

Extractive Sector Transparency Measures Act Report

Reporting Year **From:** *January 1, 2016* **To:** *December 31, 2016*
Reporting Entity Name *Ivanhoe Mines Ltd.*
Reporting Entity ESTMA Identification Number *E433380*
Subsidiary Reporting Entities (if necessary) *Not applicable*

Attestation: Please check one of the boxes below and provide the required information

Attestation (by Reporting Entity)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Attestation (through independent audit)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest that I engaged an independent auditor to undertake an audit of the ESTMA report for the entity(ies) and reporting year listed above. Such an audit was conducted in accordance with the Technical Reporting Specifications issued by Natural Resources Canada for independent attestation of ESTMA reports.

The auditor expressed an unmodified opinion, dated [ENTER DATE: YYYY-MM-DD], on the ESTMA report for the entity(ies) and period listed above. The independent auditor's report can be found at [INSERT WEBLINK TO AUDIT OPINION POSTED ONLINE – link should be on same page as report link]

Director or Officer of Reporting Entity

Full Name:

Martie Cloete

Date: *May 29, 2017*

Position Title:

Chief Financial Officer

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year
Reporting Entity Name

From: January 1, 2016 **To:** December 31, 2016
Ivanhoe Mines Ltd.

Reporting Entity ESTMA
Identification Number

E433380

Subsidiary Reporting Entities (if
necessary)

Not applicable

Payments by Payee

Country	Payee Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
Democratic Republic of Congo	Government of the Democratic Republic of Congo					105,000,000			105,000,000	The bonus relates to the additional 15% interest in the Kamoia-Kakula Project transferred to the DRC government in 2016. The value is equal to the share based payment recognised in the consolidated financial statements of Kamoia Holding Limited in accordance with International Financial Reporting Standards (IFRS).
Democratic Republic of Congo	SNEL (Société nationale d'électricité)							12,850,000	12,850,000	
South Africa	Eskom							2,150,000	2,150,000	See note 4 below.
South Africa	SANRAL (South African National Roads Agency)							1,060,000	1,060,000	See note 4 below.
Democratic Republic of Congo	Government of the Democratic Republic of Congo - CAMI (Cadastre Minier)	1,020,000							1,020,000	
Democratic Republic of Congo	Government of the Democratic Republic of Congo - DGI (Direction Générale Des Impôts)	990,000		30,000					1,020,000	
Democratic Republic of Congo	Province du Haut-Katanga - OVD (Office des Voiries et Drainage)							520,000	520,000	
South Africa	Limpopo Provincial Government - Department of Cooperative Governance, Human Settlements & Traditional Affairs - Platreef host communities			250,000				240,000	490,000	See note 4 below.
Democratic Republic of Congo	La Générale des Carrières et des Mines (Gécamines)			400,000					400,000	
Democratic Republic of Congo	Government of the Democratic Republic of Congo - DGRAD (Direction Générale des Recettes Administratives et Domaniales)	50,000		220,000					270,000	
Democratic Republic of Congo	Territoire de Kipushi - Hospital General Du Cinquantenaire Kipushi			230,000					230,000	
South Africa	Government of South Africa - Department of Higher Education and Training			230,000					230,000	See note 4 below.
Democratic Republic of Congo	Kaponda Community Traditional Authority							160,000	160,000	
Democratic Republic of Congo	Province du Lualaba							100,000	100,000	
Democratic Republic of Congo	Province du Haut-Katanga - Direction des Recettes du Haut-Katanga	100,000							100,000	
Democratic Republic of Congo	Government of the Democratic Republic of Congo - DGM (Direction Générale de Migration)			60,000					60,000	
Democratic Republic of Congo	Government of the Democratic Republic of Congo - Ministère des Mines			50,000					50,000	
South Africa	Government of South Africa - Department of Education			30,000					30,000	See note 4 below.
Democratic Republic of Congo	Government of the Democratic Republic of Congo - l'Agence de Régulation des Postes et des Communications Electroniques			10,000					10,000	

Notes:

- (1) Reported payments have been rounded to the nearest \$10,000
- (2) All dollar figures stated herein are in U.S. dollars, unless otherwise specified.
- (3) Payments reported for the Kamoia-Kakula Project includes the full payments made in the joint venture (100%, not just Ivanhoe's 39.6% in the Kamoia-Kakula Project).
- (4) Payments in South Africa were made in South African Rand (ZAR) and converted to dollars at an exchange rate of USDZAR13.63 being the exchange rate on December 31, 2016, Ivanhoe's financial year end.

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year
Reporting Entity Name
Reporting Entity ESTMA
Identification Number

From: January 1, 2016 **To:** December 31, 2016
 Ivanhoe Mines Ltd.
 E433380

Subsidiary Reporting Entities (if necessary)

Not applicable

Payments by Project

Country	Project Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
Democratic Republic of Congo	Kamoa-Kakula Copper Project	1,620,000		310,000		105,000,000		13,110,000	120,040,000	The bonus relates to the additional 15% interest in the Kamoa-Kakula Project transferred to the DRC government in 2016. The value is equal to the share based payment recognised in the consolidated financial statements of Kamoa Holding Limited in accordance with International Financial Reporting Standards (IFRS).
South Africa	Platreef Project			510,000				3,450,000	3,960,000	Payments made in South Africa were made in South African Rand (ZAR) and converted to dollars at an exchange rate of USDZAR13.63 being the exchange rate on December 31, 2016, Ivanhoe's financial year end.
Democratic Republic of Congo	Kipushi Project	40,000		690,000				520,000	1,250,000	
Democratic Republic of Congo	DRC Regional Exploration	490,000							490,000	

Notes:
 (1) Reported payments have been rounded to the nearest \$10,000
 (2) All dollar figures stated herein are in U.S. dollars, unless otherwise specified.
 (3) Payments reported for the Kamoa-Kakula Project includes the full payments made in the joint venture (100%, not just Ivanhoe's 39.6% in the Kamoa-Kakula Project).