

IVANHOE MINES
NEW HORIZONS

**CODE OF BUSINESS CONDUCT
AND ETHICS**

Introduction

The Ivanhoe Mines Ltd. Code of Business Conduct and Ethics (the Code) applies to all Covered Persons, including directors, officers, employees and authorized spokespersons of Ivanhoe Mines Ltd. and its subsidiaries (the Company). Other Covered Persons include all consultants, contractors, advisors and other persons involved in business with the Company and its subsidiaries.

This Code reflects our commitment to a culture of honesty, integrity, accountability and respect for the communities in which the Company operates. This Code also outlines the basic principles and policies with which every Covered Person at the Company is required to comply.

We require the highest standards of professional and ethical conduct from our employees, officers, directors, consultants, advisors, contractors and all of our Covered Persons. Our reputation for honesty and integrity is important for the success of our business. No one at the Company will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings.

We aim for our business practices to be compatible with, and sensitive to, the economic and social priorities of each location in which we operate. Although customs vary from country to country and standards of ethics may vary in different business environments, honesty and integrity always must be inherent in our business activities.

In addition to conforming with this Code, Covered Persons are expected to seek guidance in any case where they consider there may be a question about compliance with the letter or spirit of our policies and applicable laws. This Code is not a complete code of conduct. It sets forth general principles and does not supersede specific policies and procedures that are in effect.

This Code will be reviewed periodically by the Board of Directors of the Company (the Board), or any delegated committee, and supplemented and/or adjusted from time to time as required for optimum effectiveness.

SPECIFICS OF CODE

I. Compliance with Laws, Rules and Regulations

We have a responsibility to monitor all legal boundaries and comply with all applicable laws and regulations in all of our activities worldwide. Compliance with the letter and spirit of all laws, rules and regulations applicable to our business is important for our reputation and continued success. We must respect and obey the laws of the jurisdictions, including cities, states and countries, in which we operate and avoid even an appearance of impropriety. Individuals who fail to comply with this Code and applicable laws will be subject to disciplinary measures, up to and including discharge from the Company.

II. Conflicts of Interest

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of the Company. A conflict of interest could arise when:

- an individual's personal interests interfere, or appear to interfere, in any way, with the interests of the Company;
- an individual takes action for his or her direct or indirect benefit, or the direct or indirect benefit of a third party, which is inconsistent with, or may be harmful to, the interests of the Company; or
- an individual, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.

Activities that could give rise to conflicts of interest by Covered Persons are prohibited unless specifically approved in advance by the Board. Where a conflict involves a Board member (i.e., where a Board member has an interest in a material contract or material transaction involving the Company), the Board member involved will be required to disclose his or her interest to the Board and refrain from voting at the Board meeting considering such contract or transaction, in accordance with applicable laws.

It is not always easy to determine whether a conflict of interest exists. Consequently, any potential conflicts of interest should be reported immediately to the President or Chief Executive Officer, Corporate Secretary or the Ethics & Compliance Officer. For unresolved potential conflicts involving any Covered Person, and particularly where a member of senior management or a Board member is involved in a potential conflict, the issue is to be referred directly to the Board or any delegated committee.

III. Corporate Opportunities

Each director, officer and employee owes a duty to the Company to advance the Company's legitimate interests whenever an opportunity to do so arises. Directors, officers and employees are prohibited from taking, for themselves personally, opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain, except where the Board has, after receiving the necessary information concerning such opportunity and receiving the advice of legal counsel, if required, relinquished its interest in an opportunity in compliance with applicable corporate laws, rules and regulations. A Director interested in a corporate opportunity being considered by the Board shall refrain from voting at the Board meeting considering such opportunity.

If employees have any doubts about whether any activities they are contemplating violate this requirement, they must refer the issues to the President or Chief Executive Officer, Corporate Secretary or the Ethics & Compliance Officer.

IV. Confidentiality

Covered Persons must maintain the confidentiality of information entrusted to them by the Company or that otherwise comes into their possession in the course of their employment, in accordance with the Company's Corporate Disclosure, Confidentiality and Securities Trading Policy. The obligation to preserve confidential information continues even after a Covered Person leaves the Company.

V. Protection and Proper Use of Company Assets

Each Covered Person should endeavour to protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's operational and financial success. Any suspected incidents of fraud or theft should be immediately reported to a supervisor or a member of the Company's management for investigation.

Company assets, such as funds, data, products or computers, may be used only for legitimate business purposes or other purposes approved by management. Company assets may never be used for illegal purposes.

The obligation to protect Company assets includes proprietary information. Proprietary information includes any information that is not generally known to the public or would be helpful to our competitors. Examples of proprietary information include exploration data and results, project studies, intellectual property, business and marketing plans and employee information. The obligation to preserve proprietary information continues even after Covered Persons have left the Company.

VI. Insider Trading

Insider trading is unethical, illegal and criminal. Persons subject to this Code also must comply with the Company's Corporate Disclosure, Confidentiality and Securities Trading Policy. To protect the Company's reputation and to avoid an appearance of impropriety, all of the Company's directors, officers, employees, consultants and advisors are required to pre-clear all proposed purchases and sales of the Company's securities, in accordance with the established policy.

VII. Fair Dealing

Each Covered Person should endeavour to deal fairly and responsibly with the Company's customers, suppliers, competitors and employees. No one at the Company should take unfair advantage of anyone through illegal conduct, concealment, manipulation, abuse of privileged information, misrepresentations or any other unfair dealing practice.

VIII. Compliance with Environmental Laws

The Company is sensitive to the environmental consequences of its activities, which it strives to mitigate. The Company's policy is to comply with all applicable environmental laws and regulations within all jurisdictions in which it operates.

The Company also will endeavour to restore areas disturbed by its activities in accordance with international best practice, including, where practicable, the rehabilitation of conservation zones, forest buffer zones and other environmentally sensitive areas to a state generally equivalent to that which existed prior to the conduct of the Company's exploration and mining activities.

If any Covered Person has any doubt as to the applicability or meaning of a particular environmental law or regulation as it applies to the Company, the individual should discuss the matter with the relevant supervisor or with the President or Chief Executive Officer, Corporate Secretary or the Ethics & Compliance Officer.

IX. Respect for Communities and Local Customs

The Company has the privilege of operating in a diverse range of local communities globally and is committed to the support of, and appreciation for, the customs and traditions of these communities. All Covered Persons are expected to show respect for the culture and people of the communities in which they work and to observe project-specific best practices when visiting the Company's work sites.

Under no circumstances may a Covered Person:

- engage in unauthorized hunting and fishing, the collection or possession of plants or animals, or trespass upon holy or sacred sites, including those honouring ancestry, unless such employee is a national acting in accordance with applicable laws or has been provided with customary authorization;
- pay or hire people from local communities to provide sexual services of any kind or engage in or counsel any form of sexual exploitation;
- purchase or possess archeological or sacred artifacts (if such an artifact or site is encountered during operations, work at the specific location should be halted, a supervisor informed and instructions sought); or
- purchase precious stones or metals for personal use, unless such purchase is made from an authorized vendor who holds a valid licence from the relevant government department or agency.

If any Covered Person has any doubt as to the customs or practices of a particular community or jurisdiction, the individual should discuss the matter with a supervisor, the President or Chief Executive Officer, the Corporate Secretary or the Ethics & Compliance Officer.

X. Equal Opportunity

We value the diversity of our employees and are committed to providing equal opportunity in all aspects of employment. Mutual respect is required among all Covered Persons, regardless of an individual's ancestry, race, gender, religious beliefs or sexual orientation.

XI. Health and Safety

All Covered Persons are responsible for maintaining a safe workplace by diligently following health and safety rules and best practices. The Company is committed to keeping its workplaces free from unnecessary hazards and effectively managing health and safety risks.

To protect the health and safety of all individuals at the Company's various work sites, illegal drugs and alcohol are strictly banned from any of the Company's projects. Covered Persons must report to work free from the influence of any substance that could jeopardize the safe and effective conduct of work activities. The possession of any and all unauthorized weapons is strictly prohibited.

Any accidents, injuries, unsafe equipment, practices or conditions should be immediately reported to a supervisor or other designated person. If anyone subject to this Code has any doubt about the applicability or meaning of a particular health or safety regulation, the individual should discuss the matter with a supervisor or with the President or Chief Executive Officer, Corporate Secretary or the Ethics & Compliance Officer.

XII. Transportation and Road Safety

As part of the Company's commitment to safe work environments, Covered Persons are expected to observe safe-driving rules, including established speed limits, when operating vehicles on or off project property. Covered Persons operating Company vehicles are not permitted to transport anyone not also a Covered Employee, or otherwise authorized by, the Company and are encouraged not to make stops en route to project properties, except for activities directly related to work or emergencies. Additionally, personal use of Company vehicles is not permitted unless prior written authorization is obtained.

XIII. Financial and Business Disclosure and Accuracy of Company Records and Reporting

Honest and accurate recording and reporting of information is critical to our ability to make responsible business decisions and to meet our reporting obligations to our stakeholders. This includes the Company's accounting and financial reporting and ongoing disclosure requirements under applicable corporate, anti-corruption and securities laws, rules and regulations. The Company's accounting and other records are relied upon to produce reports for the Company's management, shareholders, creditors, governmental agencies and others.

Full, fair, accurate, timely and understandable disclosure in our reports and other documents that we file with, or submit to, securities regulators and in our other public communications is critical for us to maintain our good reputation, to comply with our obligations under applicable corporate and securities laws, rules and regulations and to meet the expectations of our shareholders and other members of the investment community. In preparing such accounts, reports and documents and other public communications, the following guidelines should be adhered to:

- all accounting records, and the reports produced from such records, must be in accordance with all applicable laws;
- all accounting records must fairly and accurately reflect all transactions or occurrences to which they relate;
- all accounting records must fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues and expenses;
- no accounting records should contain any intentionally false or misleading entries;
- no transactions should be intentionally misclassified as to accounts, departments or accounting periods;
- all transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period;
- no information should be concealed from the internal auditors or the independent auditors; and
- compliance with the Company's system of internal controls is required.

If any Covered Person has concerns or complaints regarding accounting or auditing issues, the individual is encouraged to submit those concerns either to a member of the Audit Committee of the Board, the Corporate Secretary or the Ethics & Compliance Officer in writing, by telephone or online using the Company's confidential whistleblower reporting system.

Business records and communications often become public through legal or regulatory investigations, or the media. We should avoid exaggeration, derogatory remarks, legal conclusions or inappropriate characterizations of people and companies. This applies to communications of all kinds, including e-mail and informal notes or inter-office memos. Records must be retained in strict accordance with the Company's records retention policy and should be destroyed only as and when permitted under that policy.

XIV. Use of E-Mail and Internet Services

E-mail systems and Internet services are provided to help Covered Persons perform assigned work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. Covered Persons should not access, send or download any information that could be insulting, offensive or defamatory to another person, such as sexually explicit messages, ethnic or racial slurs or other messages that could be viewed as harassment.

Messages, including voice mail, and computer information (including records of websites visited) are considered the property of the Company and Covered Persons should not have any expectations of privacy. Unless prohibited by law, the Company reserves the right to access and disclose this information as necessary for business purposes. Covered Persons should use good judgment and not exchange messages or access or store any information that they would not want to be seen or heard by other individuals.

Violation of these policies may result in disciplinary actions up to and including discharge from the Company.

XV. Gifts and Entertainment

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. In some cultures, gifts and entertainment play a significant role in establishing and maintaining business relationships. However, problems may arise when such courtesies compromise, or may appear to compromise, a person's ability to make objective and fair business decisions. The same rules apply to Covered Persons offering gifts and entertainment to our various business associates.

Covered Persons should avoid offering or receiving any gift, gratuity or entertainment that might be perceived as unfairly influencing a business relationship. Special laws apply to benefits, including gifts, given to or for the benefit of public officials. For that reason, under no circumstances should any gift, gratuity or entertainment be offered or given to a public official without prior consultation with the President or Chief Executive Officer, Corporate Secretary or the Ethics & Compliance Officer who, with the advice of counsel, as necessary, will determine acceptability from both a legal and a corporate policy point of view. See Payments to Domestic and Foreign Officials, below.

The value of all gifts should be nominal with respect to frequency and amount. Gifts that are repetitive, no matter how small, may be perceived as an attempt to create an obligation to the giver and therefore are inappropriate. Similarly, business entertainment should be moderately scaled and intended only to facilitate business goals. If Covered Persons are having difficulty determining whether a specific gift or entertainment item lies within the bounds of acceptable business practice, they should consult their supervisors and ask themselves whether or not the gift or item is legal, business related, moderate and reasonable, whether or not public disclosure would embarrass the Company, and whether or not there is any pressure to reciprocate or grant special favors.

The Company will, from time to time, establish a series of gift and entertainment registers among its various geographic operating jurisdictions. All business meals, gifts and entertainment – whether accepted or declined by employees – must be recorded in the relevant register. This does not apply to items having a de minimus value, such as promotional material, mementos or working meals. The cost threshold for recording such items will be defined by local policy.

The Corporate Secretary will keep a consolidated record of the gifts and entertainment registers. The Corporate Secretary and Chief Financial Officer will perform a quarterly review of the consolidated register and bring any questionable matter or practice to the attention of the committee of the Board then mandated to review such matters.

XVI. Payments to Domestic and Foreign Officials

All Covered Persons must comply with all applicable laws and regulations prohibiting improper payments or other contributions or benefits to domestic and foreign public officials, including, but not limited to, the *Corruption of Foreign Public Officials Act* (Canada) and the *Foreign Corrupt Practices Act of 1997* (United States), as each may be amended from time to time, (collectively, the Acts).

While the Acts are not identical, the Acts generally make it illegal for a person, in order to obtain or retain business or to gain a business advantage, directly or indirectly, to offer or agree to give or offer loans, rewards, payments or benefits of any kind to foreign public officials or to any person for the benefit of public officials (collectively, a Bribe). Foreign public officials include persons holding legislative, administrative or judicial positions with a foreign state or a subdivision of that state, persons who perform public duties or functions for a foreign state (such as persons employed by boards, commissions or government-owned or -controlled corporations), officials and agents of international organizations, foreign political parties and candidates for office.

Covered Persons should assume that any payment to a public official, including so-called facilitation payments, are illegal. Company policy also prohibits such payments, unless legal counsel licenced in the applicable jurisdiction has advised in writing that the payment in question is not illegal in the applicable jurisdiction. Any Covered Person who has any questions about the application of this policy to any particular situation should promptly report the matter to the President, Chief Executive Officer, Corporate Secretary or the Ethics & Compliance Officer. The President, Chief Executive Officer, Corporate Secretary or the Ethics & Compliance Officer will seek legal advice whenever there is a reasonable belief that a violation of the Acts has occurred or may occur, and will determine acceptability from a legal and a corporate policy point of view, and any appropriate accounting treatment and disclosures that are applicable to the particular situation.

Violation of any of the Acts is a criminal offence, which could subject the Company to substantial fines and other penalties and any Covered Person to imprisonment and/or fines. Violation of this Code may result in disciplinary actions up to and including discharge from the Company. Violations of this Code also may constitute violations of law and may result in civil or criminal penalties to Covered Persons, their supervisors and/or the Company.

XVII. Reporting of any Illegal or Unethical behavior

The Company is strongly committed to conducting its business in a lawful and ethical manner.

Covered Persons are expected to report all known and suspected violations of this Code promptly by one of the following methods: to their respective supervisors, to the President or Chief Executive Officer, to the Corporate Secretary or to the Ethics & Compliance Officer, or confidentially through the Company's established whistleblowing mechanism, including its confidential online whistler blowing system. Covered Persons may choose to remain anonymous in reporting possible violations of this Code and all reports will remain confidential. It is

unacceptable for a person to file a report knowing it to be false. The Company prohibits retaliatory action against any Covered Person who, in good faith, reports a possible violation.

XVIII. Compliance Procedures

This Code cannot, and is not intended to, address all of the situations Covered Persons may encounter. There will be occasions when circumstances not explicitly covered by corporate policy may arise and a judgment as to the appropriate course of action will have to be made. In those circumstances, or if Covered Persons have any questions concerning their obligations under this Code, we encourage them to use their common sense and to contact their supervisors or a member of senior management for guidance. Senior management or directors are encouraged to consult with the President or Chief Executive Officer, the Corporate Secretary or the Ethics & Compliance Officer.

If Covered Persons fail to comply with this Code or applicable laws, rules or regulations, they will be subject to disciplinary measures, up to and including discharge from the Company. Violations of this Code also may constitute violations of law and may result in civil or criminal penalties for Covered Persons and/or the Company.

XIX. Amendment, Modification and Waivers of the Code of Business Conduct and Ethics

The Code may be amended or modified by the Board and waivers may be granted by a vote of the independent directors of the Board, subject to disclosure and other provisions of applicable securities legislation and stock-exchange requirements.