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Ivanhoe Mines begins new era of commercial copper production



Kamoa-Kakula discovery enters production after 24 years of dedicated exploration and development efforts



Democratic Republic of Congo's President Félix Tshisekedi congratulates Ivanhoe for reaching the production milestone at the world-class discovery



Phase 2 concentrator expansion continues ahead of schedule

KOLWEZI, DEMOCRATIC REPUBLIC OF CONGO – Ivanhoe Mines (TSX: IVN; OTCQX: IVPAF) Co-Chairs Robert Friedland and Yufeng “Miles” Sun are pleased to announce the start of copper concentrate production at the Phase 1, 3.8 million-tonne-per-annum (Mtpa) Kamoa-Kakula Mine, on May 25th, several months ahead of schedule.

His Excellency Félix Tshisekedi, President of the Democratic Republic of the Congo, commented on the significance of the start of production at Kamoa-Kakula: *“The start of production of copper concentrate at the Kamoa-Kakula Mine indicates that the DRC is open for business and investment. We congratulate Ivanhoe Mines for having reached this milestone on this world-class discovery.”*

First ore was introduced into the concentrator plant on May 20th to perform initial hot commissioning tests on the ball mills and other processing equipment. The initial mill feed grade reached approximately 4% copper shortly after start-up. As of May 25th, 5% to 6% copper ore is being conveyed directly from Kakula's underground mining operations to the run-of-mine stockpile and the concentrator. Based on extensive testwork, the concentrator is expected to produce a very high-grade, clean concentrate grading approximately 57% copper, with extremely low arsenic levels.

“This is a historic moment for Ivanhoe Mines and the Democratic Republic of Congo,” said Mr. Friedland. “Discovering and delivering a copper province of this scale, grade and outstanding ESG credentials, ahead of schedule and on budget, is a unicorn in the copper mining business. This accomplishment reflects the outstanding cooperation of thousands of individuals, and all of our joint-venture partners at Kamoa-Kakula.

“Although this exploration journey started well over two decades ago, it also is noteworthy that the Kakula deposit itself was discovered a little over five years ago, which is remarkable progress by the mining industry’s glacial standards from first drill hole to a new major mining operation.

“The initiation of production puts us on the path to establish Kamo-Kakula as the second largest, and perhaps eventually the largest, copper mining complex in the world. What really excites our geologists is the profound potential to find additional Kamo-Kakula-like copper discoveries on our massive Western Foreland exploration licences right next door, in an identical geologic setting.”

Co-Chairman Miles Sun also commented: “Today marks a monumental milestone not only for Ivanhoe Mines, but also for Kamo-Kakula’s host country – the Democratic Republic of Congo, our young, dedicated Congolese employees, and local communities. We all are extremely proud to be part of this remarkable achievement, which is a true reflection of Ivanhoe’s 24 years of tenacity and commitment to the country and industry.

“The inception of Phase 1 is the birth of a copper complex that will benefit generations to come, and we very much look forward to the upcoming phases of expansion and exploration opportunities. Huge congratulations to the entire Ivanhoe Mines team and a roaring applause to all the hard-working suppliers and contractors for collectively completing this mammoth undertaking!”

Mr. Jinghe Chen, an Ivanhoe Director and Chairman of Zijin Mining, added: “As a joint-venture partner and a shareholder of Ivanhoe Mines, Zijin Mining is tremendously proud to showcase the fruition of this exceptionally successful partnership with Ivanhoe in bringing Phase 1 of Kamo-Kakula into production ahead of time, while overcoming the significant challenges presented by an unprecedented global pandemic. It truly has required a global band of dedicated and exceptional talents that consist of the 7,000 workers onsite, and most importantly, the unwavering support from all our stakeholders, to make this important milestone a reality.”

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.

The company plans to provide an update on Phase 1 copper concentrate off-take arrangements in the near term.

In April, the Kakula Mine mined 357,000 tonnes of ore grading 5.70% copper, including 121,000 tonnes grading 8.40% copper from the mine's high-grade centre. The company will update May's production in early June, and will continue with its practice of monthly progress updates.

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. 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-a-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-a-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-a North (including the Bonanza Zone) and Kakula West.

A 2020 independent audit of Kamo-a-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-a-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%).

Watch a new video highlighting the commissioning of Kamo-a-Kakula's Phase 1 concentrator plant and production of copper concentrate:

<https://vimeo.com/555053503/10c1906415>

(L-R) Mark Farren, Kamo Copper's CEO; Steve Amos, Kamo Copper's Head of Projects; and Wimpie Steyn, Risk Control Manager, holding some of Kamo Copper's first copper concentrate.



Narcisse Kabuld, Crane Operator, with the first copper concentrate.



Kamoa Copper appoints SGS CONGO for on-site analytical services

Kamoa Copper has appointed Société Générale de Surveillance (SGS) CONGO S.A., an accredited laboratory service provider for on-site analytical services. SGS is the world's leading inspection, verification, testing and certification company and is headquartered in Geneva, Switzerland. The new assay laboratory is equipped with state-of-the-art equipment. Results for various mine, exploration and processing sample types will be reported using a wide range of analytical techniques that are specifically selected to provide accurate and precise results within the time required to efficiently control concentrator and mine processes.

Process control samples will be analyzed using portable x-ray fluorescence (pXRF) devices with a quick turnaround time for concentrator plant monitoring and control. Metal accounting samples will be analyzed by using two simultaneous ICP-OES multi-element instruments. The dual measurement mode of the ICP-OES instrumentation enables the analysis of critical elements such as mercury, arsenic, lead, etc., by providing high measurement sensitivity while the combination of two-sample digestion methods (fusion and acid digestion) will cover a wide range of analytic levels.

The high-grade copper samples will be analyzed using classical iodide titration method, which provides good accuracy and precision that is required for the dispatch samples. Convenient and flexible potentiometric auto titrators provide efficient and accurate results that are fully traceable to international methods and standards.

Ruth Karaj Irung, SGS Lab Assistant, in the weighing room at the new assay lab.



Aerial view of the Kakula Mine. The northern portal, run-of-mine stockpile and main pre-production stockpiles are within the red circle. The Phase 1 concentrator, the concentrator storage shed, and the foundations for the Phase 2 concentrator are within the large yellow circle; the backfill plant is in the blue circle; the main 220-kilovolt electrical substation is in the green circle; and the green arrow points to the new 220-kilovolt powerline.



Kamoa-Kakula's Phase 1 concentrator plant, with the foundations for the Phase 2 concentrator on the left. The concentrate storage building is in the background.



Kamoa-Kakula's Phase 1 concentrator plant now in continuous operation.



Members of the commissioning team at one of two balls mills at the Phase 1 concentrator. (L-R) Eddie Mong, Instrumentation Superintendent, Kamo Copper; Aldo Groenewald, Commissioning Manager, DRA; Vongani Nkuna, Group Manager, Metallurgy, Kamo Copper; Raul Bowers, Lead Process Engineer, DRA.



Jack Shongo completing the painting of pipes at the concentrator plant.



Yannick Tshala Ntambwe surveying one of the high-grade drifts at the Kakula



Mine.

Vongani Nkuna, Group Manager, Metallurgy, monitoring the commissioning of the ball mills.



Loading balls into the ball mills as part of the commissioning process.



Crew members and contractors celebrating the commissioning of the ball mills.



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 concentrates 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 wholly-owned Western Foreland exploration licences in the DRC, near the Kamo-Kakula Project.

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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 concentrator is expected to produce a very high-grade, clean concentrate grading approximately 57% copper, with extremely low arsenic levels; (ii) statements regarding Kamo-a-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; (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. 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; (iv) statements regarding, that based on independent benchmarking, the project’s phased expansion scenario to 19 Mtpa would position Kamo-a-Kakula as the world’s second-largest copper mining complex, with peak annual copper production of more than 800,000 tonnes; and (v) statements regarding Ivanhoe’s guidance for contained copper in concentrate expected to be produced by the Kamo-a-Kakula Project for the balance of 2021 of 80,000 to 95,000 tonnes.

As well, all of the results of the Kakula definitive feasibility study, the Kakula-Kansoko pre-feasibility study and the Kamo-a-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-a-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.