objectives for specific business units related to each individual.

6

Make compensation decisions

In January or February of each year, the Board makes the final decisions about the nature and scope of the compensation to be paid to the executive officers in respect of the prior year, based on the committee's recommendations. This includes short-term and long-term incentive awards based on the previous year's corporate and individual performance and any special bonuses. It also sets each executive officer's base salary for the upcoming year.

The Board may exercise informed judgment in its assessment of performance, and apply discretion to adjust individual or corporate performance scores.

Peer group

The Compensation and human resources committee uses a comparator group to benchmark executive compensation, and uses that data and other relevant information to recommend the target total direct compensation and the target compensation mix for each executive role.

Identifying a suitable comparator group for Ivanhoe is challenging:

- few companies in the mining industry have three world-class projects in the pre-production stage without also having significant ongoing mining operations;
- for companies that are in pre-production, few have comparable market capitalization levels; and
- many pre-production companies also lack the geographic and commodity diversification of Ivanhoe, and are typically confined to one or two major projects.

The Board approved the peer group of 15 companies in the table below because they:

- have operating and development activity in similar regions as Ivanhoe (Africa). A preference was given to organizations that are based or traded in Canada;
- have comparable market capitalization and assets; and
- have no or low revenue, but have relatively higher market capitalization and assets.

The committee developed the peer group in 2018 in consultation with Mercer, its independent compensation consultant, as part of Mercer's comprehensive review of our compensation program and practices (see page 52 for more information). Mercer sourced market data from a combination of information circulars, annual reports and compensation survey data. The Board is satisfied with the peer group selection and decided not to make any changes for 2019 except for the removal of Nevsun Resources Ltd. since they are no longer an active public company.

2018 Peer group

The 2018 peer group comprised the companies in the table below. All values are in Canadian dollars.

| Company | Market capitalization ¹ | Revenue ² | Total assets ¹ | GICS Sub-industry ³ | Home office | Africa operations |
|------------------------------|------------------------------------|----------------------|---------------------------|--------------------------------|----------------|-------------------|
| B2Gold Corp. | \$3,952 | \$1,672 | \$3,477 | Gold | Canada | ✓ |
| Impala Platinum Holding Ltd. | \$2,500 | \$3,439 | \$6,476 | Precious metals & minerals | South Africa | ✓ |
| Endeavour Mining Corp. | \$2,407 | \$1,026 | \$2,623 | Gold | Canada | ✓ |
| IAMGOLD Corp. | \$2,343 | \$1,516 | \$5,405 | Gold | Canada | ✓ |
| Pretium Resources Inc. | \$2,123 | \$620 | \$2,202 | Gold | Canada | |
| NovaGold Resources Ltd. | \$1,751 | \$0 | \$347 | Gold | Canada | |
| Hudbay Minerals Inc. | \$1,688 | \$2,009 | \$6,394 | Diversified metals & mining | Canada | |
| Northam Platinum Limited | \$1,436 | \$724 | \$2,364 | Precious metals & minerals | South Africa | ✓ |
| Acacia Mining PLC | \$1,307 | \$906 | \$2,484 | Gold | United Kingdom | ✓ |
| Katanga Mining Ltd. | \$992 | \$1,726 | \$8,338 | Copper | Canada | ✓ |
| SEMAFO Inc. | \$961 | \$405 | \$1,411 | Gold | Canada | ✓ |
| Trevali Mining Corporation | \$345 | \$549 | \$1,127 | Diversified metals & mining | Canada | ✓ |
| Capstone Mining Corp. | \$244 | \$567 | \$1,823 | Diversified metals & mining | Canada | |
| Lonmin PLC | \$222 | \$1,739 | \$1,291 | Precious metals & minerals | United Kingdom | ✓ |
| Nevsun Resources Ltd. | – | – | – | Copper | Canada | ✓ |

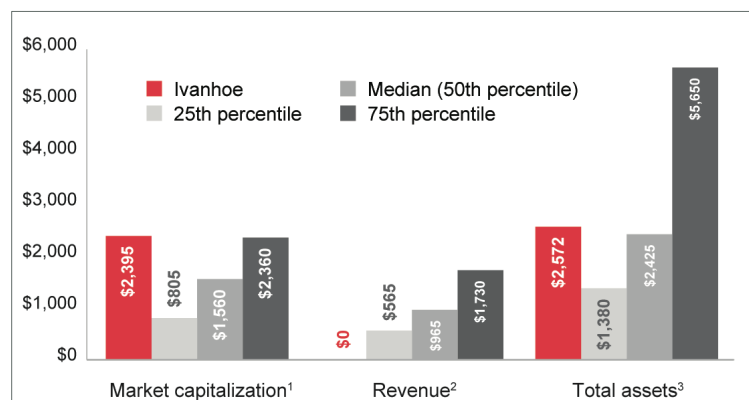
1 Market capitalization and total assets as of December 31, 2018.

2 Total revenues for the most recently completed fiscal year.

3 S&P/JP Morgan Chase Global Industry Classification Code (GICS).

4 Nevsun is no longer an active public company.

Our percentile ranking for 2018



1 Market capitalization as of December 31, 2018.

2 Total revenues for the most recently completed fiscal year.

3 Total assets as of December 31, 2018.

> Compensation program

Ivanhoe's executive compensation program is designed to provide competitive pay that rewards executives for their contributions to our short- and long-term success – to pay for performance.

Compensation includes fixed components (an annual salary), and compensation that varies based on performance (short-term incentive and long-term incentive). Ivanhoe does not offer a retirement plan.

| | Component | Form of award | Performance period |
|---|--|-------------------------------|--|
| Fixed compensation Regular pay for performing day-to-day responsibilities | Base salary (see page 62) | Cash | Ongoing |
| | Short-term incentive (see page 63) | Annual cash bonus | One year |
| Variable compensation Short- and long-term incentives are awarded based on performance against corporate and individual objectives Long-term incentive payouts are linked to our share price | Long-term incentive (see page 64) | Restricted share units (RSUs) | Three years RSUs vest 33% each year, starting on the first anniversary of the grant Payout value depends on our share price at the time of vesting |
| | | Options | Five years, generally Options vest 25% each year, starting on the first anniversary of the grant |

LINKING PAY TO PERFORMANCE

At the beginning of each fiscal year, individual objectives and performance measures are established for each executive. These objectives and measures are developed alongside Company-wide corporate performance objectives for the upcoming year in light of the Company's broader operating and strategic plans. Upon the recommendation of the Compensation and human resources committee, the Board also adopts a corporate performance scorecard that sets out key objectives and relevant performance measures that guide executives to execute on the strategy for the ensuing year.

In setting the key performance objectives and their respective weightings, the Compensation and human resources committee considers the importance and impact of completing each individual and corporate objective in the coming year. The short-term and long-term incentive awards to be paid out are then subsequently assessed against both these individual and corporate objectives.

Following the completion of the financial year, and in conjunction with the CEO, the Compensation and human resources committee assesses the Company's performance against each specific measure and makes its recommendations to the Board on the corporate performance scores for each KPI. The Compensation and human resources committee and the CEO also assess the achievement (or not) of individual performance objectives.

The Board may, at times, exercise informed judgment in its assessment of performance and apply discretion to adjust individual or corporate performance scores away from the scorecard formula result. The

Board makes all final decisions with respect to executive compensation and retains full discretion over all executive compensation matters.

Performance rating thresholds

Thresholds are established for each individual and corporate objective, according to the following four-point performance scale:

| Rating | Definition |
|------------|--|
| 0.0 to 2.0 | Performance did not meet expectations |
| 2.0 to 3.0 | Performance partially met expectations |
| 3.5 | Performance met expectations |
| 3.5 to 4.0 | Performance exceeded expectations |

Performance weighting

Executive performance is measured in accordance with corporate and individual weightings that are agreed upon with the CEO. Executives and senior employees receive a higher weighting on corporate performance. The following table sets forth the weightings for NEOs in 2018:

| Principal position | Corporate performance weighting | Individual performance weighting |
|---------------------------------------|---------------------------------|----------------------------------|
| Executive Co-Chairman | 100% | 0% |
| Executive Vice Chairman | 100% | 0% |
| President and Chief Executive Officer | 90% | 10% |
| Chief Financial Officer | 75% | 25% |
| Executive Vice President, Operations | 75% | 25% |

Impact of performance on actual incentive awards

Both the Company's short-term and long-term incentive awards are differentiated from target levels, based on executives' corporate and individual performance and subject to the weighting on each performance scope. Four-point performance scores are rounded to the nearest 0.10 and interpolated between 0% – 125% of target for short-term incentives and between 0% – 150% of target for long-term incentives.

The following table sets forth the actual awards to be paid or granted, based on total performance for 2018.

| Total performance (/ 4.00) | ≤ 2.00 | 2.50 | 3.00 | 3.50 | 4.00 |
|---|--------|------|------|------|------|
| Actual short-term incentive award (% of target) | 0% | 25% | 50% | 100% | 125% |
| Actual long-term incentive award (% of target) | 0% | 25% | 50% | 100% | 150% |

2018 corporate performance scorecard

The table below shows the objectives, weightings, results and scores for each of the five group metrics that were used to determine our 2018 corporate performance score.

| 2018 Business development objectives (30%) | | Result | Combined score | Weighted score |
|---|--|-----------------------|----------------|----------------|
| 10% Kamoa-Kakula | Ensure adequate financial resources to meet operational objectives for next 12 months | √ | 3.83 | 3.56 |
| | Expand resources above the level as at December 31, 2017 and identify new targets on license area | √ | | |
| | Alignment and effective functioning of joint venture partners | √ | | |
| | Complete pre-feasibility study for Kakula by the end of 2018 | √ | | |
| | The continuation of decline construction at Kakula and more specifically the completion of the 3,535-metre decline development contract by the end of 2018 | √ | | |
| | Advance power project on schedule and in line with project implementation plan | √ | | |
| 10% Kipushi | Ensure adequate financial resources to meet operational objectives for next 12 months | √ | 3.25 | |
| | Complete definitive feasibility study by the end of 2018 | √ | | |
| | Advance concentrate transportation plan | √ | | |
| | Continued upgrading of mining infrastructure | √ | | |
| 10% Platreef | Ensure adequate financial resources to meet operational objectives for next 12 months and progress project financing | √ | 3.60 | |
| | Advance Shaft 1 construction to the 800-metre-level by the end of 2018 | √ | | |
| | Secure and conclude a bulk water supply | √ | | |
| | Advance the surface lease agreement and livelihood restoration process | √ | | |
| | Complete the Box Cut for Shaft 2 by the end of 2018 | √ | | |
| 2018 Operating and capital objectives (20%) | | Results | Combined score | Weighted score |
| 20% | Manage cash flow within set corporate and project budgets Target: <10% variance from budget Threshold (score of 0): 10%-20% variance in budget | budget variance of 4% | 4.00 | 4.00 |
| 2018 Shareholder return objectives (20%) | | Results | Combined score | Weighted score |
| 10% | Ivanhoe TSR relative to the peer group Target: p50 of peer group Threshold (score of 0): p25 of peer group or lower | P30 of peer group | 3.00 | 1.50 |
| 10% | Ivanhoe TSR relative to S&P/TSX Global Mining Index Target: 2% above index Threshold (score of 0): 5% below index or lower | 40% below index | 0 | |
| 2018 Health & safety objectives (20%) | | Result | Combined score | Weighted score |
| 10% | Project safety measuring recordable injuries (TRIR: number of recordable injuries per 1,000,000 labour hours) Target: TRIR less than 4 Threshold (score of 0): TRIR of 6.0 or higher | TRIR of 6.2 | 0 | 2.00 |
| 10% | Number of operations related fatalities Target: zero fatalities One fatality results in a score of 0 | No fatalities | 4.00 | |

| 2018 Corporate social responsibility objectives (10%) | | Result | Combined score | Weighted score |
|---|--|--------|----------------|----------------|
| 2.5% Corporate | Undertake stakeholder outreach initiatives and strengthen stakeholder relations | √ | 4.00 | 3.75 |
| 2.5% Kamoakakula | Further advance the sustainable livelihoods program Complete economic relocation at Kakula | √ | 4.00 | |
| 2.5% Kipushi | Develop and implement social strategy | √ | 3.50 | |
| 2.5% Platreef | Fulfill Social and Labour Plan commitments Complete Phase 2 of the grave relocation process | √ | 3.50 | |
| 2018 Corporate performance score | | | | 2.94 |

2018 corporate achievements

Q1

Upgrading work at the Mwadingusha hydropower plant in the DRC almost tripled the plant's interim power output from 11 to 32 megawatts. The hydropower plant will help supply long-term, sustainable supply of electricity to the Kamoakakula Copper Project.

Completed an updated Mineral Resource estimate for the ultra-high-grade Kakula Discovery at Kamoakakula. The new estimate boosts the tonnage of Kakula's Indicated Mineral Resources by 50%, at a 3% copper cut-off, compared to the previous Kakula resource estimate issued in May 2017.

Completed the Kipushi 2017 Prefeasibility Study, a National Instrument 43-101 ("NI 43-101") technical report for the Kipushi 2017 pre-feasibility study for the planned redevelopment of the Company's historic, high-grade, Kipushi zinc- copper-silver-germanium mine in the Democratic Republic of Congo.

Completed the Kamoakakula 2018 Resource Update, an updated NI 43-101 technical report for the new, 2018 Kamoakakula Mineral Resource estimate on the Kamoakakula Copper Project in the DRC.

Completed the Kamoakakula 2017 Development Plan, an updated NI 43-101 technical report for the updated preliminary economic assessment for the Kakula Deposit, and the updated pre-feasibility study for the Kamoakakula Deposit at the Kamoakakula Project.

Q2

Shaft 1 at the Platreef platinum-group metals, nickel, copper and gold mine being constructed in South Africa reached a depth of 750 metres below surface. The Company begins the lateral development of the 750-metre mine access station on Shaft 1 that will provide initial, underground access to the high-grade orebody, enabling mine development to proceed during the construction of Shaft 2, which will become the mine's main production shaft.

In April 2018, Ivanplats (Pty) Ltd. ("Ivanplats"), the Company's 64%-owned subsidiary, reconfirmed its Level 3 status in its fourth verification assessment on a Broad-Based Black Economic Empowerment (B-BBEE) scorecard, confirming the Platreef Project's status as a top performer in South Africa's platinum sector.

Ivanhoe Mines issued its initial sustainability report which provides an overview of its sustainability programs and initiatives conducted in 2017. The sustainability report

| | |
|-----------|---|
| | <p>highlights the significant accomplishments achieved and the new goals set for current and future corporate activities.</p> <p>Ivanplats signed a memorandum of agreement with the Mogalakwena Local Municipality for the supply of a minimum of five million litres of treated water a day for 32 years, beginning in 2022, from the town of Mokopane's new Masodi Treatment Works. The new agreement will provide local, treated water to supply most of the bulk water needed for the first phase of production at the Platreef Project.</p> <p>As part of Ivanhoe Mines' infrastructure upgrading program at the Kipushi zinc-copper-silver-germanium mine in the DRC, a large-capacity rock crusher was successfully installed 1,150 metres below surface.</p> |
| Q3 | <p>Ivanhoe Mines completed a new Mineral Resource estimate for the Kipushi Mine that increases zinc-rich Measured and Indicated Resources by 16% and copper-rich Measured and Indicated Resources by 40%.</p> <p>A major strategic equity investment in Ivanhoe Mines by CITIC Metal Africa Investments Limited totalling C\$723 million (approximately US\$556 million) is completed.</p> <p>Ivanhoe Mines' joint-venture partner at the Kamoa-Kakula Project, Zijin, exercised its anti-dilution rights, generating additional proceeds for Ivanhoe Mines of C\$78 million (approximately US\$60 million).</p> |
| Q4 | <p>An important new discovery of high-grade copper, the Makoko Copper Discovery, is made on the Company's 100%-owned Western Foreland licences, west of the Kamoa-Kakula mining licence in the DRC.</p> <p>Shaft 1 at the Platreef Project reached the top of the high-grade Flatreef Deposit (T1 mineralized zone) at a depth of 780.2 metres below surface. The achievement by the Ivanplats shaft-sinking team is the first time that the Platreef – a strongly mineralized, polymetallic belt that extends northward from the town of Mokopane for more than 30 kilometres – has been intercepted by underground mining activity.</p> <p>Exploration drilling at the Kamoa North prospect area successfully delineated two new, continuous corridors of shallow copper mineralization containing zones of thick, high-grade copper.</p> <p>Shaft 1 at the Platreef Project reached a depth of 850 metres below surface and development work has begun on the 850-metre station – the second of three horizontal mining access stations planned for Shaft 1.</p> |

> 2018 Compensation decisions

The following table summarizes 2018 total direct compensation for the NEOs.

| | Fixed compensation | Variable compensation | | 2018 Total direct compensation |
|--|-----------------------|--------------------------|------------------------|--------------------------------------|
| | Base salary | Short-term incentive | Long-term incentive | |
| Robert Friedland Executive Co-Chairman | \$650,000 | \$219,375 | \$292,500 | \$1,161,875 |
| Egizio Bianchini Executive Vice Chairman | \$402,778 | \$168,750 | \$225,000 | \$796,528 |
| Lars-Eric Johansson President and Chief Executive Officer | \$650,000 | \$243,750 | \$325,000 | \$1,218,750 |
| Marna Cloete Chief Financial Officer | \$463,463 | \$162,212 | \$162,212 | \$787,887 |
| Mark Farren Executive Vice President, Operations | \$537,710 | \$188,199 | \$188,199 | \$914,108 |

Base salary

Base salaries compensate the NEOs for carrying out their day-to-day responsibilities. Salaries are set in the early part of each year based on job responsibilities, skills and experience, and the competitive market.

In January 2019, the Board approved increases to the 2018 base salaries of two NEOs.

| | 2018 | 2019 | Change |
|---------------------|------------------------|------------------------|--------|
| Robert Friedland | \$650,000 | \$650,000 | – |
| Egizio Bianchini | \$500,000 | \$500,000 | – |
| Lars-Eric Johansson | \$650,000 | \$650,000 | – |
| Marna Cloete | R6,098,400 (\$463,463) | R6,647,256 (\$505,174) | +9% |
| Mark Farren | R7,075,375 (\$537,710) | R7,712,159 (\$586,104) | +9% |

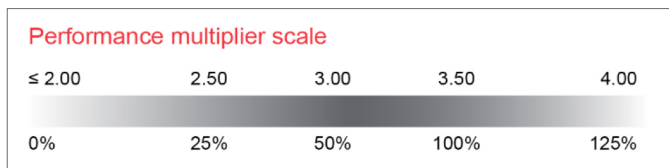
Salaries for Marna Cloete and Mark Farren are paid monthly in South African Rand (ZAR). The amounts in the table have been converted from ZAR to U.S. dollars using the average monthly exchange rate in the month it was paid.

Mr. Bianchini joined Ivanhoe on March 12, 2018, and received \$402,778 as the pro-rated amount of his annual base salary of \$500,000.

Short-term incentive award

2018 short-term incentive awards were paid out in cash based on corporate and individual performance (see page 59 for details about the corporate performance score). Awards were approved by the Board in January 2019 without any adjustments.

The table shows the corporate and individual performance for each NEO, the combined performance score, and the performance multiplier it equates to. Scores are rounded to the nearest 0.1 and the short-term incentive performance multiplier is interpolated between 0% – 125% using the scale to the right.

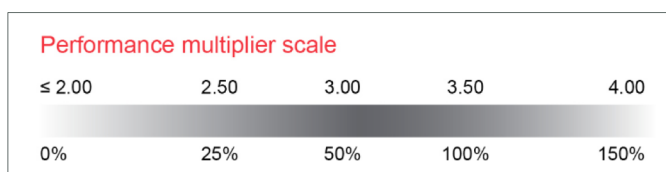


| | Target (% of base salary) | Corporate performance score (/ 4.00) | Individual performance score (/ 4.00) | Total performance score (/ 4.00) | 2018 short-term incentive award | | |
|---------------------|---------------------------------|--|---|--|---------------------------------|---------------------------------------|---|
| | | | | | \$ | Award as a percentage of target | Award as a percentage of base salary |
| Robert Friedland | 75% | 2.9 | n/a | 2.9 | \$219,375 | 45% | 34% |
| Egizio Bianchini | 75% | 2.9 | n/a | 2.9 | \$168,750 | 45% | 34% |
| Lars-Eric Johansson | 75% | 2.9 | 4.0 | 3.0 | \$243,750 | 50% | 38% |
| Marna Cloete | 50% | 2.9 | 4.0 | 3.2 | \$162,212 | 70% | 35% |
| Mark Farren | 50% | 2.9 | 4.0 | 3.2 | \$188,199 | 70% | 35% |

Long-term incentive award

The table below shows the 2018 long-term incentives awarded to the NEOs in 2018. Awards were based on corporate and individual performance (see page 59 for details about the corporate performance score). When making its recommendations to the Board, the Compensation and human resources committee also considered each NEO's level of authority and responsibility, contribution to the business, the number of outstanding options and RSUs previously granted to the NEO, retention and other factors. Awards were approved by the Board in January 2019 without any adjustments and granted on January 12, 2019.

The table shows the corporate and individual performance for each NEO, the combined performance score, and the performance multiplier it equates to. Scores are rounded to the nearest 0.1 and the long-term incentive performance multiplier is interpolated between 0% – 150% using the scale to the right.



| | Target (% of base salary) | Corporate performance score (/ 4.00) | Individual performance score (/ 4.00) | Total performance score (/ 4.00) | 2018 long-term incentive award | | | |
|---------------------|---------------------------------|--|---|--|--------------------------------|-------------------|---------------------------------------|---|
| | | | | | \$ | Number of RSUs | Award as a percentage of target | Award as a percentage of base salary |
| Robert Friedland | 100% | 2.9 | n/a | 2.9 | \$292,500 | 150,233 | 45% | 45% |
| Egizio Bianchini | 100% | 2.9 | n/a | 2.9 | \$225,000 | 115,564 | 45% | 45% |
| Lars-Eric Johansson | 100% | 2.9 | 4.0 | 3.0 | \$325,000 | 166,925 | 50% | 50% |
| Marna Cloete | 50% | 2.9 | 4.0 | 3.2 | \$162,212 | 83,315 | 70% | 35% |
| Mark Farren | 50% | 2.9 | 4.0 | 3.5 | \$188,919 | 96,662 | 70% | 35% |

Long-term incentive awards were allocated 100% to RSUs. We determined the number of RSUs awarded by dividing the dollar amount of the award by the fair market value of our Class A shares on the date of grant. RSUs will vest 33% each year over three years beginning on January 12, 2020 and may be settled in cash or Class A shares.

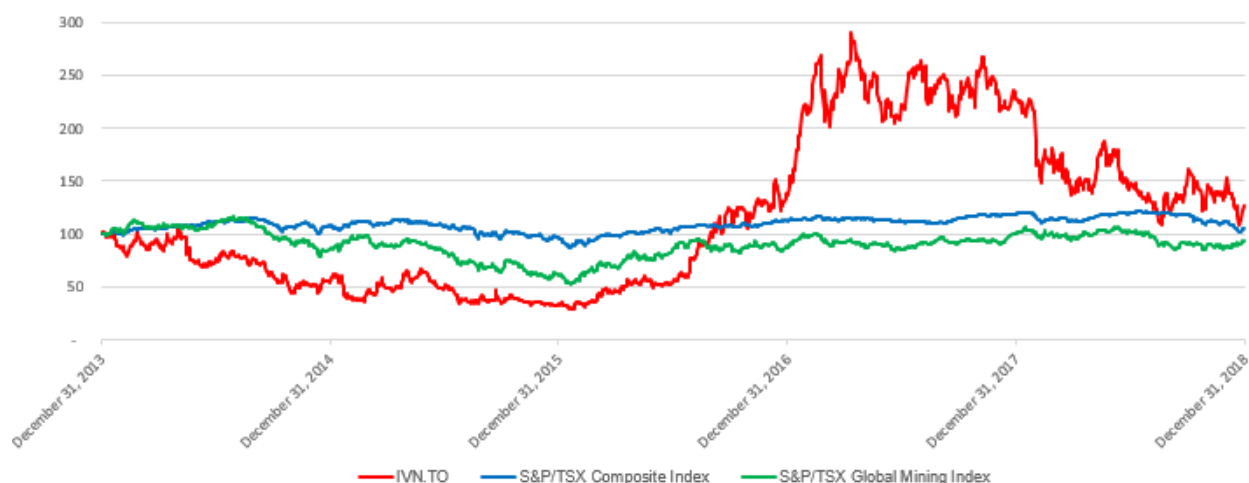
What the NEOs actually earn on the vesting of RSUs will depend on our share price on the vesting date. See page 74 for more information about the RSU plan.

> Share performance

The graph below shows the change in a C\$100 investment in Ivanhoe Class A shares over the past five years, compared to the same investment in the S&P/TSX Composite Index and the S&P/TSX Global Mining Index. Ivanhoe has paid no dividends and accordingly, dividend reinvestment is not applicable.

The table below shows the total compensation awarded to our NEOs, also indexed to \$100 for comparison performance analysis, for 2014 to 2018.

As of December 31
Indexed to \$100



| At December 31 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-------|-------|-------|-------|-------|-------|
| Ivanhoe share price | \$100 | \$55 | \$33 | \$136 | \$227 | \$127 |
| S&P/TSX Composite Index | \$100 | \$107 | \$96 | \$112 | \$119 | \$104 |
| S&P/TSX Global Mining Index | \$100 | \$85 | \$61 | \$87 | \$99 | \$93 |
| Total compensation awarded to the NEOs ¹ (as disclosed in the summary compensation table in each year's circular) | \$100 | \$86 | \$109 | \$91 | \$92 | \$86 |

¹ Total compensation to the NEOs shows the change in total compensation awarded to our NEOs from 2014 to 2018, as disclosed in the summary compensation table in each year's management proxy circular, indexed to \$100 for comparison performance analysis.

The trend in overall compensation paid to our executive officers over the period has not specifically tracked the performance of the market price of the Company's Class A shares, or the S&P/TSX Composite Index.

Equity ownership

We adopted an equity ownership policy in 2014 to align the interests of our executives with those of our shareholders. Executive officers are required to hold the market value of their annual base salary in Ivanhoe shares by December 31, 2018 (five years from the day we introduced the policy), or within five years of the date they became an executive officer (whichever is later). All executive officers have achieved this minimum requirement except for Egizio Bianchini, Executive Vice Chairman, Marna Cloete, Chief Financial Officer and Mark Farren, Executive Vice President, Operations. Mr. Bianchini has until March 2023 to meet the share ownership requirement as he joined the Company in March 2018. Given the number of blackout periods in the last few years, which have limited the opportunity for executives to purchase Ivanhoe common shares, the Compensation and human resources committee is reviewing an extension to the time period for compliance by Ms. Cloete and Mr. Farren.

Compensation details

> Summary compensation table

The table below shows the total compensation paid to, earned by, or awarded to each of the NEOs for the three most recently completed financial years ended December 31. All amounts are in U.S. dollars.

| As at December 31 | | Salary ¹ | Share-based awards ² | Option-based awards ³ | Non-equity incentive compensation ⁴ | All other compensation ⁵ | Total compensation |
|--|------|---------------------|---------------------------------|----------------------------------|--|-------------------------------------|--------------------|
| Robert M. Friedland Executive Co-Chairman | 2018 | \$650,000 | \$292,500 | \$76,454 | \$219,375 | \$2,028 | \$1,240,357 |
| | 2017 | \$650,000 | \$715,000 | \$221,629 | \$511,875 | \$2,964 | \$2,101,468 |
| | 2016 | \$650,000 | \$650,000 | \$435,412 | \$487,500 | \$2,892 | \$2,225,804 |
| Egizio Bianchini Executive Vice Chairman (appointed March 12, 2018) | 2018 | \$402,778 | \$225,000 | \$1,824,414 | \$168,750 | \$4,678 | \$2,625,620 |
| | 2017 | — | — | — | — | — | — |
| | 2016 | — | — | — | — | — | — |
| Lars-Eric Johansson President and Chief Executive Officer | 2018 | \$650,000 | \$325,000 | \$76,454 | \$243,750 | \$5,292 | \$1,300,496 |
| | 2017 | \$650,000 | \$715,000 | \$280,559 | \$511,875 | \$5,006 | \$2,162,440 |
| | 2016 | \$650,000 | \$650,000 | \$494,342 | \$487,500 | \$14,794 | \$2,296,636 |
| Marna Cloete Chief Financial Officer | 2018 | \$463,463 | \$162,212 | \$46,708 | \$162,212 | \$23,496 | \$858,091 |
| | 2017 | \$416,520 | \$280,178 | \$133,078 | \$257,387 | \$20,159 | \$1,107,322 |
| | 2016 | \$314,599 | \$248,209 | \$268,006 | \$166,411 | \$16,179 | \$1,013,404 |
| Mark Farren Executive Vice President, Operations | 2018 | \$537,710 | \$188,199 | \$40,159 | \$188,199 | \$30,807 | \$985,074 |
| | 2017 | \$496,796 | \$334,177 | 94,850 | \$306,993 | \$26,185 | \$1,259,001 |
| | 2016 | \$391,546 | \$308,918 | 178,594 | \$207,113 | \$21,058 | \$1,107,229 |

- Salaries for Marna Cloete and Mark Farren are paid monthly in South African Rand (ZAR). The amounts in the table have been converted from ZAR to U.S. dollars using the average monthly exchange rate in the month it was paid.
- The value of RSUs granted for each year under our long-term incentive plan. We calculate the value of RSUs using the fair market value at the date of grant. For accounting purposes, we expense the fair value of RSUs over the vesting period based on the number of RSUs estimated to vest. See page 57 for information about our long-term incentive plan.
- The value attributed to option-based awards represent options granted in current and prior financial years and which vested in the period and was determined using the Black Scholes Model in accordance with the International Financial Reporting Standards (IFRS) and the following assumptions: an estimated volatility ranging from 63% to 70%, an estimated dividend yield of \$nil, a risk free rate of return equal to the rate currently available on federal government zero-coupon bonds with a term equal to the expected life of the option and an expected life approximating the term of the option. The Company used the Black Scholes Model as it is a widely accepted valuation methodology for options.
- The cash bonus paid each for year under our short-term incentive plan. See page 57 for information about our short-term incentive plan.
- Other compensation includes:
 - Robert Friedland: \$2,028 in Canada Pension Plan contributions and Employment Insurance premiums in 2018 (\$2,964 in 2017, \$2,892 in 2016)
 - Egizio Bianchini: \$4,330 in health benefits and \$348 in insurance benefits in 2018
 - Lars-Eric Johansson: \$5,196 in health benefits in 2018 (\$4,910 in 2017, \$4,533 in 2016), and \$96 in insurance benefits in 2018 (\$96 in 2017, \$10,261 in 2016)
 - Marna Cloete: \$23,360 in health benefits in 2018 (\$20,025 in 2017, \$16,057 in 2016), and \$136 in insurance benefits in 2018 (\$134 in 2017, \$122 in 2016)
 - Mark Farren: \$30,671 in health benefits in 2018 (\$26,050 in 2017, \$20,937 in 2016), and \$136 in insurance benefits in 2018 (\$134 in 2017, \$122 in 2016)

> Equity compensation

Outstanding option-based awards and share-based awards

The tables below show the outstanding option-based and share-based awards for each NEO at the end of fiscal 2018. Share-based awards are RSUs.

Option-based awards

| As at December 31, 2018 | Option-based awards | | | |
|----------------------------|---|---------------------------------------|---------------------------|--|
| | Number of Class A shares underlying unexercised options | Option exercise price ¹ | Option expiration date | Value of unexercised in-the- money options ² |
| Robert Friedland | 1,700,000 | \$0.73 | Dec. 8, 2019 | \$1,717,000 |
| | 1,100,000 | \$0.47 | Dec. 15, 2020 | \$1,397,000 |
| Egizio Bianchini | 3,500,000 | \$2.24 | Mar 12, 2023 | — ³ |
| Lars-Eric Johansson | 1,700,000 | \$0.73 | Dec. 8, 2019 | \$1,717,000, |
| | 1,100,000 | \$0.47 | Dec. 15, 2020 | \$1,397,000 |
| Marna Cloete | 250,000 | \$1.06 | Aug. 15, 2019 | \$167,500 |
| | 350,000 | \$0.73 | Dec. 8, 2019 | \$353,500 |
| | 375,000 | \$0.47 | Dec. 15, 2020 | \$476,250 |
| Mark Farren | 250,000 | \$0.95 | Jun 16, 2019 | \$195,000 |
| | 250,000 | \$0.73 | Dec. 8, 2019 | \$252,500 |
| | 450,000 | \$0.47 | Dec. 15, 2020 | \$571,500 |

1 Options exercise prices are set in C\$. This amount has been converted from C\$ to US\$ using the prevailing exchange rate on December 31, 2018 of 1.36 and rounded to the nearest cent.

2 The value of options is the difference between the option's exercise price and \$1.74 (the closing price of an Ivanhoe share on the TSX on December 31, 2018).

3 "—" means the option award is out of the money (i.e., below strike price).

Share-based awards

| As at December 31, 2018 | Share-based awards | | |
|-------------------------------|--|---|--|
| | Number of shares or units of shares that have not vested | Market or payout value of share-based awards that have not vested ¹ | Market or payout value of vested share-based awards not paid out or distributed |
| Robert Friedland | 497,867 | \$866,289 | n/a |
| Egizio Bianchini ² | — | — | n/a |
| Lars-Eric Johansson | 497,867 | \$866,289 | n/a |
| Marna Cloete | 192,648 | \$335,208 | n/a |
| Mark Farren | 234,619 | \$408,237 | n/a |

1 We calculate the market or payout value of share-based awards that have not vested by multiplying the number of units by \$1.74 (the closing price of an Ivanhoe share on the TSX on December 31, 2018).

2 No RSUs were awarded to Mr. Bianchini during 2018.

Incentive plan awards – value vested or earned during the year

The following table shows the value vested or earned of option-based awards, share-based awards and non-equity incentive plan compensation paid to NEOs during the most recently completed financial year:

| | Option-based awards – Value vested during the year ^{1,2} | Share-based awards – Value vested during the year ³ | Non-equity incentive plan compensation – Value earned during the year ⁴ |
|---------------------|--|---|--|
| Robert Friedland | \$851,838 | \$1,326,307 | \$219,375 |
| Egizio Bianchini | – | – | \$168,750 |
| Lars-Eric Johansson | \$851,838 | \$869,435 | \$243,750 |
| Marna Cloete | \$427,390 | \$376,239 | \$162,212 |
| Mark Farren | \$427,390 | \$363,764 | \$188,199 |

1 Option exercise prices are set in C\$. This amount has been converted from C\$ to US\$ using the prevailing exchange rate on December 31, 2018 of 1.36.

2 The value vested during the year is calculated as the aggregate Canadian dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

3 The value vested during the year is calculated as the aggregate dollar value of the RSUs under the RSU award on the vesting date.

4 The 2018 cash bonus paid under our short-term incentive plan.

Securities authorized for issuance under equity compensation plans

Ivanhoe has three equity compensation plans that provide for awards to eligible participants:

- Employees' and Directors' Equity Incentive Plan (“**equity incentive plan**”) – options, bonus shares and a share purchase plan.
- Restricted Share Unit Plan (“**RSU plan**”) – restricted share units (“**RSUs**”).
- Deferred Share Unit Plan (“**DSU plan**”) – deferred share units (“**DSUs**”).

The table below shows the total number of Class A shares to be issued and available for issue under the plans as at May 10, 2019:

| | Number of securities to be issued upon exercise of outstanding options, DSUs, RSUs and rights | Weighted-average exercise price of outstanding options and rights ³ | Number of securities remaining available for future issuance under equity compensation plans ^{1,2} |
|---|--|---|--|
| Equity compensation plans approved by securityholders ⁵ | 26,138,476 | \$1.43 ⁴ | 66,382,466 |

1 Not including bonus shares and the share purchase plan under the equity incentive plan (see below for more information).

2 Includes Class A shares issuable upon vesting of RSUs and DSUs and Class A shares issued in connection with vested RSUs and DSUs.

3 Does not include RSUs and DSUs.

4 Converted to US\$ using the Bank of Canada daily exchange rate as at May 10, 2019 (C\$1.00 to \$1.34).

5 All equity compensation plans have been approved by securityholders.

Annual burn rates

The following table sets out the annual burn rates for Ivanhoe's three equity incentive plans for the three most recently completed financial years.

| Annual burn rates As of December 31 | | 2016 | 2017 | 2018 |
|--|---------------------------------|-------------|-------------|-------------|
| Weighted average number of Class A shares outstanding | | 779,119,108 | 785,895,643 | 853,738,370 |
| Number of options, RSUs and DSUs granted | Equity incentive plan (options) | – | – | 6,000,000 |
| | RSU plan (RSUs) | 2,013,539 | 43,683 | 1,520,813 |
| | DSU plan (DSUs) | 231,539 | 75,859 | 44,926 |
| Annual burn rate Calculated by dividing the number of options, RSUs and DSUs granted each year by the weighted average number of Class A shares outstanding during that year | Equity incentive plan | 0% | 0% | 0.70% |
| | RSU plan | 0.26% | 0.01% | 0.18% |
| | DSU plan | 0.03% | 0.01% | 0.01% |

Summary of the equity incentive plan

| | |
|---|--|
| Eligibility | Directors, employees and service providers of Ivanhoe and its affiliates |
| Awards | Options Bonus shares Share purchase plan |
| Vesting | Unless otherwise determined by the Board, options vest and can be exercised 25% per year for four years, starting on the first anniversary of the grant |
| Limits (together with all other equity-based compensation arrangements) | Total Class A shares that can be reserved for issuance as options (not including bonus shares or share purchase plan shares), as a percentage of issued and outstanding Class A shares: 10% Total Class A shares issuable as a percentage of issued and outstanding Class A shares: <ul style="list-style-type: none"> • To any one participant: 5% • Total issuable to any one insider and his or her associates in a one-year period: 5% • Total issuable to insiders: 10% • Total issuable to insiders in a one-year period: 10% Option grants to non-executive directors cannot exceed C\$100,000 in a calendar year |
| Amendments | No amendments have been made to the equity incentive plan since the 2018 annual general meeting |

Securities issued and unissued under the equity incentive plan

As at May 10, 2019, there are 1,018,436,090 Class A shares of the Company issued and outstanding. Pursuant to the equity incentive plan and based on the current outstanding Class A shares of the Company, Class A shares reserved for issuance under the equity incentive plan are as follows:

| | Number of Class A shares | Percent of issued and outstanding Class A shares ¹ |
|--|-----------------------------|---|
| Securities outstanding: Class A shares reserved for options already granted under the equity incentive plan | 22,130,000 | 2.17% |
| Securities available for future issue: Unissued Class A shares available for future option grants under the equity incentive plan ² | 52,713,609 | 5.18% |
| Plan maximum: Maximum number of Class A shares that can be reserved for issue under the equity incentive plan ³ | 88,512,466 ⁵ | 8.69% ⁴ |

1 Based on 1,018,436,090 outstanding Class A shares of the Company.

2 This number is reduced by the maximum amount of Class A shares issuable under the RSU and DSU Plans (being an aggregate of 27,000,000 Class A shares) as well as outstanding options.

3 Excluding the bonus shares and the Purchase Plan.

4 The aggregate number of Class A shares that may be reserved for issuance under the equity incentive plan, together with any other securities based compensation arrangement of the Company in effect from time to time, in this case the RSU plan and the DSU plan, shall not exceed 10% of the issued and outstanding Class A shares from time to time.

5 This assumes that all issued DSUs are elected for shares.

Purpose

Pursuant to the equity incentive plan ("**Equity Incentive Plan**"), the Board may from time to time, grant, by resolution, to eligible participants: (i) non-transferable options; (ii) Class A shares by way of a bonus-in-kind; and (iii) the right to participate in a common share purchase plan (the "**Purchase Plan**"). The purpose of the Equity Incentive Plan is to secure for the Company and its shareholders the benefits of incentives inherent in share ownership by the employees and directors of the Company and its affiliates who, in the judgment of the Board, will be largely responsible for the Company's future growth and success. Eligible participants include directors, employees and service providers of the Company and any of its affiliates.

Limits of issuance

The aggregate number of Class A shares that may be reserved for issuance as options under the Equity Incentive Plan (excluding those allocated for issuance as bonus shares and under the Purchase Plan, as described below), together with any other security based compensation arrangements of the Company outstanding from time to time, shall not exceed 10% of the issued and outstanding Class A shares from time to time. The Equity Incentive Plan is a "rolling plan" and, in accordance with the rules of the TSX options that have been cancelled, have expired or have been exercised will be available to be re-granted under the Equity Incentive Plan and, will not reduce the aggregate number of Class A shares that may be subject to issuance under the Equity Incentive Plan.

Insider participation limit

The aggregate number of Class A shares: (i) that may be reserved for issuance to insiders under the Equity Incentive Plan (or when combined with all of the Company's other security based compensation arrangements) shall not exceed 10% of the outstanding Class A shares from time to time; (ii) that may be issued to insiders under the Equity Incentive Plan (or when combined with all of the Company's other security based compensation arrangements) within any one-year period shall not exceed 10% of the Company's outstanding Class A shares from time to time; and (iii) that may be issued to any one insider and his or her associates under the Equity Incentive Plan within any one-year period shall not exceed 5% of the Company's outstanding Class A shares from time to time. The number of Class A shares at any time reserved for issuance to any one participant under all securities based compensation arrangements shall not exceed 5% of the Company's outstanding Class A shares from time to time. In addition, non-executive directors may not be issued options with a fair market value in excess of C\$100,000 in any one calendar year or C\$150,000 under all other securities based compensation arrangements of the Company.

Options terms and exercise price

The Board may at any time authorize the granting of options to such eligible participants as it may select, for the number of Class A shares that it shall designate subject to the provisions of the Equity Incentive Plan. The term of any options granted shall be five years from the date such option is granted (or such greater or lesser duration as the Board, on the recommendation of the Compensation and human resources committee of the Board, may determine at the date of grant, but subject to any applicable TSX requirements), provided that if the expiry date should be determined to occur during a "blackout period" or within ten days following the expiry of such a period, the expiry date of such option shall be deemed to be the tenth business day following expiry of the blackout period. Each option shall have an exercise price equal to the volume-weighted average price of the Class A shares on the TSX for the five days on which the Class A shares were traded immediately preceding the date of grant.

Option vesting

Unless otherwise determined by the Board or as otherwise set forth in the Equity Incentive Plan, options shall vest and may be exercised (in each case to the nearest full Class A share) in four equal parts, representing 25% of the options, commencing on the one year anniversary of the date of grant and on each of the three anniversaries thereafter. Subject to the termination provisions of the Equity Incentive Plan, any options previously vested but not yet exercised are exercisable until the end of the option period.

Cashless exercise

Eligible participants may elect to, in lieu of the exercise of a vested option by cash payment, receive that number of Class A shares which is equal to the quotient obtained by: (i) subtracting the option exercise price per Class A share from the volume-weighted average price of the Class A shares on the TSX for the five trading days immediately preceding the date of such election and multiplying that amount by the number of Class A shares issuable on exercise of the vested option subject to election; and (ii) dividing the product obtained from (i) by the volume-weighted average price of the Class A shares on the TSX for the five trading days immediately preceding the date of such election.

Effect of termination of employment or death

Unless otherwise determined by the Board, if an eligible participant ceases to be employed by, or act as a director of, the Company or an affiliate: (i) as a result of death, any vested options held by such eligible participant at the date of death shall be exercisable, by the person or persons whom the deceased's rights under the option shall pass by the deceased's will or operation of law, only to the extent that the eligible participant was entitled to exercise the option at the date of their death and only for 12 months after such date or the expiration of the option, whichever is sooner; (ii) for cause, no option held by such eligible participant, whether vested or unvested, will be exercisable following the date on which such eligible participant ceased to be employed or to be a director, as the case may be; or (iii) for any reason other than death or cause, any vested option held by such eligible participant at the effective date thereof shall be and become exercisable for a period of up to 90 days thereafter or the expiration of the option, whichever is sooner. In the case of (i) and (iii), any unvested options shall not vest and shall terminate at the date of death or the date of cessation of employment or directorship, as the case may be.

Effect of takeover bid

If an offer, which constitutes a formal take-over bid under applicable Canadian securities law, for Class A shares is made to a holder of an option or to shareholders generally or to a class of shareholders which includes the holder of an option, and such offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company within the meaning of the Ontario *Securities Act*, then the Company shall notify each holder of an option of the particulars of the offer and such options may be conditionally exercised by the holder thereof so as to permit the holder to tender the Class A shares received upon such exercise pursuant to the offer. If the conditions of the offer are not satisfied and the offeror does not take up those Class A shares, the conditional exercise shall terminate and the option shall be reinstated on the same terms and conditions that prevailed immediately prior to the conditional exercise.

Effect of amalgamation, arrangement, or merger

If the Company amalgamates or merges with or into another corporation, or participates in any arrangement with any other corporation, any Class A shares receivable on the exercise of an option shall be converted into the securities, property or cash which a participant would have received upon such amalgamation, arrangement or merger if such participant had exercised their option immediately prior to the record date of such amalgamation, arrangement or merger, and the option price shall be adjusted appropriately by the Board. The Company will take such steps as are required to bind the other corporation to the foregoing.

Loans to employees

Subject to applicable law, the Board may at any time (but is not required) to authorize the Company to loan money to an eligible participant (excluding any director or executive officer or equivalent thereof), on such terms and conditions as the Board may reasonably determine, to assist such eligible participant to exercise an option by cash payment held by them.

Bonus share issuances

The Board has the right to issue or reserve for issuance, for no cash consideration, to any eligible participant, any number of Class A shares as a discretionary bonus subject to such provisos and restrictions as the Board may determine and applicable law. The aggregate maximum number of Class A shares that

may be issued in the form of a bonus will be limited to 5,000,000 Class A shares (equal to 0.49% of the Class A shares issued and outstanding), of which 2,868,308 Class A shares have been issued in the form of bonus shares, as at May 10, 2019.

Purchase plan

Eligible participants who are eligible employees and who have been continuously employed by the Company or any of its affiliates on a full-time basis for at least 12 consecutive months may, at the Board's discretion, contribute an amount equal to not more than 10% of their basic annual salary towards the purchase of Class A shares. In addition to the amount contributed by an eligible participant, the Company will contribute an additional amount determined by the Board, which shall not exceed the amount contributed by an eligible participant. On March 31, June 30, September 30 and December 31 in each calendar year the Company will issue to each contributing eligible participant, provided that they are an eligible employee on any such date, that number of Class A shares, rounded down to the nearest whole Class A share, which is equal to the aggregate amount of an eligible participant's contribution and the Company's contribution divided by the volume-weighted average price of the shares on the TSX for the 90-day period immediately preceding the date of issuance. The aggregate maximum number of shares that may be issued pursuant to this Purchase Plan will be limited to 3,000,000 Class A shares (which represents approximately 0.29% of the total issued and outstanding Class A shares as of the date of this management proxy circular).

If an eligible participant dies or otherwise ceases to be employed by the Company or any affiliate for any reason or receives notice from the Company of the termination of his or her employment, any amounts contributed by that eligible participant but not yet applied to the purchase of Class A shares shall be paid to that eligible participant or their estate or successor, as the case may be. If the Company amalgamates or merges with or into another corporation, or participates in any arrangement with any other corporation, eligible participants to whom Class A shares are to be issued will receive the securities, property or cash which such participant would have been entitled to upon such amalgamation, arrangement or merger had the Class A shares been issued immediately prior to the record date of such amalgamation, arrangement or merger.

To date, the Board has not made the Purchase Plan available for participation by its eligible employees.

Amendments

The Board may amend the terms of the Equity Incentive Plan without shareholder approval, including for the purposes of: changes of a clerical or grammatical nature; changes regarding the persons eligible to participate in the Equity Incentive Plan; changes to the exercise price, vesting (including to accelerate the vesting of any outstanding option), term and termination provisions of options; changes to the cashless exercise right provisions; changes to the share bonus plan provisions (other than the maximum number of Class A shares issuable under the bonus share plan); changes to the authority and role of the Compensation and human resources committee under the Plan; changes to the acceleration and vesting of options in the event of a takeover bid or arrangement; and any other matter relating to the Equity Incentive Plan and the options and awards granted thereunder, except in those circumstances set forth in the Equity Incentive Plan as requiring shareholder approval and as required by applicable securities regulatory authorities or any stock exchange upon which the Class A shares are then listed. If the Equity Incentive Plan or any option is amended, such amendment will not have a retroactive effect, unless specifically stated in the amendment.

Summary of the RSU plan

| | |
|---|---|
| Eligibility | Directors, employees and service providers of Ivanhoe and its affiliates |
| Award | Restricted share units (RSUs) |
| Vesting | Unless otherwise determined by the Board, RSUs vest 33% per year for three years, starting on the first anniversary of the grant |
| Limits Together with any other equity-based compensation arrangements | <p>Total Class A shares that can be reserved for issuance pursuant to the RSU plans: 25,000,000</p> <p>Total Class A shares issuable as a percentage of issued and outstanding Class A shares:</p> <ul style="list-style-type: none"> • to any one participant: 5% • to any one insider and his or her associates in a one-year period: 5% • to insiders: 10% • to insiders in a one-year period: 10% |
| Amendments | No amendments have been made to the RSU plan since the 2018 annual general meeting |

Securities issued and unissued under the RSU plan

As at May 10, 2019, there are 1,018,436,090 Class A shares of the Company issued and outstanding. Pursuant to the RSU plan and based on the current outstanding Class A shares of the Company, Class A shares reserved for issuance under the RSU plan are as follows:

| | Number of Class A shares | Percent of issued and outstanding Class A shares |
|---|--------------------------|--|
| Securities outstanding: | | |
| Class A Shares reserved for future issuance pursuant to issued and unvested RSUs | 3,749,940 | 0.37% |
| Class A shares issued pursuant to vested RSUs | 9,053,754 | 0.89% |
| Securities available for future issue: | | |
| Unissued Class A shares available for future RSU grants under the RSU plan | 12,196,306 | 1.20% |
| Plan maximum: | | |
| Maximum number of Class A shares that can be reserved for issue under the RSU plan ¹ | 25,000,000 | 2.45% |

¹ The aggregate number of Class A shares that may be reserved for issuance under the RSU plan, together with any other securities based compensation arrangement of the Company in effect from time to time, in this case the equity incentive plan and DSU plan, shall not exceed 10% of the issued and outstanding Class A shares from time to time.

History

The RSU Plan was originally implemented on May 21, 2015, and was subsequently amended on March 23, 2016, December 2, 2016 May 2, 2017 and May 7, 2018, in each case in a manner that did not require shareholder approval under the requirements of the TSX or the amending provisions of the RSU Plan.

Purpose

The purpose of the RSU Plan is to secure for the Company and its shareholders the benefits of incentives inherent in share ownership by the employees and directors of the Company and its affiliates who, in the judgment of the Board and the Compensation and human resources committee, will be largely responsible for the Company's future growth and success.

Pursuant to the RSU Plan, the Board may, from time to time, grant to eligible participants unit awards, with each unit award granted entitling an eligible participant to receive one restricted share unit ("**RSU**"). Each RSU represents the right of an eligible participant to receive one common share or a cash payment.

Eligible participants

Eligible participants under the RSU Plan include directors, employees (which includes officers) and service providers of the Company and any of its affiliates who participate in the RSU Plan voluntarily.

Limits of issuance

The aggregate maximum number of Class A shares that may be issued pursuant to the RSU Plan is limited to 25,000,000 Class A shares (which represents approximately 2.45% of the total issued and outstanding Class A shares as of the date of this management proxy circular). In addition, the aggregate number of

Class A shares that may be reserved for issuance under the RSU Plan on the grant of unit awards (excluding those allocated for issuance as bonus shares and under the Purchase Plan), together with any other securities based compensation arrangements of the Company in effect from time to time, shall not exceed 10% of the issued and outstanding Class A shares from time to time.

Insider participation limit

The aggregate number of Class A shares (together with any other securities based compensation arrangements of the Company in effect from time to time): (i) that may be reserved for issuance to insiders under the RSU Plan (or when combined with all of the Company's other security based compensation arrangements) shall not exceed 10% of the outstanding Class A shares from time to time; (ii) that may be issued to insiders under the RSU Plan (or when combined with all of the Company's other security based compensation arrangements) within any one-year period shall not exceed 10% of the Company's outstanding Class A shares from time to time; and (iii) that may be issued to any one insider and their associates under the RSU Plan within any one-year period shall not exceed 5% of the Company's outstanding Class A shares from time to time. In addition, non-executive directors may not be issued RSUs with a fair market value in excess of C\$150,000 in any one calendar year together with all other awards under all other securities based compensation arrangements of the Company.

RSU terms

The Board, or if authority is delegated to the Compensation and human resources committee, that committee, may at any time authorize the grant of unit awards to such eligible participants as it may select for the number of unit awards that it shall designate subject to the provisions of the RSU Plan. Each grant of a unit award shall specify the performance period and may (but is not required to) specify performance conditions attaching to it, with such conditions to be set by the Board or the Compensation and human resources committee. Performance conditions are additional conditions that may be imposed on a unit award that are required to be satisfied or discharged before a unit award shall vest. Unit awards must expire not more than three years after their grant date.

Vesting

Except as otherwise provided in the RSU Plan or unless otherwise determined by the Board or the Compensation and human resources committee at the time of the grant of the unit award and subject to satisfaction of any performance conditions which may be attached to the unit award during the relevant performance period, unit awards shall vest in one-third increments, commencing on the one year anniversary of the date of grant and on each of the two anniversaries thereafter, but provided that the participant has continuously been an eligible participant from the grant date to through to the relevant date of vesting.

Settlement

Provided a "blackout period" is not then in effect, and that the eligible participant does not otherwise have knowledge of a material fact or material change pertaining to the Company at the time of election, the eligible participant shall, within five business days of the date of grant, notify the Company of their election to settle their unit awards on (i) a cash-basis, (ii) share-basis, or (iii) both a cash-basis and share-basis. If a "blackout period" is in effect or the eligible participant has knowledge of a material fact or material change at the time of election, this settlement election shall be made on the first business day after the blackout is lifted or the material fact or material change has been generally disclosed.

If cash settlement is elected, the Company would issue that number of vested Class A shares to which the eligible participant is entitled to a licensed securities broker, who would then sell such shares in the public market and deliver the net proceeds thereof to the eligible participant.

If share settlement is elected, the Company will cause the vested Class A shares to be issued in certificated form to the eligible participant within five business days of vesting.

If an eligible participant fails to make an election as described above, the eligible participant will be deemed to have elected to settle their RSU awards on a share-basis.

All settlement elections are irrevocable once made and may not be modified, amended or varied by either the eligible participant or the Company (unless the election becomes subsequently unlawful).

Effect of termination

If an eligible participant ceases to be employed by, or act as, a director of the Company or its affiliates for any reason (including death, termination for cause, termination without cause, resignation or retirement): (i) any unvested unit awards held by such eligible participant at the date the eligible participant ceases to be an employee or director of the Company or its affiliates shall be terminated as of such date; and (ii) any vested unit awards held by such eligible participant at the date the eligible participant ceases to be an employee or director of the Company or its affiliates and which has not yet been settled, shall be settled within thirty (30) days of such date. If a unit award has performance conditions attached to it which remain unsatisfied at the date an eligible participant ceases to be an employee or director of the Company or its affiliates, then such unit awards shall be deemed to not have vested.

Transferability

Any unit awards or RSUs accruing to any eligible participant shall not be transferable except by will or by the laws of descent and distribution. All benefits and rights granted under the RSU Plan may only be exercised by the eligible participant during their lifetime.

Effect of take-over bid; arrangements

The RSU Plan provides for conditional participation by participants in a take-over bid. In connection with a take-over bid that is a formal bid for at least 50% plus one Class A shares, eligible participants are entitled to tender to such take-over offer the pro rata number of Class A shares determined to have conditionally vested by the Board or the Compensation and human resources committee based on its assessment of the satisfaction of performance conditions to the date of the take-over bid. If the take-over bid is not completed, including if the conditions to the take-over bid are not met, the conditional vesting of unit awards shall terminate and the unit awards shall be reinstated with the same terms and conditions that prevailed immediately prior to the take-over bid.

The RSU Plan also provides that in connection with an amalgamation or arrangement, that in lieu of Class A shares that would be received on vesting of a unit award, following an amalgamation or arrangement, the participant shall instead receive the securities, property or cash that the participant would have received had the unit award vested immediately prior to the record date for such amalgamation or arrangement, except for unit awards that are to be settled in cash, which shall also continue to be settled in cash following the amalgamation or arrangement.

In 2018, the RSU Plan was amended to clarify that the take-over bid provisions only apply to a formal bid for at least 50% plus one Class A shares and to permit the pro rata conditional tendering to such offer, both as described above. Both amendments were permitted within the amending provisions of the RSU Plan (described below under “Amendments”), in each case without shareholder approval.

Taxes and withholdings

The RSU Plan provides that the Company (or a broker in the case of cash settlement) may withhold from amounts payable to a participant any amounts required to be withheld for taxes of any kind as a consequence of participation in the RSU Plan.

Amendments

The Board may amend the terms of the RSU Plan without shareholder approval either prospectively or retrospectively, including for the purposes of: changes of a clerical or grammatical nature; changes regarding the persons eligible to participate in the RSU Plan; changes to the vesting, provisions of unit awards, performance conditions or performance period; changes to the authority and role of the Compensation and human resources committee under the RSU Plan; changes to the acceleration and vesting of unit awards in the event of a takeover bid or change of control; and any other matter relating to the RSU Plan and the unit awards granted thereunder.

The Compensation and human resources committee also has the power to amend the terms of the RSU Plan without shareholder approval either prospectively or retrospectively, for the purposes of: changes of a clerical or grammatical nature; changes regarding the persons eligible to participate in the RSU Plan; and changes to the vesting, provisions of unit awards, performance conditions or performance period.

Notwithstanding the foregoing, the powers of the Board and the Compensation and human resources committee shall be limited in those circumstances set forth in the RSU Plan as requiring shareholder approval and as required by applicable securities regulatory authorities or any stock exchange upon which the Class A shares are then listed. Shareholder approval is required for:

- (i) amendment to the any amendment to the aggregate maximum number of Class A shares issuable under the RSU Plan;
- (ii) any amendment to the aggregate percentage of Class A shares that may be reserved for issuance under the RSU Plan or issued to insiders under the RSU Plan;
- (iii) any amendment which would accelerate the vesting of any unit awards held by insiders, except as contemplated under the RSU Plan; and
- (iv) any amendment provision under the RSU Plan.

If the RSU Plan is terminated, its provisions and any other guidelines, rules and regulations adopted by the Board or the Compensation and human resources committee in respect of it will continue in effect as long as any unit awards or rights thereto remain outstanding.

Summary of the DSU plan

| | |
|---|---|
| Eligibility | Ivanhoe directors who are not officers or employees of the Company or its subsidiaries or affiliates |
| Award | Deferred share units (DSUs), paid as part of the director's retainer, including any additional retainer as chair or member of a standing committee of the Board Discretionary awards as the Board may approve from time to time |
| Vesting | DSUs vest as determined by the Board at the time of grant |
| Limits Together with any other equity-based compensation arrangements | Total Class A shares that can be reserved for issuance pursuant to the DSU plan: 2,000,000 Total issuable as a percentage of issued and outstanding Class A shares: <ul style="list-style-type: none">• to any one participant: 5%• to any one insider and his or her associates in a one-year period: 5%• to insiders: 10%• to insiders in a one-year period: 10% DSU grants to non-executive directors cannot exceed C\$150,000 in a calendar year but excluding DSUs granted in lieu of cash retainers |
| Amendments | The DSU plan was amended on May 7, 2019, after the 2018 annual general meeting, in a manner that does not require shareholder approval |

Securities issued and unissued under the DSU plan

As at May 10, 2019, there are 1,018,436,090 Class A shares of the Company issued and outstanding. Pursuant to the DSU plan and based on the current outstanding Class A shares of the Company, Class A shares reserved for issuance under the DSU plan are as follows:

| | Number of Class A shares | Percent of issued and outstanding Class A shares |
|---|-----------------------------|--|
| Securities outstanding: | | |
| Class A shares reserved for future issuance pursuant to outstanding DSUs ² | 258,536 | 0.03% |
| Securities available for future issue: | | |
| Unissued Class A shares available for future DSU grants under the DSU plan | 1,472,551 | 0.14% |
| Plan maximum: | | |
| Maximum number of Class A shares that can be reserved for issue under the DSU plan ¹ | 2,000,000 | 0.20% |

1 The aggregate number of Class A shares that may be reserved for issuance to all participants under the DSU plan (which constitutes only non-executive directors), together with any other securities based compensation arrangement of the Company in effect from time to time, in this case the equity incentive plan and RSU plan, shall not exceed 10% of the issued and outstanding Class A shares from time to time.

2 Reflects the number of outstanding DSUs to be settled in Class A shares.

History

The DSU Plan was first approved by shareholders on May 2, 2017. It was amended effective May 7, 2019 in a manner that did not require shareholder approval under the requirements of the TSX or the amending provisions of the DSU Plan.

Purpose

Pursuant to the proposed Deferred Share Unit Plan (the “**DSU Plan**”), the Company may grant on one or more occasions in each calendar year vested Deferred Share Units (“**DSUs**”) to non-executive directors (being any member of the Board not otherwise an officer of, or employed by, the Company or any of its subsidiaries or affiliates) (“**Non-Executive Directors**”), each DSU granted being a unit equivalent to a Class A Share, credited by means of a bookkeeping entry in the books of the Company. The purpose of the DSU Plan is to provide Non-Executive Directors of the Company with the opportunity to acquire deferred share units in order to allow them to participate in the long-term success of the Company and to promote a greater alignment of interests between its Non-Executive Directors and shareholders. Participants in the DSU Plan include current and former Non-Executive Directors.

Limits of issuance

The aggregate maximum number of Class A shares that may be issued pursuant to the DSU Plan is limited to 2,000,000 Class A shares (which represents approximately 0.20% of the total issued and outstanding Class A shares as of the date of this management proxy circular).

Insider participation limit

The aggregate number of Class A shares (together with any other securities based compensation arrangements of the Company in effect from time to time): (i) that may be reserved for issuance to insiders under the DSU Plan (or when combined with all of the Company's other security based compensation arrangements) shall not exceed 10% of the outstanding Class A shares from time to time; (ii) that may be issued to insiders under the DSU Plan (or when combined with all of the Company's other security based compensation arrangements) within any one-year period shall not exceed 10% of the Company's outstanding Class A shares from time to time; and (iii) that may be issued to any one insider and their associates under the DSU Plan within any one-year period shall not exceed 5% of the Company's outstanding Class A shares from time to time. The number of Class A shares at any time reserved for issuance to any one participant under all securities based compensation arrangements shall not exceed 5% of the Company's outstanding Class A shares from time to time. In addition, Non-Executive Directors

shall not be granted DSUs with a market value in excess of C\$150,000 in any one calendar year, but excluding DSUs granted in lieu of cash retainers.

DSU terms

The Company may grant vested DSUs to Non-Executive Directors as part of the retainer payable to such persons for service as a member of the Board, including any additional retainer paid to such persons for serving as the chair, or a member of any standing committee of the Board, either by identifying a fixed number of DSUs to be granted or by identifying a cash amount to be allocated to a grant of DSUs. Additionally, the Board may from time to time approve a grant of DSUs to a participant as a discretionary award in addition to such aforementioned retainer.

DSUs received by a participant shall be credited to an account maintained for such participant on the books of the Company as of the Award Date, unless such DSU is granted as a discretionary award, then same shall be credited according to a vesting schedule approved by the Board at its discretion. "Award Date" means: (i) in respect of DSUs granted as part of a retainer payable, the first day of each interval or period for the advanced grant of each instalment of such retainer, on which dates relevant DSUs shall be deemed to be awarded; or (ii) in respect of a discretionary award of DSUs, on such date as determined by the Board. The number of DSUs (including fractional DSUs) to be credited as part of the aforementioned retainer shall be determined by dividing: (i) the amount of the retainer to be paid in DSUs, by (ii) the volume weighted average trading price of the Class A shares on the TSX on the five trading days immediately preceding the Award Date, with fractions computed to three decimal places.

Vesting

DSUs granted to Non-Executive Directors as part of the retainer payable to such persons for service as a member of the Board, including any additional retainer paid to such persons for serving as the chair, or a member of any standing committee of the Board, shall be vested DSUs. If DSUs are granted to a participant by way of discretionary grant, the DSUs shall vest according to a vesting schedule approved by the Board at its discretion.

Distribution and settlement

Each DSU shall be settled on December 31st of the calendar year that is three years following its Award Date.

Provided a "blackout period" is not then in effect, and that the Non-Executive Director does not otherwise have knowledge of an undisclosed material fact or material change pertaining to the Company at the time of election, a Non-Executive Director shall, within ten business days of the date of grant, notify the Company of their election to settle their DSUs on (i) a cash-basis, (ii) share-basis, or (iii) both a cash-basis and share-basis. If a blackout period is in effect at the time the Non-Executive Director would otherwise make the election, or the Non-Executive Director has knowledge of a material fact or material change that has not been generally disclosed, such election shall be made on the first business day after the date that the blackout period is lifted or the material fact or change is generally disclosed.

Each participant shall receive on each applicable settlement date based on their election, either (i) a lump sum cash payment equal to the number of DSUs recorded in the respective participant's account having such settlement date multiplied by the volume weighted average trading price of the Class A shares on the TSX for the five trading days immediately preceding such settlement date, or (ii) a number of whole Class A shares from treasury equal to the number of DSUs recorded in the respective participant's account having such settlement date (disregarding fractions), in each case, less any applicable withholding taxes. All settlement elections are irrevocable once made and may not be modified, amended or varied by either an eligible participant or the Company (unless the election becomes subsequently unlawful).

Effect of termination

If a participant has retired from all positions or ceases to hold any and all positions with the Company and its subsidiaries, the Company will settle all outstanding vested DSUs on the date the participant has retired or ceases to hold any and all positions credited to the account of such participant under the DSU Plan by making a cash payment equivalent to the amount which would have been paid to the participant in cash pursuant to the DSU's settlement terms, calculated on the basis of the applicable settlement date, or (ii) issuing a number of whole Class A shares from treasury equal to the number of DSUs recorded in the respective participant's account having such settlement date in the case of retirement from all positions. This provision is the result of an amendment dated May 7, 2019.

Notwithstanding any of the foregoing, each Non-Executive Director will have a one-time right, exercisable within thirty days of May 7, 2019 to elect that any DSUs granted prior to the foregoing date and which remain outstanding and unvested be settled in Class A shares on a settlement date resulting from a retirement from all positions with the Company and its subsidiaries.

In the case of the death of a participant, the Company will settle all outstanding vested DSUs of the Participant as at the date of death on or about the thirtieth day after the Company is notified of the death of the Participant by making a cash payment to the Participant's estate on that date equivalent to the amount which would have been paid to the Participant in cash pursuant to the DSU's settlement terms, calculated on the basis that the day of death is the applicable settlement date.

Any unvested DSUs at the date of death or the date the Participant retires or ceases to hold any and all positions with the Company shall not vest and instead shall be cancelled as at such date and the Company will not make and will not have any obligation to make any payment in respect of such unvested DSUs.

Effect of takeover bid

If an offer, which constitutes a formal take-over bid under applicable Canadian securities law, for Class A shares is made to a participant or to shareholders generally or to a class of shareholders which includes a participant, and such offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company within the meaning of the Ontario Securities Act, then the Company shall notify each participant currently holding a DSU of the particulars of the offer and such DSUs shall be considered conditionally settled and any conditions shall have been conditionally waived so as to permit the holder to tender the Class A shares to be received upon settlement pursuant to the offer (if share election has been made). If the conditions of the offer are not satisfied and the offeror does not take up those Class A shares, the conditional settlement and conditional waiver shall terminate and the DSU shall be reinstated on the same terms and conditions that prevailed immediately prior to the offer. If the offer is completed, all DSUs shall settle and shall be deemed to have settled and all conditions shall be deemed to have been satisfied, such that upon consummation of the offer, all DSUs shall settle in accordance with the settlement method chosen by a participant and any Class A shares issued and tendered to the offer will be taken up in accordance with the terms of the offer.

Effect of amalgamation, arrangement, or merger

If the Company amalgamates or merges with or into another corporation, or participates in any arrangement with any other corporation, any Class A shares receivable on the settlement of a DSU shall become the right to receive the securities, property or cash which a participant would have received upon such amalgamation, arrangement or merger if the DSU had been settled immediately prior to the record date applicable to such amalgamation, arrangement or merger, and shall be adjusted appropriately by the Board. DSUs which are elected to be settled in cash shall be settled in cash at the effectiveness of such amalgamation, arrangement or merger. The Company will take such steps as are required to bind the other corporation to the foregoing.

Transferability

Any DSUs shall not be assignable or transferable except to a participant's estate as provided by the section of the DSU Plan regarding death of a participant.

Amendments, suspensions or termination

The Board may from time to time amend or suspend the DSU Plan in whole or in part and may at any time terminate the DSU Plan without prior notice or any shareholder approval. However, any such amendment, suspension or termination shall not adversely affect the DSUs previously granted to a participant at the time of such amendment, suspension or termination, without the consent of the affected participant. If the Board terminates this DSU Plan, no new DSUs will be credited to the account of a participant, but previously credited and vested DSUs shall be paid out in accordance with the terms and conditions of this DSU as at the time of termination.

In 2019, the DSU Plan was amended to increase the days upon which DSUs issued in respect of director's retainers could be issued, and to clarify that DSUs that vest following the time a director has retired from all positions with the Ivanhoe and its subsidiaries, may vest in Class A shares as well as cash.

> Termination and change of control benefits

The table below sets out the termination payments that would be payable to an NEO according to the terms of their employment arrangements with Ivanhoe.

| | Severance | Benefits | Options | RSUs |
|---|---|----------|--|-----------------------------|
| Resignation (with six months' notice¹) | | | | |
| If an NEO resigns with six months' notice, no severance is paid | None | None | Vested stock options are exercisable until 12 months after the termination date or until the expiry date, whichever is earlier Unvested stock options are cancelled | Unvested RSUs are cancelled |
| Termination without cause | | | | |
| If Ivanhoe terminates employment without cause, and only if payment is made in lieu of six months' notice, the NEO receives severance or other payment in lieu | Equal to six months' base salary plus one additional month's notice up to maximum of 20 months' notice, as payment in lieu of notice | None | Unvested stock options vest Unexercised stock options are exercisable until 12 months after the termination date or until the expiry date, whichever is earlier | Unvested RSUs vest |
| Termination for cause | | | | |
| If Ivanhoe terminates employment for cause, the NEO is not entitled to severance, damages or other payment | None | None | Unexercised vested stock options and unvested stock options are cancelled | Unvested RSUs are cancelled |
| Termination following a change of control | | | | |
| If there is a change of control of Ivanhoe, and within 12 months employment is terminated but not for cause, or the NEO resigns for <i>good reason</i> as defined in their employment agreement, the NEO receives severance in lieu of termination payments otherwise payable | Lump sum equal to the annual base salary and an additional cash payment equal to two months' pay for each whole or part year of service beginning with the sixth year of continuous service | None | Unvested stock options vest Unexercised stock options are exercisable until 12 months after the termination date or until the expiry date, whichever is earlier | Unvested RSUs vest |

Change of control means any one of the following:

- there is a merger, arrangement, amalgamation or similar transaction that results in Ivanhoe Class A shareholders hold less than 50% of the outstanding voting securities of the successor corporation or entity;
- any person or persons, acting jointly or in concert, acquires, directly or indirectly, more than 50% of the voting rights attached to all outstanding Ivanhoe voting securities (currently only Ivanhoe Class A shares);
- we sell or otherwise dispose of all or substantially all of our assets, other than to an Ivanhoe affiliate or subsidiary;
- a person comes to have the enforceable legal right, directly or indirectly, to appoint a majority of the Board; and
- the Board determines that a change of control has occurred or is imminent.

Good reason means any one of the following:

- there is a material adverse change in the NEO's position to that in effect immediately before a change of control;
- an employee benefit program the NEO is participating in at the time of a change of control is not continued, other than as a result of normal expiration;
- an NEO is required to move to and be based at a location other than that where he or she was based at the time of a change of control;
- an NEO is required to report to a person of lower apparent or ostensible authority; and
- an NEO is constructively dismissed, as defined by law.

The table below shows the estimated incremental amounts that each NEO would have been entitled to receive according to the terms of their employment agreement if their employment had been terminated on December 31, 2018.

| | Severance | Benefits | Options | RSUs | Total |
|---|-------------|----------|-----------|-----------|-------------|
| Resignation (with six months' notice ¹) | | | | | |
| Robert Friedland | — | — | — | — | — |
| Egizio Bianchini | — | — | — | — | — |
| Lars-Eric Johansson | — | — | — | — | — |
| Marna Cloete | — | — | — | — | — |
| Mark Farren | — | — | — | — | — |
| Termination without cause | | | | | |
| Robert Friedland | \$704,315 | — | \$349,250 | \$866,289 | \$1,919,854 |
| Egizio Bianchini | \$368,630 | \$2,653 | — | — | \$371,283 |
| Lars-Eric Johansson | \$957,489 | \$7,796 | \$349,250 | \$866,289 | \$2,180,824 |
| Marna Cloete | \$652,325 | \$28,702 | \$158,750 | \$335,208 | \$1,174,985 |
| Mark Farren | \$429,826 | \$21,173 | \$190,500 | \$408,237 | \$1,049,736 |
| Termination for cause | | | | | |
| Robert Friedland | — | — | — | — | — |
| Egizio Bianchini | — | — | — | — | — |
| Lars-Eric Johansson | — | — | — | — | — |
| Marna Cloete | — | — | — | — | — |
| Mark Farren | — | — | — | — | — |
| Termination following a change of control | | | | | |
| Robert Friedland | \$866,667 | — | \$349,250 | \$866,289 | \$2,082,206 |
| Egizio Bianchini | \$500,000 | — | — | — | \$500,000 |
| Lars-Eric Johansson | \$1,300,000 | — | \$349,250 | \$866,289 | \$2,515,539 |
| Marna Cloete | \$913,198 | — | \$158,750 | \$335,208 | \$1,407,156 |
| Mark Farren | \$488,997 | — | \$190,500 | \$408,237 | \$1,087,734 |

¹ The NEO continues to receive their compensation under the employment arrangement during the notice period, but no severance is paid.

4.

OTHER INFORMATION

This section includes addition information about Ivanhoe. You can also find more information about Ivanhoe on our website (www.ivanhoemines.com) and in our profile on SEDAR (www.sedar.com).

85 Loans to directors and officers

85 About National Instrument 43-101

Routine maintenance on a 20 ton underground dump truck at the Kipushi Mine.

LOANS TO DIRECTORS AND OFFICERS

We have a policy of not granting loans to our directors or executive officers. None of our directors, executive officers or nominated directors, or any of their associates, had any loans from Ivanhoe or any of our subsidiaries, or from another entity where a loan is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding during the most recently completed financial year other than routine indebtedness.

NATIONAL INSTRUMENT 43-101 STATEMENT

Disclosure of a scientific or technical nature in this management proxy circular has been reviewed and approved by Stephen Torr, who is considered a Qualified Person under NI 43-101 based on his education, experience and professional association. Mr. Torr is Vice President, Project Geology and Evaluation and has verified the technical data disclosed in the management proxy circular. He is not considered independent because he is an employee.

Ivanhoe has prepared a current independent NI 43-101-compliant technical report for each of the Platreef Project, the Kipushi Project and the Kamoakakula Project, which are available on our SEDAR profile at www.sedar.com:

- The Kamoakakula Integrated Development Plan 2019 dated March 18, 2019, prepared by OreWin Pty Ltd; Amec Foster Wheeler E&C Services Inc. (a division of Wood PLC); DRA Global; SRK Consulting (South Africa) (Pty) Ltd; and Stantec Consulting International LLC, covering the Company's Kamoakakula Project;
- The Platreef 2017 Feasibility Study dated September 4, 2017, prepared by OreWin Pty Ltd, Amec Foster Wheeler E&C Services Inc., SRK Consulting Inc., Stantec Consulting International LLC, DRA Projects (Pty) Ltd., and Golder Associates Africa (Pty) Ltd, covering the Company's Platreef Project; and
- The Kipushi 2019 Resource Update dated March 28, 2019, prepared by OreWin Pty Ltd, the MSA Group (Pty) Ltd, SRK Consulting (South Africa) (Pty) Ltd and MDM (Technical) Africa Pty Ltd, covering the Company's Kipushi Project.

These technical reports include relevant information regarding the effective dates and the assumptions, parameters and methods of the mineral resource estimates on the Platreef Project, the Kipushi Project and the Kamoakakula Project cited in this management proxy circular, as well as information regarding data verification, exploration procedures and other matters relevant to the scientific and technical disclosure contained in this management proxy circular in respect of the Platreef Project, Kipushi Project and Kamoakakula Project.

APPENDIX

> Ivanhoe Mines – Board of directors mandate

Under the BCBCA, the directors of the Company are required to manage the Company's business and affairs, and in doing so to act honestly and in good faith with a view to the best interests of the Company. In addition, each director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board recognizes its overall responsibility for corporate governance, and discharges that responsibility through the establishment and operation of its standing Nominating and Corporate Governance Committee, which is tasked with developing and implementing the Company's overall corporate governance approach.

As required by the BCBCA, the Board is responsible for supervising the conduct of the Company's affairs and the management of its business, including setting long-term goals and objectives for the Company, formulating the plans and strategies necessary to achieve those objectives, supervising senior management in their implementation, and reviewing the principal risks inherent in the Company's business. Although the Board delegates the responsibility for managing the day to day affairs of the Company to senior management personnel, the Board retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The obligations of the Board must be performed continuously, and not merely from time to time, and in times of crisis or emergency the Board may assume a more direct role in managing the affairs of the Company.

The Board strives to ensure that actions taken by the Company are in the best interest of the Company's shareholders. The Board's strategic planning process includes annual and quarterly budget reviews and approvals and reviews of the operations and risk issues at each Board meeting which are required to carry out the Company's growth strategy and to achieve its objectives. In addition to those matters that must, by law, be approved by the Board, the Board is required to approve annual operating and capital budgets, any material dispositions, acquisitions and investments outside of the ordinary course of business or not provided for in the approved budgets, long-term strategy, organizational development plans, the appointment of officers and non-delegatable matters prescribed by the BCBCA. The Board periodically reviews its mandate and supplements it as required from time to time.

The Board fulfills its statutory obligations through direct and indirect oversight, setting and monitoring policy, appointing committees and appointing officers of the Company. Specific responsibilities under the written mandate include the following:

1. Approving the issuance of any securities of the Company.
2. Approving the incurrence of any debt by the Company outside the ordinary course of business.
3. Reviewing and approving the annual and quarterly capital and operating budgets.
4. Reviewing and approving major deviations from the capital and operating budgets.
5. Approving the annual audited consolidated financial statements and interim consolidated financial statements, including the management discussion & analysis, information circulars, annual information forms, annual reports, offering memorandums and prospectuses.
6. Approving material investments, dispositions and joint ventures, and approving any other major initiatives outside the scope of approved budgets.
7. Reviewing and approving the Company's strategic plans, adopting a strategic planning process and monitoring the Company's performance.

8. Reviewing and approving the Company's incentive compensation plans.
9. Determining the composition, structure, processes, and characteristics of the Board and the terms of reference of committees of the Board, and establishing a process for monitoring the Board and its directors on an ongoing basis.
10. Appointing a Nominating and Corporate Governance Committee, an Audit Committee, a Compensation and Human Resources Committee, and any other committees from time to time, and delegating to any such committees powers of the Board as appropriate and legally permissible.
11. Nominating the candidates for the Board to the shareholders, based on recommendations from the Nominating and Corporate Governance Committee.
12. Providing an appropriate orientation and education program for new directors.
13. Determining whether individual directors meet the requirements for independence under applicable regulatory requirements, separately or following a review by the Nominating and Corporate Governance Committee.
14. Monitoring the ethical conduct of the Company and ensuring that it complies with applicable legal and regulatory requirements.
15. Ensuring that the directors that are independent of management have the opportunity to meet regularly.
16. Reviewing its mandate and other Board and Company policies and the terms of reference for committees of the Board in place from time to time and propose modifications as applicable.
17. Appointing and monitoring the performance of senior management, formulating succession plans for senior management and the Board and, with the advice of the Compensation Committee, approving the compensation of senior management.
18. Ensuring policies and processes are in place for identifying principal business risks and opportunities for the Company, addressing the extent to which such risks are acceptable to the Company, and ensuring that appropriate systems are in place to manage risks.
19. Ensuring policies and processes are in place to ensure the integrity of the Company's internal control, financial reporting and management information systems.
20. Ensuring appropriate policies and processes are in place to ensure the Company's compliance with applicable laws and regulations, including timely disclosure of relevant corporate information and regulatory reporting.
21. Exercising direct control during periods of crisis.
22. Serving as a source of advice to senior management, based on directors' particular backgrounds and experience.
23. Ensuring that the directors have direct access to management and, as necessary and appropriate, independent advisors.
24. Ensuring evaluations of the Board and its committees are carried out at least annually

May 6, 2014



Ivanhoe Mines Ltd.

654 - 999 Canada Place

Vancouver, British Columbia

Canada V6C 3E1

Phone: +1.604.688.6630

ivanhoemines.com