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International mining companies, including Ivanhoe Mines, propose specific changes to enhance effectiveness of D.R. Congo's new mining code

KINSHASA, DEMOCRATIC REPUBLIC OF CONGO – Ivanhoe Mines (TSX: IVN; OTCQX: IVPAF) announced today that a formal proposal outlining recommended changes to the 2018 national mining code has been submitted to the Democratic Republic of Congo's Ministry of Mines by a group of international mining companies, which includes Ivanhoe Mines.

A joint statement issued today by the group of international companies active in these discussions in the DRC said their proposed changes would address the DRC government's expectation of increased public revenues from the mining of mineral resources and also address concerns within the industry about the impacts of some provisions in the new mining code that was implemented earlier this month.

This week's submission to the Mines Ministry by the mining companies, in part, proposes linking a sliding scale of royalty rates to the prices of key DRC mineral commodities, which the companies believe would be a more effective mechanism than the windfall tax introduced in the new code and, at current prices, would provide the government immediately with a larger share of revenues than it would receive under the new code. The submission by the companies also addresses stability arrangements, state guarantees and mining conventions.

The international mining companies have stated that they accept 76% of the articles in the 2018 code and are proposing changes to the remainder only to ensure the effectiveness and legality of the code.

Robert Friedland, Executive Chairman of Ivanhoe Mines, said, "Ivanhoe encourages caution in reviewing reports and statements made before these discussions are concluded and the mining regulations are brought into effect."

"We already have seen media reports and statements made by persons inside and outside of the Congo about the financial and commercial effects of the changes to the mining code. Some of it just reflects partisan opinions, some of it has been ill-informed and purely speculative, while some of it has been plainly false. Until the formal discussions are completed and the new regulations are written, such views should be taken with a large grain of salt," Mr. Friedland added.

Mr. Friedland said that Ivanhoe and representatives of the international mining industry will continue to seek assurances from the DRC government that it will honour the clear guarantee of stability contained in Article 276 of the DRC's 2002 mining code.

“The stability guarantee states as a matter of law that holders of current DRC exploration and exploitation permits will continue to benefit from rights granted under the 2002 mining code *“for a period of 10 years”* after the implementation of any legislated amendment, which includes the newly enacted 2018 mining code.”

Lars-Eric Johansson, Ivanhoe’s Chief Executive Officer, commented, “All of the foreign investors with a stake in the DRC mining industry are participating in these discussions in a positive environment. We believe that the result will be an equitable resolution for the DRC government, local communities and the international mining industry invested in the DRC.”

About Ivanhoe Mines

Ivanhoe Mines is advancing its three principal projects in Southern Africa: 1) Mine development at the [Platreef](#) platinum-palladium-gold-nickel-copper discovery on the Northern Limb of South Africa’s Bushveld Complex; 2) mine development and exploration at the Tier One [Kamoa-Kakula](#) copper discovery on the Central African Copperbelt in the DRC; and 3) upgrading at the historic, high-grade [Kipushi](#) zinc-copper-silver-germanium mine, also on the DRC’s Copperbelt. For details, visit www.ivanhoemines.com.

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