

October 25, 2016

Ivanhoe Mines receives third of five scheduled US\$41.2 million installment payments from Zijin Mining Group as part of Zijin's US\$412 million investment in the Kamo-Kakula Copper Project in D.R. Congo

VANCOUVER, CANADA — Ivanhoe Mines (TSX:IVN) announced today that it has received the third installment of US\$41.2 million owing from a subsidiary of Zijin Mining Group Co., Ltd. as part of a strategic co-development agreement under which Zijin acquired 49.5% of Ivanhoe's majority stake in the Kamo-Kakula copper discovery now being jointly developed by Ivanhoe and Zijin in the Democratic Republic of Congo.

Zijin – through its subsidiary, Gold Mountains (H.K.) International Mining Company Limited – agreed to pay US\$412 million for a 49.5% interest in Ivanhoe subsidiary Kamo Holding Limited that presently owns 95% of the Kamo-Kakula Project. Zijin paid an initial US\$206 million at closing in December last year, followed by the payment of the first two of five scheduled US\$41.2 million installments in March and July of this year.

The receipt of the third installment from Zijin has increased Ivanhoe's consolidated working capital to approximately US\$395 million (C\$529 million). This represents approximately C\$0.68 per issued and outstanding common share of Ivanhoe Mines.

The remaining US\$82.4 million is required to be paid in two further equal installments, every 3.5 months, with the next installment due on February 8, 2017. The installment payments are secured by a pledge of shares of Kamo Holding Limited with proportionate releases of the security on the pledged shares following receipt of each installment payment.

About Ivanhoe Mines

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

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Cautionary statement on forward-looking information

Certain statements in this news release may constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities laws, including, without limitation, the payment by a subsidiary of Zijin of US\$82.4 million in two equal installments of US\$41.2 million every 3.5 months. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Ivanhoe Mines to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “scheduled”, “forecast”, “predict” and other similar terminology, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. These statements reflect Ivanhoe Mines’ current expectations regarding future events, performance and results and speak only as of the date of this news release.