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Ivanhoe Mines' exploration geologists receive the 2016 Colin Spence Award for excellence in global mineral exploration for the Flatreef Discovery of platinum-group metals in South Africa

VANCOUVER, CANADA — Robert Friedland, Executive Chairman of Ivanhoe Mines (TSX: IVN, OTCQX: IVPAF), and Lars-Eric Johansson, Chief Executive Officer, today congratulated Sello Kekana and Dr. David Broughton, two key members of the Ivanhoe Mines exploration team, who have received the prestigious 2016 Colin Spence Award for excellence in global mineral exploration from the Association for Mineral Exploration British Columbia (AME BC).

AME BC's Colin Spence award recognizes individuals who have made a significant contribution to enhance mineral resources through the original application of prospecting techniques or other geoscience technology.

The awards to Mr. Kekana and Dr. Broughton cite their roles in the discovery and delineation of the high-grade, flat-lying Flatreef underground deposit now being developed at Ivanhoe's Platreef platinum-group metals, nickel, copper and gold mining project on the Northern Limb of the Bushveld Complex in South Africa's Limpopo province. Mr. Kekana is head of Transformation at Ivanplats, the Ivanhoe Mines subsidiary developing the Platreef Mine. Dr. Broughton is Senior Advisor, Exploration and Geology, with Ivanhoe Mines.

"The recognitions of Sello and David for their contributions to the exceptional Flatreef Discovery are proud achievements for the individuals and another honour for our company," said Mr. Friedland.

"On behalf of the women and men of Ivanhoe, Mr. Johansson and I congratulate Sello and David. It is a particularly remarkable reward of destiny for Sello, who was born and raised in a small village that adjoins today's Platreef Project in the fabled Bushveld Complex. He used to graze his family's cattle on one of the farms that overlaid the Flatreef Discovery. Today, thanks in part to Sello, we're confident that Flatreef eventually will become one of the world's great platinum mines, contributing to economic growth across the region and providing opportunities and inspiration for a new generation of South African geologists to follow in his footsteps."



Sello Kekana



Dr. David Broughton

Mr. Kekana and Dr. Broughton will receive their awards at AME BC's Celebration of Excellence on January 25, 2017, during the annual Mineral Exploration Roundup conference in Vancouver, Canada.

The introduction to what was to become Ivanhoe's Flatreef Discovery story occurred 23 years ago when Bill Hayden, an Australia-based international geologist, approached Ivanhoe Capital to discuss potential exploration financing. Mr. Hayden and Mr. Friedland first met in 1993, one year after Mr. Hayden had lodged his second application in South Africa for prospecting rights to the Turfspruit and Macalacaskop properties north of Mokopane that, as we now know, host Ivanhoe's remarkable Flatreef Discovery.

"Mr. Hayden was the visionary whose geological passion and perseverance allowed our team of explorationists to be in a position to make the Flatreef Discovery," said Mr. Friedland.

Other key members of the Ivanhoe Mines Flatreef Discovery Team include Tim Dunnett, Danie Grobler, Devine Hadebe, Daniel Mudau, Shane Nielsen, Mike Phipps, Alfred Sarila, Kennedy Singo, Barry de Wet and Nick Williams. Within the Ivanhoe group's senior ranks, the late Ed Flood was a committed advocate for exploration of the Flatreef prospect.

AME BC's previous recognition of success by an Ivanhoe-group member

This will be the second time that a geologist from a Canadian company affiliated with Ivanhoe Capital Corporation, which represents some of Mr. Friedland's principal business interests in the international resources sector, has received a Colin Spence Award. In 2009, Charles Forster, formerly a Senior Vice President of Exploration with the original Ivanhoe Mines (now Turquoise Hill Resources), received the award for his work that led to the discovery of the Heruga copper-gold deposit, which now is part of the Oyu Tolgoi mining complex in Mongolia.

The award honours the memory of Colin Spence, a former exploration manager with Rio Algom. Born in Kenya, Mr. Spence graduated from London's Royal School of Mines in 1955 with a B.Sc. in mining geology before joining Consolidated Zinc Corporation of Canada. He worked in Noranda, Quebec, where he helped discover the Vauze copper-zinc deposit. In 1964, Mr. Spence transferred to Rio Algom, where he applied his skills to the massive sulphides of the Poirier and Anglo Rouyn mines. Over the subsequent years, Mr. Spence was involved in the exploration of Cordilleran sedimentary-exhalative and Mississippi-type lead-zinc deposits, epithermal copper deposits and porphyry copper-molybdenum, and copper-gold deposits.

Flatreef Deposit's distinctive high-grade mineralization

The Flatreef Project, approximately 280 kilometres northeast of Johannesburg, is owned by Ivanplats (Pty.) Ltd., which is 64%-owned by Ivanhoe Mines. A 26% interest is held by Ivanplats' historically-disadvantaged, broad-based, black economic empowerment (B-BBEE) partners, which include 20 local host communities with a total of approximately 150,000 people, project employees and local entrepreneurs. A Japanese consortium of ITOCHU Corporation and its affiliate, ITC Platinum, plus Japan Oil, Gas and Metals National Corporation and JGC Corporation, owns a 10% interest in Ivanplats, which it acquired in two tranches for a total investment of \$290 million.

Since 2007, Ivanhoe has focused its exploration activities at Flatreef on defining and advancing the underground Flatreef Deposit, which is amenable to highly mechanized, underground mining methods. Flatreef, with a strike length of six kilometres, predominantly lies within a flat to gently dipping portion of the Flatreef mineralized belt at relatively shallow depths of approximately 700 to 1,100 metres below surface.

The Platreef Deposit is characterized by its very large vertical thicknesses of high-grade mineralization and a platinum-to-palladium ratio of approximately 1:1, which is higher than other platinum-group metals (PGM) discoveries on the Bushveld's Northern Limb.

On May 11, 2016, Ivanhoe Mines announced an updated estimate for Mineral Resources amenable to underground mining methods within the Platreef Deposit. Indicated Mineral Resources contain an estimated 42.0 million ounces of PGM plus gold – a gain of 45% – with an additional 52.8 million ounces in Inferred Resources, at the base case cut-off grade of 2 grams/tonne. At a cut-off grade of 1 gram/tonne, Indicated Mineral Resources contain an estimated 58.8 million ounces of PGM plus gold, and an additional 94.3 million ounces in Inferred Resources.

The May 2016 Mineral Resource estimate was prepared by Ivanhoe Mines under the direction of Dr. Harry Parker, RM SME of Amec Foster Wheeler E&C Services Inc. Dr. Parker and Timothy Kuhl RM SME, also of Amec Foster Wheeler, have independently confirmed the Mineral Resource estimate and are the Qualified Persons for the estimate, which has an effective date of April 22, 2016.

The scientific and technical information in this news release has been reviewed and approved by Stephen Torr, P.Geo., Ivanhoe Mines' Vice President, Project Geology and Evaluation, a Qualified Person under the terms of National Instrument 43-101. Mr. Torr, who is not independent of Ivanhoe Mines, has verified the technical data disclosed in this news release.

Ivanhoe has prepared a current, independent, NI 43-101-compliant technical report for the Platreef Project that is available under the company's SEDAR profile at www.sedar.com and on the company's website at www.ivanhoemines.com. The technical report includes relevant information regarding the effective dates and the assumptions, parameters and methods of the mineral resource estimates on the Platreef Project cited in this release, as well as information regarding data verification, exploration procedures and other matters relevant to the scientific and technical disclosure contained in this release in respect of the Platreef Project.

About the Association for Mineral Exploration British Columbia

The Association for Mineral Exploration British Columbia (AME BC) is the lead association for the mineral exploration and development industry based in British Columbia. AME BC has established seven awards that are named in honour of eminent persons recognized for their distinguished service, leadership and contribution to the mineral exploration industry.

Past recipients of the Colin Spence award include Ross Beaty, Roman Shklanka, Charles Forster, Mark Rebagliati, the Rubicon team, Jeff Pontius and the International Tower Hill team, Michael Gunning and Alistair McCready, Ben and Garret Ainsworth, and Duane and Morgan Poliquin.

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 **Kamoa-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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