

June 9, 2021

Kamoa-Kakula's off-take agreements signed for Phase 1 blister copper and copper concentrate



Kamoa-Kakula fully authorized to commence exports of blister copper and copper concentrate to international markets

KOLWEZI, DEMOCRATIC REPUBLIC OF CONGO – Ivanhoe Mines (TSX: IVN; OTCQX: IVPAF) Co-Chairs Robert Friedland and Yufeng “Miles” Sun are pleased to announce that Kamoa Copper SA – the operating company of the joint venture between Ivanhoe Mines, Zijin Mining Group, Crystal River and the Government of the Democratic Republic of Congo (DRC) – has signed copper concentrate and blister copper off-take agreements on competitive arm's-length commercial terms, for 100% of Kamoa-Kakula's Phase 1 copper output, which is projected to be approximately 200,000 tonnes of copper per year.

Kamoa Copper began producing copper concentrate on May 25, 2021, and made its first delivery of concentrates to the nearby Lualaba Copper Smelter, outside of Kolwezi, on June 1, 2021.

Watch a new video showcasing Kamoa-Kakula's milling, flotation and recovery processes involved in producing the ultra-high grade, clean copper concentrate: <https://vimeo.com/560814916/6db2333083>

Kamoa Copper has signed off-take agreements with CITIC Metal (HK) Limited (CITIC Metal) and Gold Mountains (H.K.) International Mining Company Limited, a subsidiary of Zijin, for 50% each of the copper products from Kamoa-Kakula's Phase 1 production. The off-take agreements are evergreen for the production volumes from Phase 1, including copper concentrate and blister copper resulting from processing of copper concentrates at the Lualaba Copper Smelter.

The off-take agreements contain standard, international commercial terms, including copper payables and treatment and refining charges based on the annual benchmark across the copper industry. The ultra-high-grade, clean concentrate produced by Kamoa-Kakula is expected to contain approximately 57% copper and very low levels of impurities.

CITIC Metal and Zijin will purchase the copper concentrate at the Kakula Mine and the blister copper at the Lualaba Copper Smelter on a free-carrier basis, meaning the

buyers will be responsible for arranging freight and shipment to the final destination, initially via the port of Durban, South Africa.

CITIC Metal and Zijin each will provide an advance payment facility of up to US\$150 million (US\$300 million in total) to be drawn at the election of Kamo Copper from June 10, 2021, until May 31, 2023. The facility will bear an annual interest rate of 8% and will be offset against provisional payments due to Kamo Copper from product deliveries. Payment terms include an option to receive a provisional payment on a 100%-basis within three business days of invoicing, at the end of each delivery month.

Agreement signed with nearby Lualaba Copper Smelter to produce 99% blister copper in the Democratic Republic of Congo

On May 31, 2021, Kamo Copper signed a 10-year agreement with the Lualaba Copper Smelter, located outside the town of Kolwezi, for the processing of a portion of Kamo's copper concentrate production. Kamo Copper delivered its first copper concentrates to the Lualaba smelter on June 1, and will receive first blister copper ingots within 30 days of delivery.

The Lualaba Copper Smelter is 60%-owned by China Nonferrous Metal Mining Group (CNMC) of Beijing, China. Yunnan Copper of Kunming, China, owns the remaining 40%.

The smelter, which began operations in early 2020, will treat up to 150,000 wet metric tonnes of copper concentrates from Kamo-Kakula, in return for a treatment charge and market-based realization fee, and produce blister copper containing approximately 99% copper that will be returned to Kamo Copper, and collected by CITIC Metal and Zijin from a dedicated storage area at the Lualaba Copper Smelter.

The Lualaba Copper Smelter is the first modern, large, pyro-metallurgical copper smelter built in the Democratic Republic of Congo, and is approximately 40 kilometres from Kamo-Kakula via the recently-constructed, dedicated by-pass road.

Marna Cloete, Ivanhoe Mines President and CFO, commented: "We are very pleased to have reached agreements with our partners CITIC Metal and Zijin at internationally-competitive terms. The agreements reflect the great partnership we have with CITIC Metal and Zijin, and the advance payment facilities significantly reduce the mine's working capital requirements as Phase 1 production ramps up.

"We also are pleased to secure a long-term tolling agreement with the local Lualaba Copper Smelter, in keeping with our commitment to in-country beneficiation that includes Kamo Copper's longer-term plan to construct its own direct-to-blister smelter.

"We have all necessary authorizations in place and will commence exports of clean, hydro-electricity-produced copper products from the Kamo-Kakula mine to meet the burgeoning international demand for electrification of the global economy."

Copper production guidance for 2021

Ivanhoe's guidance for contained copper in concentrate expected to be produced by the Kamo-Kakula Project for the balance of 2021 assumes a ramp-up from first production in line with published technical disclosures, and is as follows:

Contained copper in concentrate **80,000 to 95,000 tonnes**

All figures are on a 100%-project basis. Metal reported in concentrate is prior to refining losses or deductions associated with smelter terms. Cost guidance is expected to be provided once the Kamo-Kakula Project's Phase 1 plant has reached steady-state production.

Kakula is projected to be the world's highest-grade major copper mine, with an initial mining rate of 3.8 million tonnes per annum (Mtpa), ramping up to 7.6 Mtpa in Q3 2022. Phase 1 is expected to produce approximately 200,000 tonnes of copper per year, and Phases 1 and 2 combined are forecast to produce approximately 400,000 tonnes of copper per year. Based on independent benchmarking, the project's phased expansion scenario to 19 Mtpa would position Kamo-Kakula as the world's second-largest copper mining complex, with peak annual copper production of more than 800,000 tonnes.

Given the current copper price environment, Ivanhoe and its partner Zijin are exploring the acceleration of the Kamo-Kakula Phase 3 concentrator expansion from 7.6 Mtpa to 11.4 Mtpa, which may be fed from expanded mining operations at Kansoko, or new mining areas at Kamo North (including the Bonanza Zone) and Kakula West.

A 2020 independent audit of Kamo-Kakula's greenhouse gas intensity metrics performed by Hatch Ltd. of Mississauga, Canada, confirmed that the project will be among the world's lowest greenhouse gas emitters per unit of copper produced.

The Kamo-Kakula Copper Project is a joint venture between Ivanhoe Mines (39.6%), Zijin Mining Group (39.6%), Crystal River Global Limited (0.8%) and the Government of the Democratic Republic of Congo (20%).

Loading copper concentrate for bulk transportation to the nearby Lualaba Copper Smelter, outside of Kolwezi.



Samples of Kamoia Copper's copper concentrate being collected before it is shipped to the Lualaba Copper Smelter.



Trucks transporting bulk copper concentrate from the Kamo-a-Kakula Project to the Lualaba Copper Smelter via the recently-completed by-pass road connecting Kamo-a-Kakula to Kolwezi. The new 220-kilovolt powerline carrying clean hydro-generated electricity to Kamo-a-Kakula is on the right.



A blister copper ingot produced at the Lualaba Copper Smelter, containing approximately 99% copper, ready for export to international markets.



Qualified Persons

Disclosures of a scientific or technical nature regarding development scenarios at the Kamo-Kakula Project in this news release have been reviewed and approved by Steve Amos, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of NI 43-101. Mr. Amos is not considered independent under NI 43-101 as he is the Head of the Kamo-Kakula Project. Mr. Amos has verified the technical data disclosed in this news release.

Ivanhoe has prepared an independent, NI 43-101-compliant technical report for the Kamo-Kakula Project, which is available on the company's website and under the company's SEDAR profile at www.sedar.com:

- Kamo-Kakula Integrated Development Plan 2020 dated October 13, 2020, prepared by OreWin Pty Ltd., China Nerin Engineering Co., Ltd., DRA Global, Epoch Resources, Golder Associates Africa, KGHM Cuprum R&D Centre Ltd., Outotec Oyj, Paterson and Cooke, Stantec Consulting International LLC, SRK Consulting Inc., and Wood plc.

The technical report includes relevant information regarding the assumptions, parameters and methods of the mineral resource estimates on the Kamo-Kakula Project cited in this news release, as well as information regarding data verification, exploration procedures and other matters relevant to the scientific and technical disclosure contained in this news release.

About Ivanhoe Mines

Ivanhoe Mines is a Canadian mining company focused on advancing its three principal joint-venture projects in Southern Africa: the development of major new, mechanized, underground mines at the Kamo-Kakula copper discoveries in the DRC and at the Platreef palladium-rhodium-platinum-nickel-copper-gold discovery in South Africa; and the extensive redevelopment and upgrading of the historic Kipushi zinc-copper-germanium-silver mine, also in the DRC.

Kamo-Kakula began producing copper in May 2021 and, through phased expansions, is positioned to become one of the world's largest copper producers. Kamo-Kakula and Kipushi will be powered by clean, renewable hydro-generated electricity and will be among the world's lowest greenhouse gas emitters per unit of metal produced. Ivanhoe Mines has pledged to achieve net-zero operational greenhouse gas emissions (Scope 1 and 2) at the Kamo-Kakula Copper Mine when large-scale electric, hydrogen and hybrid underground mining equipment become commercially available. Ivanhoe also is exploring for new copper discoveries on its Western Foreland exploration licences in the DRC, near the Kamo-Kakula Project.

Information contacts

Investors: Bill Trenaman +1.604.331.9834 / Media: Matthew Keevil +1.604.558.1034

Forward-looking statements

Certain statements in this release constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities laws. Such statements and information involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the company, its projects, or industry results, 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 the company’s current expectations regarding future events, performance and results and speak only as of the date of this release.

Such statements include without limitation, the timing and results of: (i) statements regarding the ultra-high-grade, clean concentrate produced by Kamo-Kakula is expected to contain approximately 57% copper and very low levels of impurities; (ii) statements regarding Ivanhoe’s guidance for contained copper in concentrate expected to be produced by the Kamo-Kakula Project for the balance of 2021 of 80,000 to 95,000 tonnes; (iii) statements regarding Kakula is projected to be the world’s highest-grade major copper mine, with an initial mining rate of 3.8 Mtpa, ramping up to 7.6 Mtpa in Q3 2022; (iv) statements regarding Kamo-Kakula’s Phase 1 is expected to produce approximately 200,000 tonnes of copper per year, and Phases 1 and 2 combined are forecast to produce approximately 400,000 tonnes of copper per year; (v) statements regarding that, based on independent benchmarking, the project’s phased expansion scenario to 19 Mtpa would position Kamo-Kakula as the world’s second-largest copper mining complex, with peak annual copper production of more than 800,000 tonnes; (vi) statements regarding that based on a 2020 independent audit of Kamo-Kakula’s greenhouse gas intensity metrics performed by Hatch Ltd., the Kamo-Kakula Project will be among the world’s lowest greenhouse gas emitters per unit of copper produced; and (vii) statements regarding Kamo-Kakula and Kipushi will be powered by clean, renewable hydro-generated electricity and will be among the world’s lowest greenhouse gas emitters per unit of metal produced.

As well, all of the results of the Kakula definitive feasibility study, the Kakula-Kansoko pre-feasibility study and the Kamo-Kakula preliminary economic assessment, constitute forward-looking statements or information, and include future estimates of internal rates of return, net present value, future production, estimates of cash cost, proposed mining plans and methods, mine life estimates, cash flow forecasts, metal recoveries, estimates of capital and operating costs and the size and timing of phased development of the projects. Furthermore, with respect to this specific forward-looking information concerning the development of the Kamo-Kakula Project, the company has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include: (i) the adequacy of infrastructure; (ii) geological characteristics; (iii) metallurgical characteristics of the mineralization; (iv) the ability to develop adequate processing capacity; (v) the price of copper; (vi) the availability of equipment and facilities necessary to complete development; (vii) the cost of consumables and mining and processing equipment; (viii) unforeseen technological and engineering problems; (ix) accidents or acts of sabotage or terrorism; (x) currency fluctuations; (xi) changes in regulations; (xii) the compliance by joint venture partners with terms of agreements; (xiii) the availability and productivity of skilled

labour; (xiv) the regulation of the mining industry by various governmental agencies; (xv) the ability to raise sufficient capital to develop such projects; (xvi) changes in project scope or design; and (xvii) political factors.

Forward-looking statements and information involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indicators of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements or information, including, but not limited to, the factors discussed below and under "Risk Factors", and elsewhere in this release, as well as unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts with the company to perform as agreed; social or labour unrest; changes in commodity prices; and the failure of exploration programs or studies to deliver anticipated results or results that would justify and support continued exploration, studies, development or operations.

Although the forward-looking statements contained in this release are based upon what management of the company believes are reasonable assumptions, the company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this release.

The company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the factors set forth below in the "Risk Factors" section in the company's 2021 Q1 MD&A and its current annual information form.