

February 8, 2017

Ivanhoe Mines receives fourth 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; OTCQX: IVPAF) announced today that it has received the fourth 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 Kamo Holding Limited that holds the interest 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 Kamo Holding Limited. Zijin paid an initial US\$206 million at closing in December 2015, followed by the payment of the first three of five scheduled US\$41.2 million installments in March, July and October of last year. Following the signing of a partnership agreement with the DRC government in November 2016, Ivanhoe and Zijin Mining now each hold an indirect 39.6% interest in the Kamo-Kakula Project, Crystal River Global Limited holds an indirect 0.8% interest and the DRC government holds a direct 20% interest. Kamo Holding Limited continues to hold an 80% interest in the Kamo-Kakula Project.

After the receipt of the fourth installment from Zijin, Ivanhoe's consolidated working capital is approximately US\$355 million (C\$467 million).

The fifth and final US\$41.2 million installment payment is due on May 23, 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 discovery 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 the fifth installment payment of US\$41.2 million on May 23, 2017. 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.