

IVANHOE MINES LTD.

and

IVANHOE MINES US LLC

and

ZIJIN MINING GROUP CO., LTD.

and

GOLD MOUNTAINS (H.K.) INTERNATIONAL MINING COMPANY LIMITED

and

CRYSTAL RIVER GLOBAL LIMITED

and

KAMOA HOLDING LIMITED

**AMENDED AND RESTATED SHAREHOLDER, GOVERNANCE AND OPTION
AGREEMENT**

December 7, 2016

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ADDENDA

SCHEDULE “A” Share Ownership

AMENDED AND RESTATED SHAREHOLDER, GOVERNANCE AND OPTION AGREEMENT

Amended and Restated Shareholder, Governance and Option Agreement dated December 7, 2016 among Ivanhoe Mines Ltd. ("**Ivanhoe Mines**"), Ivanhoe Mines US LLC ("**Ivanhoe Mines US**"), Zijin Mining Group Co., Ltd. ("**Zijin**"), Gold Mountains (H.K.) International Mining Company Limited (the "**Zijin Purchaser**"), Crystal River Global Limited (the "**1% Holder**"), and Kamoa Holding Limited (the "**Corporation**").

RECITALS:

- (a) The Parties wish to collaborate in the development and operation of the Kamoa Project, a copper discovery in a previously unknown extension of the Central African Copperbelt in Katanga Province in the Democratic Republic of Congo (the "**DRC**").
- (b) The Kamoa Project is held indirectly by the Corporation through its 95% share ownership interest in Kamoa Copper SA ("**ProjectCo**").
- (c) Ivanhoe Mines US (a wholly-owned subsidiary of Ivanhoe Mines), Zijin Purchaser (a wholly-owned subsidiary of Zijin), and the 1% Holder are the registered and beneficial owners of the Shares of the Corporation as set out in Schedule "A".
- (d) The Parties have entered into this Agreement to establish, among other things, rights and obligations arising out of or in connection with the ownership of the Shares and governance matters related thereto and the development and operation of the Kamoa Project.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms

As used in this Agreement, the following terms have the following meanings:

"**1% Holder**" means Crystal River Global Limited.

"**1% Holder Prom Note**" has the meaning specified in the Share Acquisition Agreement.

"**1% Holder Shares**" has the meaning specified in Section 10.1.

"**1% Option**" has the meaning specified in Section 10.1.

"**1% Option Closing Date**" has the meaning specified in Section 10.4.

"1% Option Effective Date" has the meaning specified in Section 10.4.

"1% Option Exercise Condition" has the meaning specified in Section 10.2.

"1% Option Exercise Notice" has the meaning specified in Section 10.4.

"1% Option Expiry Time" has the meaning specified in Section 10.4.

"1% Option Purchase Price" means the then current market value of the 1% Holder Shares as determined by independent expert evaluator(s) appointed and paid for by Zijin Purchaser and/or the 1% Holder.

"Act" means the Companies Act of Barbados Chapter 308 of the Laws of Barbados.

"Affiliate" means, in respect of any Person, (i) any other Person directly or indirectly controlling, controlled by or under common control with that Person, or (ii) any other Person that, directly or indirectly, owns or controls 50% or more of any class of equity securities (including any equity securities issuable upon the exercise of any option or convertible security) of that Person. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by", and "under common control with") as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through ownership of voting securities, by contract, voting trust or otherwise.

"Agreement" means this amended and restated shareholder, governance and option agreement and all schedules attached to it as amended, modified, restated, replaced or supplemented from time to time.

"Annual Program and Budget" has the meaning specified in Section 4.4(3).

"Articles" means the articles of incorporation of the Corporation, as amended to the date of this Agreement, and as may be amended, replaced or superseded from time to time in accordance with this Agreement.

"Auditor" means the auditor identified in Section 4.13 or such other firm of chartered accountants mutually agreed upon by the Parties.

"Authorization" means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

"Books and Records" means all information in any form relating to the Business and Operations of the Corporation and its Subsidiaries (including Ivanhoe Mines Energy and ProjectCo), including books of account, financial and accounting information and records, personnel records, tax records, supplier lists, research and development reports and records, exploration reports and records, drilling and associated results, equipment logs, operating guides and manuals, business reports, plans and projections, marketing

and advertising materials and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices).

“Business” has the meaning specified in Section 4.1.

“Business Day” means any day of the year, other than a Saturday, Sunday or day on which major banks are closed for business in any of Vancouver, Canada or Hong Kong, SAR of the People’s Republic of China.

“Capital Required for Phase 1 of Development” means the Capital Expenditures (excluding sustaining Capital Expenditures and working capital) as set forth in the Feasibility Study and as accepted by the Project Financing provider(s) in connection with Phase 1 Project Financing, including any Capital Expenditures prior to the Feasibility Study which have been accepted by the Project Financing provider(s) to be included in the Corporation’s contribution for the purpose of calculation of the Corporation’s contribution in connection with Phase 1 Project Financing, provided that such Capital Expenditures prior to the Feasibility Study and/or the funding for such Capital Expenditures shall be duly approved by the Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation, or shareholders of ProjectCo, if required.

“Capital Expenditures” means for the aggregate of any Cost made or incurred by or on behalf of the Corporation and/or the DRC Subsidiaries, on a consolidated basis, including for the purchase, acquisition, license, erection, development, improvement, construction, repair or replacement of capital assets, and any expenditure related to a capital lease or an operating lease in respect of which such Person has furnished a residual value guarantee to the lessor, all as determined in accordance with IFRS.

“Closing” means the completion of the Transfer of the Shares and Inter-Company Debt contemplated in the Share Acquisition Agreement which occurred on 8 December 2015.

“Commercial Production” means the operation of all or part of the Kamo Project as a producing mine, but does not include bulk sampling or milling for the purpose of testing or milling by a pilot plant, and will be deemed to have commenced on the 1st day of the month following the first 15 consecutive days during which Minerals have been produced from a mine at an average rate of not less than 85% of the initial noted capacity if a plant is located at the Kamo Project or if no plant is located at the Kamo Project, the last day of the first period of 15 consecutive days during which ore has been shipped from the Kamo Project for the purpose of earning revenues, whether to a plant or facility constructed for such a purpose or to a plant or facility already in existence, at an average rate of not less than 85% of the initial noted mining rate in the Feasibility Study.

“Completion Guarantees” means a guarantee required to be given hereunder (but not by a Person that is not a Party hereto or an Affiliate of a Party hereto), as required by Project Financing provider(s) in connection with and as a condition of any Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing, as the

case may be, in respect of the payment by the Corporation of any Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing that is or becomes due or payable. Such Completion Guarantee shall be provided solely by the Party who has arranged and/or procured the Phase 1 Project Financing, the Subsequent Project Financing or the Ivanhoe Project Financing, as the case may be.

“Corporation” means Kamo Holding Limited and any successor corporation resulting from any amalgamation, merger, arrangement or other corporate reorganization.

“Costs” means the sum of all cash operating, investing and financing outflows of a Person, excluding only the repayment of the principal component of any Debt then outstanding, including any Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing, and any return of equity capital to Shareholders, by way of dividend, redemption, or otherwise as permitted, and including all taxes, royalties, interest, foreign exchange changes, capital, operating, general, administrative and other ancillary costs without limiting the generality of such description, and irrespective of how such costs are treated by IFRS for accounting purposes, whether they be expensed, capitalized or otherwise.

“Debt” means in respect of a Person, (i) all indebtedness of the Person for borrowed money and (ii) all indebtedness of the Person for the deferred purchase price of property or services represented by a note, bond, debenture or other evidence of debt.

“Debt Financing Period” means for any of the Phase 1 Project Financing, Ivanhoe Project Financing or Subsequent Project Financing, a period starting from the date of the initial draw-down of such financing until the date of the full repayment of such financing.

“Development” means operations involved in the preparation for Mining, including all work necessary, expedient or desirable for development of the Minerals including but not limited to the preparation of a Pre-Feasibility Study and a Feasibility Study and any update or review of a Pre-Feasibility Study and a Feasibility Study, and all work required to develop such mineral deposit and bring it into commercial production in accordance with a Pre-Feasibility Study or a Feasibility Study including mine development and construction, installation and commissioning of all buildings, plant and equipment and other infrastructure required for the commencement of commercial production and all other work commonly regarded as development work in accordance with good mining practice, including applying for and obtaining permits necessary or desirable for development work (which shall include studies, monitoring, and meetings with the applicable Governmental Entities involved in the permitting process) and local community engagement and consultations.

“Directors” means the Persons who are elected or appointed as directors of the Corporation in accordance with this Agreement.

“Dispute” has the meaning specified in Section 13.1.

“DRC” means the Democratic Republic of Congo.

“DRC Mining Laws” means the Mining Code (Law No. 007/2002 of 11 July 2002) as amended or supplemented, and related regulations, ordinances and decrees of the Democratic Republic of Congo.

“DRC Subsidiaries” means Kamoa Copper SA and Ivanhoe Mines Energy DRC SARL.

“Effective Date” means the date that Closing occurs.

“Exploration” means any prospecting or exploration work carried out with respect to the Minerals, including ground and airborne geophysical and radiometric work, geochemical surveys, drilling, bulldozing, trenching, evaluation of work done and all other work commonly regarded as prospecting or exploration work in accordance with good mining practice including evaluation studies, the commissioning and preparation of any preliminary economic assessment(s), applying for and obtaining permits necessary or desirable for exploration work (which shall include studies, monitoring, and meetings with the applicable Governmental Entities involved in the permitting process) and local community engagement and consultations.

“Feasibility Study” means a comprehensive technical and economic study of the selected development option for the Kamoa Project that includes appropriately detailed assessments of applicable considerations used to convert mineral resources to mineral reserves (including but not restricted to mining, processing, metallurgical, infrastructure, economic (including interest payable under the Project Financing), marketing, legal, environmental, social and governmental factors) together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable), the results of which study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance (including Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing), the development of the Kamoa Project.

“Financial Year” means the twelve month period commencing on January 1 of each year and ending on December 31 of the same year.

“Free Cash Flow” means the sum of all operating, investing and financing cash inflows and outflows, including the repayment of the principal component of any Debt then outstanding, including any Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing, and excluding only any return of equity capital to Shareholders, by way of dividend, redemption, or otherwise as permitted, and including all taxes, royalties, interest, foreign exchange changes, capital, operating, general, administrative and other ancillary costs without limiting the generality of such description, and irrespective of how such costs are treated by IFRS for accounting purposes, whether they be expensed, capitalized or otherwise.

“General Manager” has the meaning specified in Section 4.7(1).

“Governmental Entity” means (i) any governmental or public department, central bank, court, minister, governor-in-counsel, cabinet, commission, tribunal, board, bureau,

agency, commissioner or instrumentality, whether international, multinational, national, federal, provincial, state, municipal, local, or other; (ii) any subdivision or authority of any of the above; (iii) any stock exchange; and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

"IFRS" means International Financial Reporting Standards.

"Inactive Shareholder" means a Shareholder after any of the following events occur with respect to such Shareholder:

- (a) the Shareholder: (i) acknowledges that it is insolvent or unable to pay its debts as they become due; (ii) makes an assignment for the benefit of its creditors; (iii) appoints or allows the appointment of any receiver, receiver-manager, trustee, liquidator or other Person acting in a similar capacity; (iv) institutes any proceeding seeking to have it adjudicated a bankrupt or insolvent; or (v) takes any action or institutes any proceeding for the purpose of, or leading to, the liquidation, dissolution, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of the Shareholder or its debts under any Law relating to bankruptcy, insolvency, reorganization or relief of debtors;
- (b) the Shareholder materially breaches this Agreement and the breach is not remedied within thirty (30) Business Days; or
- (c) as contemplated in Section 15.1.

"Initial Annual Program and Budget" means Ivanhoe Mines' existing exploration and development program and budget for the Kamoa Project for 2015, a copy of which has been provided to Zijin.

"Interim Annual Program and Budget" has the meaning specified in Section 4.8(4).

"Ivanhoe Mines" means Ivanhoe Mines Ltd.

"Ivanhoe Mines Energy" means Ivanhoe Mines Energy DRC SARL.

"Ivanhoe Mines US" means Ivanhoe Mines US LLC.

"Ivanhoe Project Financing" has the meaning specified in Section 8.1(3).

"Kamoa Project" means the mineral exploration and development project consisting of exploitation permits 12873, 13025 (upon which the Kakula discovery is situated), and 13026 and exploration permit 703, all of which have been issued by the Mining Cadastre of the DRC and are held by ProjectCo and are located in Katanga Province, DRC.

"Kamoa Rights" means exploitation permits 12873, 13025 (upon which the Kakula discovery is situated), and 13026 and exploration permit 703, all of which have been issued by the Mining Cadastre of the DRC, together with any renewals thereof and any

other form or substitute or successor title thereto, including any mineral rights derived from or into which any such permits or interests may have been or may thereafter be converted.

“Law” means any and all applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws, (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Entity, and (iii) policies, guidelines, notices and protocols of any Governmental Entity, to the extent they have the force of law.

“Liabilities” means any and all liabilities, obligations, claims, demands, allegations, causes of action, actions, suits, proceedings, prosecutions, orders, debts, penalties, fines, charges, judgments, damages, losses, costs and expenses (including legal fees and disbursements on a solicitor and own client basis and fees and disbursements of consultants and experts) of every kind whatsoever, whether actual or potential, direct or indirect, known or unknown, and whenever and however arising, including any and all environmental liabilities.

“Lien” means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant or other encumbrance of any nature which, in substance, secures payment or performance of an obligation.

“Management” has the meaning specified in Section 4.7(3).

“Management Fee Agreement” means the management fee agreement dated August 23, 2012 between Ivanhoe Mines and ProjectCo.

“Material Contract” means (a) before the delivery of a Feasibility Study, any contract which has a total commitment or obligation of the Corporation or the DRC Subsidiaries over the life of the contract of US\$10,000,000 or greater, and (b) after the delivery of a Feasibility Study, a life of contract amount to be agreed by Shareholders holding no less than 80.01% of the outstanding Shares.

“Minerals” means all saleable ore and concentrates or other minerals (including, without limitation, copper) which are located on or under the area comprising the Kamoa Project.

“Mining” means the mining, extraction, processing, handling, concentrating and sale of Minerals in commercial quantities at the Kamoa Project and other work related thereto as may be incidental or reasonably required including applying for and obtaining permits necessary or desirable for Mining activities (which shall include the costs for studies, monitoring, and meetings with the applicable Governmental Entities involved in the permitting process) and local community engagement and consultations.

“Notice” has the meaning specified in Section 15.3.

“Offer” has the meaning specified in Section 6.1(1).

“Offer Acceptance Notice” has the meaning specified in Section 6.1(2).

“Offer Period” has the meaning specified in Section 6.1(2).

“Offtake” has the meaning specified in Article 9.

“On-Default Option” has the meaning specified in Section 11.1.

“On-Default Option Closing Date” has the meaning specified in Section 11.4.

“On-Default Option Effective Date” has the meaning specified in Section 11.4.

“On-Default Option Exercise Condition” has the meaning specified in Section 11.2.

“On-Default Option Exercise Notice” has the meaning specified in Section 11.4.

“On-Default Option Purchase Price” has the meaning specified in Section 11.3.

“On-Default Option Holder” has the meaning specified in Section 11.1.

“Operations” means every kind of work including with respect to Exploration, Development, Mining, mine reclamation or rehabilitation and other activities carried out or to be carried out under this Agreement in respect of the Kamoa Project, and all other business affairs and activities necessary or incidental thereto, including the provision of power to the Kamoa Project as long as the Corporation continues to hold an interest in Ivanhoe Mines Energy.

“Parties” means the Corporation, Ivanhoe Mines, Zijin, and each of the Shareholders and any other Person who becomes a party to this Agreement, and **“Party”** means any of them.

“Permitted Transferee” means, in respect of any Shareholder, any Subsidiary or Affiliate of the Shareholder, but excludes any such entity that may be subject to any investigation, disciplinary proceedings or prosecution by any securities commission or other Governmental Entity in Canada, the United States, Hong Kong SAR of the People’s Republic of China, or the People’s Republic of China.

“Person” means an individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

“Phase 1 of Development” means the first phase of Development of the Kamoa Project as set forth in the Feasibility Study.

“Power Financing Agreement” means a financing agreement dated March 21, 2014 between Ivanhoe Mines Energy and La Société Nationale d’Electricité SARL relating to the upgrade of the Koni, Mwadingusha and Nzilo hydroelectric power plants.

“Pre-Feasibility Study” means the pre-feasibility study with respect to the Kamoā Project currently under preparation by Ivanhoe Mines as of the Effective Date.

“Production” means the Minerals in a saleable product produced at the Kamoā Project.

“Proportionate Interest” means at any time with respect to a Shareholder, the Shareholder’s rateable ownership of Shares expressed as a percentage, which percentage is determined by dividing the number of Shares owned by the Shareholder by the total number of Shares owned by all Shareholders.

“Proposed Annual Program and Budget” has the meaning specified in Section 4.4(1).

“Project Committee” has the meaning specified in Section 4.3(1).

“Phase 1 Project Financing” has the meaning specified in Section 8.1.

“Project Financing” means the financing of a long term project or of a phase of such project based upon a non-recourse or limited recourse (excluding Completion Guarantees), financial structure where project debt to finance the project is paid back from the cash flow generated by the project.

“ProjectCo” means Kamoā Copper SA and any successor corporation resulting from any amalgamation, merger, arrangement or other corporate reorganization.

“Purchased Shares” means the Shares being Transferred pursuant to a Sale Transaction.

“Purchaser” means any Person or Persons purchasing or otherwise acquiring Shares pursuant to a Sale Transaction.

“Quorum” has the meaning specified in Section 3.2(4).

“Related Party Contract” means a contract entered into among the Corporation and/or any of its Subsidiaries, on the one hand, and any other Party to this Agreement and/or any of their respective Affiliates, on the other hand.

“Sale Shares” has the meaning specified in Section 6.1(1).

“Sale Closing Date” with respect to a Sale Transaction has the meaning specified in Section 6.1(3).

“Sale Transaction” means any transaction of purchase and sale defined in Section 6.1(3).

“Securities Pledge Agreement” means the securities pledge agreement dated December 8, 2015 between the Corporation, Ivanhoe Mines US and Zijin Purchaser.

“Selling Shareholder” has the meaning specified in Section 6.1(1).

“Share Acquisition Agreement” means the share acquisition agreement dated May 26, 2015 among Ivanhoe Mines, Ivanhoe Mines US, Zijin, Zijin Purchaser and the 1% Holder, as amended by an Extension and Closing Agreement dated 21 November 2015.

“Shares” means the common shares of the Corporation.

“Shareholder” means each of Ivanhoe Mines US, Zijin Purchaser and the 1% Holder, and any Person who acquires Shares from any of the foregoing in compliance with this Agreement.

“Shareholder Quorum” has the meaning specified in Section 3.3.

“Specified Number” has the meaning specified in Section 6.1(2).

“Subsequent Project Financing” has the meaning specified in Section 8.3.

“Subsidiary” means, with respect to any Person, any corporation, partnership, association or other business entity of which (a) if a corporation, a majority of the total voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a partnership, association or other business entity, a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For these purposes, a Person or Persons are deemed to have a majority ownership interest in a partnership, association or other business entity if such Person or Persons are allocated a majority of partnership, association or other business entity gains or losses or control the managing director, managing member, general partner or other managing Person of such partnership, association or other business entity.

“Sustaining Budget Items” means any budget items in an Annual Program and Budget or an Interim Annual Program and Budget as below:

- (d) any fees, royalties, charges, payments or other expenditures required under DRC Mining Laws to keep the Kamoa Rights in good standing and not subject to termination or forfeiture;
- (e) any taxes, government fees or payments under any enforceable and non-appealable judicial, regulatory or government decision, order, judgement or writ required to be paid by the Corporation or any of the DRC Subsidiaries of any nature, including any taxes related to the Kamoa Rights;
- (f) any payment required under any contract (including any contract related to the Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing, as the case may be) where the failure to make any such payment would constitute an event of default under such contract, or would subject the contract to termination by any counterparty, but provided that if a contract can

be terminated in order to lessen or reduce payments otherwise required under the contract, without materially adversely affecting the Kamoa Rights and without materially adversely impacting the Kamoa Project, it shall be terminated;

- (g) all payments required to maintain the security of the Kamoa Project, including security personnel, on a care and maintenance basis only;
- (h) all payments required to maintain all equipment, in its then current state, at the Kamoa Project to ensure no degradation of such equipment from its then current state;
- (i) the amount required to continue to pay all employees employed by the Corporation or any DRC Subsidiary until an Annual Program and Budget is approved, or unless Shareholders holding at least 80.01% of the then total issued and outstanding Shares of the Corporation agree otherwise with respect to employees, and provided that at all times, the General Manager shall, in good faith, recommend, to the Directors for a decision to be made, such reasonable actions as are necessary to reduce associated employment costs without materially affecting the Kamoa Project;
- (j) Costs to prevent or address injury to any person at the Kamoa Project or to prevent, address or mitigate the effects of any environmental hazard, any occupational health, safety and welfare hazard, or any emergency,

provided that Shareholders holding at least 80.01% of the then total issued and outstanding Shares of the Corporation may from time to time change the scope of the Sustaining Budget Items.

“Third Party” means any Person who is dealing at arm’s length with a Shareholder and does not include any Subsidiary or Affiliate of such Person.

“Time of Closing” means the time on the Sale Closing Date that the parties to the applicable Sale Transaction agree.

“Transfer” means (a) any transfer, sale, assignment, exchange, gift, donation or other disposition of securities where possession, legal title, beneficial ownership or the economic risk or return associated with such securities passes directly or indirectly from one Person to another or to the same Person in a different legal capacity, whether or not for value, whether or not voluntary and however occurring, or (b) any agreement, undertaking or commitment to effect any of the foregoing.

“Vendor” means any Person or Persons selling or otherwise disposing of Shares pursuant to a Sale Transaction.

“Zijin” means Zijin Mining Group Co., Ltd.

“Zijin Purchaser” means Gold Mountains (H.K.) International Mining Company Limited.

Section 1.2 Gender and Number

Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.

Section 1.3 Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect its interpretation.

Section 1.4 Currency

All references in this Agreement to dollars or to "\$" are expressed in United States currency unless otherwise specifically indicated.

Section 1.5 Certain Phrases, etc.

In this Agreement, (i) the words "including", "includes" and "include" mean "including (or includes or include) without limitation", and (ii) the words "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of". The expressions "Article", "Section" and other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Agreement. In the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.6 Accounting Terms

All accounting terms not specifically defined in this Agreement are to be interpreted in accordance with IFRS.

Section 1.7 Statutory References

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as they may have been or may from time to time be amended, re-enacted or superseded.

Section 1.8 Schedules

The schedules attached to this Agreement form an integral part of it for all purposes of it.

Section 1.9 Certain References

References in this Agreement to the Corporation in relation to Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing, shall mean and include, as applicable, ProjectCo or any other borrower(s).

ARTICLE 2 IMPLEMENTATION OF AGREEMENT AND TERM

Section 2.1 Actions in Accordance with Agreement

Each Shareholder will vote its Shares to give effect to the mandatory requirements of Agreement whether at a meeting of the Shareholders or by written resolution of the Shareholders.

Section 2.2 Conflicts

In the event of any conflict between the provisions of this Agreement and the provisions of the Articles, the provisions of this Agreement prevail to the extent permitted by Law. Each of the Shareholders will take such steps and proceedings as may be required to amend the Articles to resolve any conflicts in favour of this Agreement, to the extent permitted by Law.

Section 2.3 Corporation Consent

The Corporation consents to this Agreement and (except where specifically stated so) provides all consent necessary in order to give effect to the transactions contemplated by this Agreement and agrees to be governed by its terms.

Section 2.4 Share Certificates

In addition to any legends required by Law, all certificates representing Shares (or any other instrument or document of like effect, whether written or electronic) must bear the following legend:

"THERE ARE RESTRICTIONS ON TRANSFERRING AND VOTING THIS SECURITY CONTAINED IN THE ARTICLES OF THE CORPORATION. AN AMENDED AND RESTATED SHAREHOLDER, GOVERNANCE AND OPTION AGREEMENT APPLIES TO THE TRANSFER OR PURPORTED TRANSFER OF THIS SECURITY."

Section 2.5 Term of Agreement and Effect of Termination

- (1) This Agreement shall become effective and in full force and effect upon the Effective Date and shall continue in full force and effect thereafter until terminated in accordance with Section 2.5(2).
- (2) Subject to Section 2.5(3), this Agreement shall only terminate on the earlier of:
 - (a) the date on which one Person comes to be the registered and beneficial owner of all of the issued and outstanding Shares in compliance with this Agreement; and
 - (b) the date on which this Agreement is terminated by written agreement of the Parties.
- (3) The obligations of the Parties in Article 12 shall continue in full force and effect after termination of this Agreement. Even if this Agreement is terminated, each Party is responsible for paying all amounts owing by it under this Agreement prior to the date of

termination, including any amounts owing for Shares purchased, or agreed to be purchased, under this Agreement.

- (4) Upon termination of this Agreement, each Party shall no longer thereafter have any further liability to the other Parties under this Agreement, excepting any claims, liabilities or damages that arose under this Agreement prior to the effective date of termination.

Section 2.6 Agreement to be Bound

Each Person who becomes a Shareholder must concurrently with becoming a Shareholder execute and deliver to the Corporation, and each other Party, a counterpart copy of this Agreement or a written agreement in form and substance satisfactory to the Parties, agreeing to be bound by this Agreement. A Person shall have no rights as a Shareholder, and any transaction by which a Person would have become a Shareholder shall be deemed not effective and void, until such time as such Person has entered into the agreement referenced in the prior sentence.

Section 2.7 Deemed Consent under Articles

Each of the Parties (i) consents to a Transfer of Shares made in accordance with this Agreement, and (ii) agrees that this consent satisfies any restriction on the transfer of the Shares contained in the Articles and that no further consent is required under the Articles by any Party for any such Transfer.

ARTICLE 3 DIRECTORS AND SHAREHOLDERS

Section 3.1 Directors of the Corporation

- (1) The Corporation shall have five (5) Directors, and the Directors shall initially consist of:
 - (a) two (2) nominees of Zijin Purchaser;
 - (b) two (2) nominees of Ivanhoe Mines US; and
 - (c) one (1) nominee of the 1% Holder.

Any Director appointed must not be disqualified from being a director under the Act. If Ivanhoe Mines US holds less than 29.5% of the issued and outstanding Shares at a time when the 1% Holder has a director nominee right hereunder, then the 1% Holder shall cease to have a Director appointment right under this Section 3.1 effective at the time Ivanhoe Mines US holds less than 29.5% of the issued and outstanding Shares. The 1% Holder shall then cause its Director nominee to resign, which resignation shall not impair or affect any of Zijin Purchaser's rights and obligations as provided under this Section 3.1(1) and Article 10. If the 1% Option or Subsequent Option shall not at such time have been validly exercised by Zijin Purchaser or by Ivanhoe Mines US, then the Corporation shall have only four (4) Directors. In addition, upon the 1% Holder disposing of or transferring any of the 1% Holder Shares, then the 1% Holder shall cease

to have a Director appointment right under Section 3.1 and effective upon the completion of such transfer or disposition, shall cause its Director nominee to resign concurrently therewith, at which time the Shareholder who acquired the entire 1% Holder Shares shall have the right to nominate such Director (being the fifth (5th) Director of the Corporation), but provided that such nominee shall be approved by Shareholders holding at least 66.67% of the then total issued and outstanding Shares of the Corporation, which approval shall not be unreasonably withheld. If Zijin Purchaser is entitled to nominate the fifth (5th) Director of the Corporation pursuant to this Section 3.1(1), Ivanhoe Mines US agrees that they will vote in favour or approve, if Mr. Jinghe Chen is nominated by Zijin Purchaser as such fifth (5th) Director. Subject to the foregoing, if the fifth (5th) Director nominated by the entitled Shareholder is rejected by the other Shareholder, any rejecting Shareholder shall provide reasonable grounds for such rejection to the entitled Shareholder in a notice of rejection. Notwithstanding Section 3.1(4), if Zijin Purchaser and Ivanhoe Mines US each holds 50% of the issued and outstanding Shares, each of Zijin Purchaser and Ivanhoe Mines US shall be entitled to nominate and have elected two (2) Directors each, in which case the Corporation will only have four (4) Directors.

- (2) If a nominee Director of any Shareholder resigns or is removed, for any reason, the vacancy shall be filled by the election or appointment of a Director nominated by the entitled Shareholder, provided the Shareholder is still entitled to do so under this Agreement. The Directors shall not transact any business or exercise any of their powers or functions until such vacancy is filled, except to elect or appoint the new Director and to carry on the Business of the Corporation in the ordinary course. If a replacement Director is not nominated by the entitled Shareholder within ten (10) Business Days, the Directors then in office are entitled to transact business and exercise all of the powers and functions of the Directors. A decision or action of the majority of the Directors then in office shall be deemed to be a decision or action of the Directors of the Corporation, and a decision or action of all of the Directors then in office shall be deemed to be the unanimous decision or action of the Directors of the Corporation.
- (3) If Zijin Purchaser disposes of Shares or is diluted under this Agreement (except to a Permitted Transferee) such that it no longer holds greater than 20% of the issued and outstanding Shares, Zijin Purchaser shall cause the Zijin Purchaser nominee Directors to resign, failing which they may be removed by any of the other Parties to the extent permitted by the Act and the Articles. If Ivanhoe Mines US disposes of Shares or is diluted under this Agreement (except to a Permitted Transferee) such that it no longer holds greater than 20% of the issued and outstanding Shares, Ivanhoe Mines US shall cause the Ivanhoe Mines US nominee Directors to resign, failing which they may be removed by any of the other Parties to the extent permitted by the Act and the Articles. A new Shareholder shall be entitled to the same rights to nominate a Director as the selling Shareholder had. If a Shareholder becomes an Inactive Shareholder, the Inactive Shareholder's nominee Directors must resign, failing which they may be removed by any of the other Parties to the extent permitted by the Act and the Articles.
- (4) Subject to the right of the 1% Holder to appoint a Director pursuant to Section 3.1(1), a Shareholder (together with any Permitted Transferee):

- (a) holding greater than 20.0% but less than 40% of the issued and outstanding Shares shall be entitled to nominate and have elected one (1) Director;
 - (b) holding not more than 50% but not less than 40% of the issued and outstanding Shares shall be entitled to nominate and have elected two (2) Directors;
 - (c) holding more than 50% but not more than 60% of the issued and outstanding Shares shall be entitled to nominate and have elected three (3) Directors;
 - (d) holding more than 60% and less than 80% of the issued and outstanding Shares shall be entitled to nominate and have elected four (4) Directors; or
 - (e) holding 80% or more of the issued and outstanding Shares shall be entitled to nominate and have elected all five (5) of the Directors.
- (5) The remuneration, if any, to be paid to a Director for his or her services as a director of the Corporation shall be approved from time-to-time by Shareholders holding no less than 80.01% of the outstanding Shares, whether by meeting or other means permitted by Law. Each Director shall be entitled to be reimbursed for reasonable out-of-pocket expenses incurred in attending Directors' meetings, committee meetings, and Shareholders' meetings and in performing other duties of Directors of the Corporation.

Section 3.2 Directors' Meetings

- (1) Directors' meetings shall be held on an as-needed basis but not less frequently than four times in each calendar year unless all Directors agree otherwise.
- (2) The Directors' shall meet in person or by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously or instantaneously.
- (3) Unless otherwise specified to the contrary herein, Director meetings shall be called and held in the manner, and following the procedure, prescribed by the Articles and the Act. At least forty-eight (48) hours' prior written notice of any Directors' meeting must be given unless all of the Directors are present or those who are absent waive notice. A Director shall not be considered present at a meeting where that Director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
- (4) The quorum for a meeting of the Directors (a "**Quorum**") shall be a majority of the Directors then in office being present at such meeting (but provided that, for Quorum to exist, at least one (1) Director nominated by each of Zijin Purchaser and Ivanhoe Mines US must be present), provided that if a Quorum is not present at a meeting of the Directors, but proper notice of that Directors' meeting has been given specifying the purpose of and the business to be transacted at the meeting, a second Directors' meeting may be held on forty-eight (48) hours written notice to transact the business specified in the notice for the original meeting.

Section 3.3 Shareholder Meetings

The quorum for a Shareholders' meeting (a "**Shareholder Quorum**") is: (a) Shareholders present in person or represented by proxy and holding at least 50.01% of the Shares entitled to vote at the meeting; and (b) each Shareholder that then holds at least 20.0% of the Shares entitled to vote at the meeting being present in person or represented by proxy at the meeting, provided that if at the time scheduled for a meeting a Shareholder Quorum is not present because a Shareholder is not represented, then (A) the meeting shall be adjourned to the same time and place on a Business Day determined by the Shareholder(s) represented at the meeting which is no sooner than three (3) Business Days and no later than five (5) Business Days thereafter or such other time, place and/or date as all entitled Shareholders agree, (B) Notice of the adjourned meeting shall be given to all Shareholder(s) and (C) at such adjourned meeting the Shareholder Quorum shall not require the attendance of any Shareholder(s) not present at the initial meeting.

Section 3.4 Exercise of Authority

Unless otherwise expressly required in this Agreement or under the Act or other applicable Law, all decisions, approvals, determinations and consents of the Directors or the Shareholders under the Act or other applicable Law may be decided, approved, determined or consented to by at least a majority of the votes cast at a Directors' meeting or Shareholders' meeting, or by unanimous written resolution signed by all of the Directors or Shareholders, as the case may be.

Section 3.5 Indemnification

- (1) The Corporation shall indemnify each Director to the fullest extent permitted by the Act. Nothing in this Agreement limits the right of any Director to claim indemnity apart from the provisions of this Agreement, if the Director is entitled to such indemnity.
- (2) Until the date that is six (6) years after the Effective Date, the Corporation (or any successor or assign by amalgamation or otherwise) shall not amend, repeal or modify any provision in the Corporation's Articles relating to the exculpation or indemnification of any former officer or Director of the Corporation prior to the Effective Date (unless required by Law), it being the intent of the Parties that the officers and Directors of the Corporation continue to be entitled to such exculpation and indemnification to the full extent of the Law. If the Corporation or any successor or assign (a) consolidates or amalgamates with or merges into any other Person or (b) transfers all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and assigns of the Corporation assume all of the obligations set forth in this Section 3.5(2). This Section 3.5(2) is intended for the benefit of, and is enforceable by, each former officer and Director of the Corporation prior to the Effective Date and his or her heirs, executors and representatives, and are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have had by contract or otherwise.

ARTICLE 4
BUSINESS AND MANAGEMENT OF THE CORPORATION

Section 4.1 Business of the Corporation

The business of the Corporation shall be the Exploration, Development and Mining of the Kamoa Project and all other business affairs and activities necessary or incidental thereto, including the provision of power to the Kamoa Project as long as the Corporation continues to hold an interest in Ivanhoe Mines Energy (the “**Business**”).

Section 4.2 Management of the Corporation

Subject to this Article 4, the Directors shall manage, or supervise the management of, the Business in accordance with this Agreement, the Act and the Articles. The Directors shall principally discharge this obligation through the establishment and supervision of a project committee of the Corporation established under this Agreement.

Section 4.3 Project Committee

(1) The Directors shall establish a project committee of the Corporation (the “**Project Committee**”), which shall consist of seven (7) members (unless a different number of members is agreed to by Shareholders of the Corporation (other than the 1% Holder) holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation), including:

- (a) three (3) members to be appointed by Zijin Purchaser;
- (b) three (3) members to be appointed by Ivanhoe Mines US; and
- (c) one (1) member to be appointed by the 1% Holder (or another member mutually agreed by Zijin Purchaser and Ivanhoe Mines US).

Upon the 1% Holder disposing of or transferring any of the 1% Holder Shares, then the 1% Holder shall cease to have a right to have a member of the Project Committee under this Section 4.3 and effective upon the completion of such transfer or disposition, shall cause its Project Committee member to resign concurrently therewith, at which time the Shareholder who acquired the 1% Holder Shares shall have the right to appoint such Project Committee member, but provided that such individual shall be approved by more than four sevenths (4/7^{ths}) of the Directors as a member of the Project Committee, but provided that in the case of an individual nominated by Zijin Purchaser, such Director approval shall include the approval of all of the nominee Directors of Ivanhoe Mines US and in the case of an individual nominated by Ivanhoe Mines US, such approval shall include all of the nominee Directors of Zijin Purchaser. If Zijin Purchaser is entitled to appoint the member of the Project Committee previously appointed by the 1% Holder pursuant to this Section 4.3(1), Ivanhoe Mines US and Zijin Purchaser agree that they will each cause their nominee Directors to vote in favour or approve, if Mr. Qixue Fang is appointed by Zijin Purchaser as such Project Committee member. If the seventh (7th) Project Committee member appointed by the entitled Shareholder is rejected by any of the Directors, the rejecting Director(s) shall provide reasonable grounds for such rejection to the entitled Shareholder in a notice of rejection.

- (2) The mandate of the Project Committee shall be to develop, review, and supervise all technical, operational and financial matters relating to the Business of the Corporation and its Subsidiaries, and in particular shall be to:
- (a) develop and review the Annual Program and Budget for each period;
 - (b) supervise all Exploration, Development, Mining and other Operations;
 - (c) identify and review all Capital Expenditures;
 - (d) recommend the General Manager of the Project Committee pursuant to Section 4.7; and
 - (e) develop and review any substantial modification to any of the foregoing,
- but provided that the exercise of the mandate of the Project Committee in respect of items (a), (c), (d) and (e) shall be subject to the approval of the Directors and the Shareholders as required by this Agreement.
- (3) The Project Committee shall meet no less than twice in each calendar year.
- (4) To the extent each of Ivanhoe Mines US and Zijin Purchaser have any rights under this Section 4.3, such rights will cease during such time that such Party no longer holds at least 20.0% of the issued and outstanding Shares (together with any Permitted Transferees).

Section 4.4 Approved Annual Programs and Budgets.

- (1) The Project Committee and the General Manager shall prepare a proposed annual program and budget for each year (a “**Proposed Annual Program and Budget**”), which shall be submitted to the Directors at least 60 calendar days prior to the first day of the following Financial Year (and/or at any other time requested by the Directors) and shall describe, in reasonable detail, the proposed Business and Operations for that year, including:
- (a) a detailed work program for the year;
 - (b) forecasted Capital Expenditures;
 - (c) forecasted revenue, income and operating expenditures;
 - (d) forecasted amounts of products to be produced and sold (if any);
 - (e) anticipated schedule of cash calls to fund the programs and budget and the proposed application of funds; and
 - (f) estimated staffing requirements.
- (2) Each program will cover a calendar year, or at the discretion of the Directors, any of the phases of the exploration, development or operation of a mine at the Kamoa Project.

Consideration will be given to changing the period of the program from a calendar year to such other period as may be suitable in the circumstances. The Shareholders may also agree to conduct more than one program in a calendar year by unanimous consent.

- (3) Once a Proposed Annual Program and Budget is approved and adopted by the Directors and the Shareholders (such program and budget, so approved and adopted, is an “**Annual Program and Budget**”), it shall be implemented by the General Manager and Management in accordance with the terms of such Annual Program and Budget for the following year, for which it has been approved.
- (4) The General Manager shall immediately notify the Project Committee and the board of Directors of any material departure from an Annual Program and Budget. If the General Manager or the Management exceeds the total annual budget amount specified in the Annual Program and Budget in carrying out an Annual Program and Budget by less than 15% of the budget amount specified in the Annual Program and Budget, then the excess shall be for the account of the Shareholders in proportion to their Proportionate Interest. If the excess is less than 15% of the total annual budget amount specified in the Annual Program and Budget, the board of Directors may make Cash Calls from time to time to fund the excess without the approval of Shareholders of the Corporation.

Section 4.5 Periodic Reports

- (1) The General Manager and Project Committee shall prepare and provide to the board of Directors quarterly reports. Such quarterly reports shall set forth (i) the actual results of operations of the Corporation, as compared to the approved Annual Program and Budget applicable to that month and for the then-current Annual Program and Budget to the applicable date and (ii) a reconciliation of all cash calls made and funding obtained during the then-current budget period to Costs made by or on behalf of the Corporation during such period. Such reports shall be prepared and provided within ten (10) Business Days after the end of each quarter.
- (2) Within forty (40) Business Days following the end of each period (other than a quarterly period) to which an Annual Program and Budget relates, the Corporation shall cause its senior management to prepare and provide to the board of Directors a report on the results of such Annual Program and Budget, a reconciliation of actual to budgeted costs and an explanation of any material deviation of actual results and costs to planned results and budgeted costs.
- (3) At each quarterly meeting of the board of Directors (and at such other times as the board of Directors may require), the Directors shall discuss the most recent periodic reports prepared pursuant to this Section 4.5 and shall identify any variances expected to occur in respect of the then-current Annual Program and Budget, provided that no variances shall require any further approval of the board of Directors or the Shareholders of the Corporation.
- (4) The Corporation shall provide copies of all of the reports described in this Section 4.5 to the Shareholders at the same time as such reports are provided to the board of Directors.

Section 4.6 Business and Operations

The Business and all Operations shall be conducted, expenses shall be incurred, and any assets of the Corporation shall be disposed of or acquired only pursuant to an Annual Program and Budget. Notwithstanding the foregoing sentence: (a) until such time as the Directors and Shareholders have approved the first Annual Program and Budget, the Business and Operations shall be conducted and expenses shall be incurred in accordance with the Initial Annual Program and Budget; and (b) until such time as the Directors and Shareholders have approved a Proposed Annual Program and Budget, the Business and Operations shall be conducted and expenses shall be incurred in accordance with the Proposed Annual Program and Budget, but only until February 15th of the calendar year to which the Proposed Annual Program and Budget relates.

Section 4.7 General Manager

- (1) The Project Committee shall recommend the general manager (the “**General Manager**”), and which shall be an individual mutually agreed upon by Zijin Purchaser and Ivanhoe Mines US.
- (2) Notwithstanding the right set out in Section 4.3(2)(d), in the event Zijin Purchaser acquires a 50.5% Share ownership interest in the Corporation, Zijin Purchaser shall have the right to nominate the General Manager of the Project Committee, provided that such individual shall be approved by a three fifths (3/5^{ths}) majority of Directors of the Corporation as the General Manager but provided that in the case of an individual nominated by Zijin Purchaser, such Director approval shall include the approval of all of the nominee Directors of Ivanhoe Mines US and in the case of an individual nominated by Ivanhoe Mines US, such approval shall include all of the nominee Directors of Zijin Purchaser. If the General Manager nominated by the entitled Shareholder is rejected by any of the Directors, the rejecting Director(s) shall provide reasonable grounds for such rejection to the entitled Shareholder in a notice of rejection.
- (3) Subject always to the powers of the Directors and the Shareholders set forth in this Agreement, the General Manager shall employ such officers and employees of the Corporation as the Directors may approve from time to time (collectively, “**Management**”), in positions and at compensation levels approved from time to time by the Directors, to act on behalf of the Corporation in carrying out the Business and Operations in accordance with the terms and conditions of this Agreement.
- (4) Subject always to the powers of the Directors and the Shareholders set forth in this Agreement, Management of the Corporation shall be authorized to carry out the following activities:
 - (a) day-to-day activities contemplated in an applicable Annual Program and Budget (or a Proposed Annual Program and Budget until such time as the Directors and the Shareholders have approved the relevant Annual Program and Budget), all such activities to be conducted in accordance with any specifications and limitations set forth in such Annual Program and Budget;

- (b) submission to the Directors and the Project Committee, at least 60 calendar days prior to the first day of the following year, and/or at any other time as requested by the Directors and/or the Project Committee, a Proposed Annual Program and Budget outlining the proposed activities for the initiation, continuation or completion, as the case may be, of the Business and Operations during the said year;
 - (c) regularly consulting with the Directors and the Project Committee concerning the Business and Operations and keeping the Directors and the Project Committee advised of matters arising in connection therewith, including promptly providing the Directors with current statements, reports, information and submissions on material results obtained; and all such statements, reports, information and submissions provided by the General Manager to the Directors and the Project Committee shall be sent concurrently to all members thereof;
 - (d) paying, at the time and in the manner required by Law, all taxes assessed or levied against the Corporation, and, where such taxes, in the opinion of the Directors, are wrongfully assessed or levied against the Corporation or the Business and Operations, the General Manager shall protest the assessment or levy within the time limit and in the manner prescribed by Law and shall pursue the protest to final determination;
 - (e) providing the Shareholders with such information and documents reasonably required by the Shareholders to prepare and file all tax returns and reports to all applicable Governmental Entities;
 - (f) obtaining and maintaining (at the sole and exclusive cost of the Corporation) all such insurance coverage as may be designated by the Directors from time to time;
 - (g) operating one or more separate bank accounts in the name of the Corporation for the deposit of all receipts of or for the Corporation (including, without limitation, cash calls, sales of products, loan advances, sales of surplus equipment and other dispositions of property) and payment of all expenses and costs of or for the Corporation (including, without limitation, the costs and expenses of the Business and Operations, royalties, distributions to Shareholders, rents, labour and employee benefits, assets purchased or leased, transportation services, consultants fees', maintenance costs, insurance premiums, audit costs and management fees) into which no other funds not belonging to the Corporation shall be deposited or comingled; and
 - (h) such other things as may be authorized by the Directors by way of a resolution from time to time.
- (5) To the extent each of Zijin Purchaser and Ivanhoe Mines US have any rights under this Section 4.7, such rights will cease during such time that such Party no longer holds at least 20.0% of the issued and outstanding Shares.

Section 4.8 Approvals

- (1) The Directors shall not make a decision about, take action on, or implement any of the following matters, without the approval of Shareholders of the Corporation (other than the 1% Holder) holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation, in addition to any other approval required by Law:
- (a) approving the annual audited consolidated financial statements of the Corporation for each completed Financial Year;
 - (b) approving the overall or long term development and operational program and plan for the Business (including the Pre-Feasibility Study and the Feasibility Study, and including any substantial modification thereto);
 - (c) approving the implementation of the development and operations of the Business and any exit from or disposition of the Kamoa Project or the disposition of any material assets of the Corporation, including its interest in ProjectCo or Ivanhoe Mines Energy;
 - (d) approving any disposal or procurement of any asset outside of the ordinary course (including investment in or acquisition of any shares or other securities of any Person), except that any such disposal or procurement conducted in accordance with a plan and program or budget approved under this Section 4.8 shall be deemed approved;
 - (e) changing the Business of the Corporation as set out in Section 4.1;
 - (f) subject to Section 4.14, the declaration of any dividend to be paid to the Shareholders, whether in money or property;
 - (g) taking any action or instituting any proceeding for the purpose of, or leading to, the liquidation or winding-up of the Corporation;
 - (h) approving any offtake arrangement, agreement or commitment in respect of the Kamoa Project;
 - (i) changing the location of the registered or head office of the Corporation;
 - (j) authorizing any change to any accounting policy of the Corporation or any change to the auditor of the Corporation;
 - (k) (i) acknowledging the insolvency of the Corporation or the inability of the Corporation to pay its debts as they become due; (ii) making an assignment for the benefit of the creditors; (iii) appointing or allowing the appointment of any receiver, receiver-manager, trustee, liquidator or other Person acting in a similar capacity; (iv) instituting any proceeding seeking to have the Corporation adjudicated a bankrupt or insolvent; or (v) taking any action or instituting any proceeding for the purpose of, or leading to, the liquidation, dissolution,

winding-up, reorganization, arrangement, adjustment, protection, relief or composition of the Corporation or its debts under any Law relating to bankruptcy, insolvency, reorganization or relief of debtors;

- (l) entering into, terminating, amending, modifying, or otherwise varying any Material Contract; or
 - (m) creating, assuming or incurring any Liability or obligation of any nature which assures or guarantees in any way the payment or performance (or payment of Liabilities in the event of non-performance) of any Debt or other Liability or obligation of any Person.
- (2) The Directors shall not make a decision about, take action on, or implement any of the following matters, without the approval of Shareholders of the Corporation holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation, in addition to any other approval required by Law:
- (a) issuing any equity or voting shares in the capital of the Corporation other than as set forth in a Cash Call;
 - (b) taking any action in respect of a restructuring of the Corporation, or its Business, or spin-off or substantial disposition of any assets or Business of the Corporation;
 - (c) amalgamating, merging or entering into an arrangement or other corporate reorganization involving the Corporation;
 - (d) amending, replacing or superseding the Articles (including any change to the capital structure of the Corporation), except to resolve any conflict in favour of this Agreement;
 - (e) approving any shareholder loan to the Corporation by any holder of Shares other than as set forth in a Cash Call; or
 - (f) increasing the maximum number of Directors.
- (3) Each Shareholder has fifteen (15) Business Days to give or decline any approval needed under this Section 4.8 from the date such approval is requested in writing. In relation to matters under Section 4.8(1), if at least 80.01% of the Shareholders (other than the 1% Holder) do not approve the matter within such period, the matter shall be deemed to not be approved and the Corporation shall not be permitted to proceed with the matter. In relation to matters under Section 4.8(2), if at least 80.01% of the Shareholders do not approve the matter within such period, the matter shall be deemed to not be approved and the Corporation shall not be permitted to proceed with the matter.
- (4) The Directors shall not make a decision about, take action on, approve or implement the Annual Program and Budget for the Business (including any substantial modification thereto) for each year without the approval of Shareholders of the Corporation holding in the aggregate no less than 66.67% of the then total issued and outstanding Shares of

the Corporation, in addition to any other approval required by Law. Any Annual Program and Budget shall contain a list of Sustaining Budget Items. Each Shareholder has fifteen (15) Business Days to give or decline any approval needed under this Section 4.8(4) from the date such approval is requested in writing. If any Shareholder decides to disapprove the Annual Program and Budget, the Shareholder shall provide reasons for such disapproval (and for greater certainty the provision of reasons shall be for information purposes only) and also indicate whether it gives or declines to approve that portion of the Annual Program and Budget comprised only of Sustaining Budget Items. If Shareholders holding at least 66.67% of the then total issued and outstanding Shares of the Corporation do not approve the Annual Program and Budget within such period, the Annual Program and Budget shall be deemed to not be approved and the Corporation shall not be permitted to proceed with the Annual Program and Budget, but provided that if Shareholders holding 50.5% or more of the then total issued and outstanding Shares of the Corporation approve that portion of the Annual Program and Budget comprised only of Sustaining Budget Items, that portion of the Annual Program and Budget comprised only of Sustaining Budget Items shall be deemed to be approved for that calendar year only (the "**Interim Annual Program and Budget**").

Section 4.9 Feasibility Studies

The Parties agree to use their commercially reasonable efforts to cause the Corporation to complete the Pre-Feasibility Study within 6 months after the Effective Date and to complete a Feasibility Study within 18 months following completion of the Pre-Feasibility Study. The Pre-Feasibility Study and any Feasibility Study shall be prepared in accordance with the standards required under applicable Law (which the Parties acknowledge in the case of Ivanhoe Mines shall be required to be prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators) or in connection with the Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing. In addition, the Directors may commission any other technical, engineering or feasibility study that may be required in connection with the Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing from time to time.

Section 4.10 Financial and other Reports

- (1) The Corporation shall use best efforts to provide each Shareholder with one copy of its audited consolidated financial statements as soon as possible, but no later than March 31st of the following year. The annual consolidated financial statements shall be prepared in accordance with IFRS and audited by the Auditor and shall include the balance sheet and statements of income, retained earnings and changes in financial position, together with all supporting schedules, and the Auditor's report.
- (2) The Corporation shall provide each Shareholder with one copy of its unaudited consolidated financial statements as soon as possible, but no later than ten (10) Business Days following the end of each quarter of each Financial Year (other than the fourth quarter). The quarterly financial statements shall be prepared in accordance with IFRS and shall include the balance sheet and statements of income, retained earnings and changes in financial position, together with all supporting schedules. If required, quarterly or annual financial statements or separate quarterly or annual financial

statements may be prepared in accordance with OHADA (L'Organisation pour l'Harmonisation en Afrique du Droit des Affaires) accounting standards as well.

Section 4.11 Development and Operational Reporting

The General Manager shall provide the Directors and the Project Committee with a monthly report summarizing the exploration, development, construction and operations (including, if applicable, sales and sales-related information), as the case may be, of the Business conducted during the previous month, including balance sheet and a statement of income, if applicable, in such detail as may be reasonably requested from time to time by the Directors or the Project Committee. Each such report shall be prepared and delivered by no later than the tenth (10th) Business Day of the month following the month in respect of which the report is prepared.

Section 4.12 Books and Records

The Corporation shall maintain accurate and complete Books and Records of all transactions and other matters as are usually entered into books of account in accordance with IFRS. Each Shareholder or its nominee or other authorized agent or representative is entitled to examine and to make copies of such Books and Records during normal business hours on reasonable notice (at its own expense) for any purpose and without undue interference to the business operations of the Corporation. In addition, each Shareholder or its nominee or other authorized agent or representative shall be entitled to examine and to make copies of such Books and Records during normal business hours on reasonable notice (at its own expense) for any purpose and without undue interference to the business operations of the Corporation for a period equal to the greater of: (a) six (6) years from the date upon which such Shareholder ceases to be a Shareholder of the Corporation; or (b) such longer period as may be required by applicable Law.

Section 4.13 Auditor

Unless otherwise modified in accordance with this Agreement, the auditor for the Corporation shall be PricewaterhouseCoopers or such other accounting firm as may be agreed by both Zijin Purchaser and Ivanhoe Mines US (the “**Auditor**”).

Section 4.14 Dividends

Subject to the terms and conditions of any Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing, from and after the date of commercial production from the Kamoa Project, each of the Shareholders will, and will cause its Directors to, act in good faith and on a commercially reasonable basis to cause the Corporation, not less frequently than quarterly, to distribute the Free Cash Flow of the Corporation (on a consolidated basis), by way of dividends (or, with approval of the Shareholders representing 80.01% of the Shares, other types of distributions (including by way of a return of capital or contributed surplus)) to the Shareholders pro-rata in accordance with their Proportionate Interest.

Section 4.15 Government Relations

The Parties acknowledge and agree that the fulfilment by the Corporation or any of its Subsidiaries of the offer by Ivanhoe Mines to sell up to a further 15% share ownership interest in ProjectCo or the Kamoa Project to the Government of the DRC, on terms negotiated between

such parties. Such a transaction will be done in accordance with the terms agreed, and will result in an equivalent reduction of the share ownership interest of the Corporation in ProjectCo or the Kamoa Project, as the case may be, and accordingly, each Shareholder's indirect interest in the Kamoa Project. The Parties also acknowledge and agree that the representatives of Ivanhoe Mines shall be responsible for direct engagement with the Government of the DRC with respect to the Kamoa Project, it being agreed and understood that Ivanhoe Mines shall regularly consult with Zijin in good faith with respect to such matters and Zijin shall be entitled to have at least one representative present at any such meetings. The Parties further acknowledge and agree that the prior consent of each of Ivanhoe Mines and Zijin shall be required prior to entering into any definitive agreements or arrangements (written or oral) with respect to any transaction to sell an additional ownership interest in ProjectCo or the Kamoa Project to the Government of the DRC (each party acting in good faith, and such consent not to be unreasonably withheld, conditioned or delayed).

Section 4.16 ProjectCo and Subsidiaries

- (1) Each Shareholder agrees to (and agrees to cause its Directors appointed pursuant to this Agreement to) cause the DRC Subsidiaries, inclusive of ProjectCo, to give effect to any determinations made by the Directors, the Project Committee, and the Shareholders pursuant to this Agreement.
- (2) As long as Zijin Purchaser or Ivanhoe Mines US hold more than a 20% Share ownership interest in the Corporation, Zijin Purchaser and Ivanhoe Mines US, respectively, shall each have the right to nominate (a) at least a deputy general manager or other officer with similar function and capacity of ProjectCo, and (b) two directors of ProjectCo and one director of the other DRC Subsidiary, provided that that the individuals nominated as such directors of ProjectCo and the other DRC Subsidiary shall be approved by three-fifths (3/5^{ths}) of the Directors, but provided that in the case of an individual nominated by Zijin Purchaser, such Director approval shall include the approval of all of the nominee Directors of Ivanhoe Mines US and in the case of an individual nominated by Ivanhoe Mines US, such approval shall include all of the nominee Directors of Zijin Purchaser. Ivanhoe Mines US agrees that it will cause its nominee Directors to vote in favour or approve, if Mr. Qixue Fang is nominated by Zijin Purchaser as such director. If the director nominated by Zijin Purchaser is rejected by any of the Directors, the rejecting Director(s) shall provide reasonable grounds for such rejection in a notice of rejection. The remaining directors and the management of ProjectCo and the other DRC Subsidiary which the Corporation is entitled to appoint or nominate shall be determined by the board of Directors, but subject to applicable Law. Ivanhoe Mines US and Zijin Purchaser agree to discuss further in good faith changes to this Agreement to increase the director(s) or manager(s) with similar function and capacity as a director of the DRC Subsidiaries that the Shareholders are entitled to appoint or nominate, provided that following any subsequently agreed changes to this Agreement, the director(s) or manager(s) with similar function and capacity as a director appointed or nominated by the Government of the DRC shall not be able to hold the deciding vote among the directors and manager(s) with similar function and capacity as a director of the DRC Subsidiaries.

Section 4.17 Compliance with Applicable Laws

- (1) The Shareholders shall:
 - (a) use their reasonable efforts to procure that the Corporation and its Subsidiaries shall comply in all material respects with all applicable Laws;
 - (b) use their reasonable efforts to procure that the Kamo Project shall be operated in a manner consistent with internationally recognized standards and best practices for sustainable development in the copper mining industry;
 - (c) procure that the Corporation and its Subsidiaries comply with their obligations under this Agreement;
 - (d) use their reasonable efforts to procure that the Corporation and its Subsidiaries shall do or cause to be done all things necessary to obtain and maintain in full force and effect all authorizations issued by any Governmental Entity which may at any time be required under applicable Laws to enable the Corporation and its Subsidiaries to conduct their business in accordance with this Agreement and in accordance with any lawful decisions of the Shareholders or the board of Directors; and
 - (e) use their reasonable efforts to procure that the Corporation and its Subsidiaries shall pay all taxes, assessments and other governmental charges of any kind imposed on or in respect of its income, gains, Business or assets and in respect of taxes or other amounts which it is required by applicable Laws to withhold from amounts paid by it to its employees or any other Person before any penalty or interest accrues on the amount payable and before any lien on the property of the Corporation and its Subsidiaries exists as a result of non-payment, provided that nothing herein shall require the Corporation to pay or withhold any amount if it is diligently contesting its alleged obligation to do so in good faith through appropriate proceedings and is maintaining appropriate reserves or other provisions in respect of the contested amount as may be required under IFRS or any applicable accounting policy.

Section 4.18 Related Party Contracts

- (1) All Related Party Contracts shall be entered into upon and subject to terms and conditions that are commercially reasonable and are at least as favourable to the Corporation or its Subsidiaries, as the case may be, taken as a whole as those that would be reasonably expected to be obtained in an arm's length transaction between unrelated parties.
- (2) No Shareholder shall enter into any Related Party Contract (and each Shareholder shall procure that none of their respective Affiliates shall enter into any Related Party Contract) with the Corporation or any of its Subsidiaries that does not comply with Section 4.18(1) above. For greater clarity, until Ivanhoe Mines US and Zijin Purchaser agree otherwise, neither Ivanhoe Mines, Zijin, nor any of their respective Affiliates

(other than ProjectCo) shall obtain any benefits, interests or rights under the Power Financing Agreement.

Section 4.19 Relationship of Parties

Nothing herein shall be construed to create a partnership between or among the Parties or any of them. Except as expressly provided by this Agreement, nothing herein or therein shall be construed to authorize any Party to act as the agent of any other Party, nor to permit any Party to act on behalf of or bind any other Party, nor to give any Party the authority to act for, or to assume or incur any obligations or liabilities on behalf of, any other Party.

Section 4.20 Uncovered Issues

- (1) The Parties agree they shall negotiate in good faith on or before the date that the Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing is made available to the Corporation with a view to amending or adding to the terms and conditions of this Agreement (and, if necessary or desirable, the constitutional documents of the Corporation) in order to provide guidance on issues regarding the Corporation, its Subsidiaries and/or the Kamoa Project which have not been fully covered by this Agreement.
- (2) In addition the Parties agree to reasonably discuss in good faith, changes to this Agreement to preserve the tax residency of the Corporation in Barbados if, based on independent tax advice provided by any of the big four accounting firms and received by any Shareholder or the Corporation (and provided to each other Shareholder promptly after receipt), the then present structure of the Corporation could result in the Corporation becoming tax resident in any jurisdiction other than Barbados. The measures that may be the subject of such good faith discussions may include (but are not limited to), requiring that a Party with a Director nomination right nominate a Barbadian resident Director, requiring that the Directors (after the 1% Option is exercised) conduct all board meetings from outside the same jurisdiction as the majority of Directors, and requiring that the place for holding board meetings and/or meetings of the Shareholders should be based on such tax advice. The Shareholders will use reasonable efforts to comply with such tax advice to the extent that they are able to comply with such advice.

Section 4.21 1% Holder

- (1) The 1% Holder agrees that, at any time when the 1% Option has not been exercised, that Mr. So Hon Chun shall not sell, transfer or otherwise dispose of any shares of the 1% Holder, without the written consent of the Zijin Purchaser.
- (2) Ivanhoe Mines US and the 1% Holder agree that they shall not amend the 'events of default' contained in the 1% Holder Prom Note, without the written consent of Zijin Purchaser, not to be unreasonably withheld.

ARTICLE 5

RESTRICTIONS ON TRANSFER

Section 5.1 Restrictions on Transfer by Shareholders

- (1) No Shareholder may Transfer any Shares except as expressly permitted by this Agreement and the Articles. In addition, the 1% Holder may not Transfer any Shares except in accordance with Article 10 and Article 11.
- (2) Any purported Transfer of Shares by a Shareholder in violation of this Agreement is void. The Corporation shall not permit such a purported Transfer to be recorded on the share register of the Corporation maintained for the Shares.
- (3) To the extent permitted by applicable Law, from the date of any purported Transfer of Shares in violation of this Agreement, all rights attaching to such Shares and all rights attaching to any other Shares of the Shareholders involved with the purported Transfer shall be suspended and inoperative until the purported Transfer is rescinded and any rights which the violating Shareholder had under this Agreement are suspended, and the violating Shareholder shall have no right to any benefit it is entitled to under this Agreement during the time such violation subsists. During such time such Shares may not be voted and no dividends or other distributions may be paid or made on such Shares. These rights are in addition to and not in lieu of any other remedies.

Section 5.2 Permitted Transfers by Shareholders

- (1) Subject to Section 5.2(2), each Shareholder (other than the 1% Holder) is entitled to Transfer all but not less than all of its Shares to any of its Permitted Transferees. The Shareholder must give five (5) Business Days prior written notice to the Corporation and the other Shareholders of any such Transfer. No proposed Transfer to a Permitted Transferee shall be effective until the Permitted Transferee complies with Section 2.6.
- (2) No Shareholder may Transfer any Shares to any Permitted Transferee if the Permitted Transferee would then be in default of any of the obligations of a Shareholder under this Agreement unless the Transferring Shareholder has first offered such Shares to the other Shareholders (other than the 1% Holder) pursuant to the terms of Article 6 and the other Shareholders (other than the 1% Holder) have declined to purchase such Shares.

Section 5.3 Encumbering of Shares

- (1) Other than in connection with any Phase 1 Project Financing, Ivanhoe Project Financing or Subsequent Project Financing, no Shareholder shall grant a Lien on any of its Shares to any Person unless such Person has agreed in writing with the other Shareholders in advance of the grant of such Lien to comply with Section 2.6 if such Person realizes upon the Shares.
- (2) Section 5.3(1) does not apply to the pledge of Shares under the Securities Pledge Agreement.

ARTICLE 6 RIGHT OF FIRST OFFER

Section 6.1 Right of First Offer

- (1) If either Zijin Purchaser or Ivanhoe Mines US or any other Shareholder (other than the 1% Holder), as the case may be (the **"Selling Shareholder"**), wants to Transfer any or all of its Shares to any Person that is not a Permitted Transferee, the Selling Shareholder must first offer such Shares to each of the other Shareholders (other than the 1% Holder) (the **"Offer"**). The Offer may be for all or part of the Shares owned by the Selling Shareholder (as applicable, the **"Sale Shares"**). The Offer must be made by notice in writing and specify the consideration per Sale Share. No other terms and conditions may be contained in the Offer, except a condition of the Offer that requires a minimum acceptance level by the other Shareholders or as specifically contemplated by this Agreement.
- (2) Zijin Purchaser or Ivanhoe Mines US or any other Shareholder (other than the 1% Holder), as applicable, may accept the Offer for all or any other number of Sale Shares by delivering an irrevocable and unconditional acceptance notice to the Selling Shareholder, which acceptance cannot be conditioned on any condition not set out in the Offer (the **"Offer Acceptance Notice"**), within twenty (20) Business Days from the date the Offer is delivered (the **"Offer Period"**), failing which the Offer shall be deemed not to have been accepted. The Offer Acceptance Notice must specify whether Zijin Purchaser or Ivanhoe Mines US or such other Shareholder (other than the 1% Holder), as the case may be, is accepting the Offer for all of the Sale Shares and if not, the maximum number of, or the percentage of, Sale Shares the Shareholder is prepared to acquire (the **"Specified Number"**). If more than one (1) Offer Acceptance Notice is received because the Offer has been accepted by more than one Shareholder, and if the number of Sale Shares is not sufficient to satisfy the acceptances, the Sale Shares shall be allocated *pro rata* among the accepting Shareholders in accordance with their shareholdings in the Corporation immediately prior to such allocation.
- (3) The completion of any transaction of purchase and sale contemplated by this Section 6.1 (a **"Sale Transaction"**) shall take place on the Sale Closing Date. For the purposes of this Article 6, **"Sale Closing Date"** means the date which is ten (10) Business Days after the expiry of the Offer Period or such earlier or later date as the parties to the Sale Transaction may agree in writing.
- (4) For purposes of Article 6, a pledge of Shares by either Zijin Purchaser or Ivanhoe Mines US or any other Shareholder (other than the 1% Holder), as the case may be, for purposes of the granting of a security interest will not be considered a Transfer, except that, should a pledge be realized upon by a Third Party, then such Shares may only be Transferred to such Third Party upon realization of such pledge in accordance with this Agreement, including Section 2.6 and Section 5.3.

Section 6.2 Third Party Sale

- (1) If the aggregate Specified Number of all acceptances in the Offer Acceptance Notices is less than the total number of Sale Shares or if the Offer is deemed to not have been

accepted by any of Zijin Purchaser, Ivanhoe Mines US, or any other Shareholder (other than the 1% Holder), then during the three hundred and sixty five (365) calendar day period following the expiry of the Offer Period, the Selling Shareholder is entitled to Transfer any portion of the Sale Shares not Transferred to any of Zijin Purchaser, Ivanhoe Mines US, or any other Shareholder (other than the 1% Holder) under Section 6.1 to any Third Party. The consideration for the Sale Shares in any such transaction (a) must not be less than that contained in the Offer, (b) there must be no collateral benefit to the Selling Shareholder contained in the terms and conditions applicable to such Transfer to a Third Party, and (c) the terms and conditions applicable to such Transfer must not be any more favourable to a Third Party than the terms and conditions made in the Offer. For greater certainty, if the Selling Shareholders wishes to Transfer the Sale Shares within the three hundred and sixty five (365) calendar day period following the expiry of the Offer Period at a price less than the consideration contained in the Offer, such Transfer, except pursuant to Section 5.2, shall once again be subject to Article 6, including Section 6.1.

- (2) If the Selling Shareholder does not Transfer the Sale Shares within the three hundred and sixty five (365) calendar day period following the expiry of the Offer Period, then any future Transfers by the Selling Shareholder, except pursuant to Section 5.2, shall once again be subject to Article 6, including Section 6.1.

Section 6.3 Third Party Sale Provisions

A Transfer of Shares under Section 6.2 is not permitted and the Corporation shall not register any such Transfer on the share register maintained for the Shares unless:

- (a) Section 2.6 is complied with; and
- (b) to the extent the Selling Shareholder would, subsequent to such Transfer of Shares, no longer hold any Shares:
 - (i) the Selling Shareholder has delivered releases to the Corporation releasing all claims that the Selling Shareholder may have against the Corporation with respect to any matter or thing up to and including the time of Transfer; and
 - (ii) any Debt or other financial obligation owing to the Corporation by the Selling Shareholder has been repaid or satisfied.

ARTICLE 7 PROCEDURE FOR SALE OF SHARES

Section 7.1 Pre-Closing Covenants of the Parties

- (1) From the date that Section 6.1 becomes applicable, until the Sale Closing Date for the applicable Sale Transaction, the Corporation will not, and the Shareholders will not permit the Corporation to, do anything that is not in the ordinary course of Business or inconsistent with any approved Annual Program and Budget for the Business or any other approved budget or Capital Expenditures for the Business.

- (2) Each party to a Sale Transaction shall take all actions that are within its power to control and use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, to ensure satisfaction with the conditions in Section 7.2 and Section 7.3.
- (3) Each Vendor to a Sale Transaction shall take all necessary steps and corporate proceedings to permit good title to the Purchased Shares to be duly and validly transferred and assigned to the Purchaser at the Time of Closing, free of all Liens (including the Securities Pledge Agreement) other than the restrictions on transfer contained in the Articles and this Agreement.
- (4) Each party to a Sale Transaction shall use its commercially reasonable efforts to make or give, or cause to be made or given, all filings with and notifications to any Governmental Entity and obtain or cause to be obtained all Authorizations, necessary in order to complete the Sale Transaction.

Section 7.2 Conditions for the Benefit of the Purchaser

The completion of a Sale Transaction is subject to the following conditions to be fulfilled or performed, on or before the Sale Closing Date, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in its sole discretion:

- (a) the Vendor must represent and warrant to the Purchaser that (i) on the Sale Closing Date the Purchased Shares are owned by the Vendor as the registered and beneficial owner with good title, free and clear of all Liens other than those restrictions on transfer or otherwise contained in the Articles or this Agreement and (ii) upon completion of the Sale Transaction, the Purchaser will have good and valid title to the Purchased Shares sold by the Vendor, free and clear of all Liens other than (A) those contained in the Articles and this Agreement, and (B) any Liens granted by the Purchaser;
- (b) all filings, notices and Authorizations required to be obtained by the Vendor to complete the Sale Transaction have been made, given or obtained;
- (c) the completion of the Sale Transaction shall not result in the violation of any Law; and
- (d) the Vendor shall have delivered the documents in Section 7.4.

Section 7.3 Conditions for the Benefit of the Vendor

The completion of a Sale Transaction is subject to the following conditions to be fulfilled or performed on or before the Sale Closing Date, which conditions are for the exclusive benefit of the Vendor and may only be waived, in whole or in part, by the Vendor in its sole discretion:

- (a) the completion of the Sale Transaction will not result in the violation of any Law;
- (b) the transfer of the Purchased Shares to the Purchaser must be exempt from any prospectus or similar requirements of applicable Laws;

- (c) all filings, notices and Authorizations required to be obtained by the Purchaser to complete the Sale Transaction have been made, given, or obtained;
- (d) all guarantees, indemnities, covenants and security made or granted by the Vendor to secure any Debt, liability or obligation of the Corporation (i) must be cancelled; or (ii) the Purchaser must have indemnified the Vendor against all Liabilities which may be paid, suffered or incurred with respect to such guarantees, indemnities, covenants or security; and
- (e) each Shareholder and the Corporation must have released and discharged the Vendor from all claims that it may have against the Vendor (including under this Agreement), except for any claims which may arise out of the Sale Transaction.

Section 7.4 Closing Procedures

- (1) The completion of a Sale Transaction shall take place at the Time of Closing on the Sale Closing Date at such place as the parties to the Sale Transaction may agree to in writing.
- (2) Subject to satisfaction or waiver by the relevant party to the Sale Transaction of the conditions of closing, at the closing of the Sale Transaction:
 - (a) the Vendor shall deliver to the Purchaser actual possession of the share certificate(s) representing the Purchased Shares duly endorsed in blank for transfer, or accompanied by an irrevocable instrument of transfer form duly executed in blank, in either case by the holder(s) of record, together with evidence satisfactory to the Purchaser that the Purchaser or its nominee(s) have been entered upon the books of the Corporation as the holder of the Purchased Shares;
 - (b) subject to Section 7.4(2)(d), the Purchaser shall pay or satisfy the purchase price for the Purchased Shares by delivering to the Vendor a wire transfer of immediately available funds in the full amount of the purchase price for the Purchased Shares to a bank account nominated by the Vendor no later than two (2) Business Days prior to the Sale Closing Date;
 - (c) the Vendor shall deliver releases to the Corporation releasing all claims that the Vendor may have against the Corporation with respect to any matter or thing up to and including the Time of Closing, except for any claims which might arise out of the Sale Transaction;
 - (d) any Debt owing by the Vendor to the Corporation shall be repaid, provided however that if the Vendor fails to repay the Debt, the Purchaser shall pay the amount of such Debt and recover this amount by reducing accordingly the Purchase Price otherwise payable to the Vendor; and
 - (e) the Purchaser shall deliver to the Vendor an instrument of transfer form to the Barbados Registrar of Companies confirming assessment and payment of any transfer tax in Barbados by the Purchaser.

Section 7.5 Non-Compliance with Conditions

If at the Time of Closing any of the conditions in favour of the Purchaser in Section 7.2(a) and Section 7.2(b) are not fulfilled or completed, the Purchaser may, without prejudice to any other rights it may have, purchase the Purchased Shares subject to such Liens and deficiencies identified in Section 7.2(a) and waive the conditions in Section 7.2(b). In that event, the Purchaser shall, at the Time of Closing, assume all obligations and liabilities with respect to such Liens and deficiencies. The purchase price payable by the Purchaser for the Purchased Shares is satisfied, in whole or in part, as the case may be, by payment as a result of such assumption and the amount so assumed or paid shall be deducted from the purchase price payable at the Time of Closing.

Section 7.6 Multiple Purchasers and Vendors

For greater certainty, the Parties acknowledge and agree that where a Sale Transaction involves more than one Purchaser or more than one Vendor, each Purchaser and each Vendor in such Sale Transaction is only liable for its own representations, warranties, covenants, conditions and agreements. No Vendor or Purchaser is jointly liable with any other Vendor or Purchaser for the representations, warranties, covenants, conditions and agreements of any other Purchaser or Vendor.

Section 7.7 Transfer taxes

The Vendor shall be responsible for the timely payment of all property transfer taxes, stamp duties, and similar fees and charges related to the transfer of the Purchased Shares.

Section 7.8 Continuing Obligations

If a Shareholder Transfers all of its Shares, the obligations of the Shareholder under Article 12 shall continue in full force and effect in accordance with such Article.

ARTICLE 8 FINANCING AND CONTRIBUTIONS

Section 8.1 Phase 1 Project Financing

- (1) Subject to Section 8.1(3), Zijin and Zijin Purchaser will use their best efforts to arrange and/or procure Project Financing for Phase 1 of Development (inclusive of any debt provided to Ivanhoe Mines Energy to facilitate the provision of power to the Kamoa Project and exclusive of any debt financing provided to the Corporation by the Shareholders in accordance with Section 8.2(5)) (the “**Phase 1 Project Financing**”) on terms approved by Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation, including without any recourse to Ivanhoe Mines, Ivanhoe Mines US and/or the 1% Holder.
- (2) Any such Phase 1 Project Financing arranged or procured by Zijin and Zijin Purchaser shall be for no less than 65% of the Capital Required for Phase 1 of Development.
- (3) Notwithstanding the covenant of Zijin and Zijin Purchaser in Section 8.1(1), Ivanhoe Mines shall retain and have the right, at all times, to arrange for all debt financing for the Phase 1 of Development of the Kamoa Project (inclusive of any debt provided to Ivanhoe

Mines Energy to facilitate the provision of power to the Kamoia Project and exclusive of any debt financing provided to the Corporation by the Shareholders in accordance with Section 8.2(5)) (the “**Ivanhoe Project Financing**”) on terms approved by Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation, including without any recourse to Zijin and Zijin Purchaser. Any Ivanhoe Project Financing shall be for no less than 65% of the Capital Required for Phase 1 of Development. For the purposes of this Agreement, Ivanhoe Mines US shall only be deemed to have arranged the Ivanhoe Project Financing only when all conditions precedent to the initial draw-down of such Ivanhoe Project Financing, other than the Transfer of the 1% Holder Shares to Ivanhoe Mines US in accordance with Article 10, have been met, and the Corporation is capable of drawing-down on such funds on notice only to the lender and upon the transfer of 1% Holder Shares to Ivanhoe Mines US. Should Ivanhoe Mines arrange the Ivanhoe Project Financing, the Phase 1 Project Financing, as defined in Section 8.1(1), shall be deemed not to have been arranged or procured by Zijin and Zijin Purchaser, and any and all rights and benefits that result, or would result, from Zijin and Zijin Purchaser fulfilling the obligation in Section 8.1(1) shall cease and terminate.

- (4) If Shareholders fail to approve the Phase 1 Project Financing or Ivanhoe Project Financing in accordance with this Agreement, as the case may be, the Shareholders shall first attempt to settle the dispute by negotiation, including between the Chairman of Zijin and the Chairman of Ivanhoe Mines. If the dispute has not been resolved, for any reason, within forty-five (45) Business Days of such failure to approve (the “**Negotiation Period**”) then such dispute may be referred to binding arbitration under Article 13, including Section 13.2, by any Shareholder that was in favour of the Phase 1 Project Financing or Ivanhoe Project Financing (at any vote of Shareholders to approve such financing, but only within sixty (60) Business Days of the end of the Negotiation Period), at which arbitral proceeding the arbitrators shall be asked to determine the reasonableness of any failure to approve by any Shareholder that did not approve, and should the arbitrators determine that it was not reasonable of any Shareholder to fail to approve the Phase 1 Project Financing or Ivanhoe Project Financing, as the case may be, then the arbitrators will require any non-approving Shareholder to provide such approval, if so determined by the arbitrators. If the foregoing matter is not referred to binding arbitration within such sixty (60) Business Day period noted in the foregoing sentence, then the matter shall be conclusively and irrevocably deemed concluded, and no Shareholder shall thereafter have any right to refer the matter to binding arbitration or any other dispute resolution forum.
- (5) Only if Zijin and Zijin Purchaser have arranged or procured the Phase 1 Project Financing on terms approved by Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation (including the guarantee fee as described in Section 8.1(6)), and if the 1% Holder Shares have been Transferred to Zijin Purchaser upon exercise of the 1% Option in accordance with Article 10, Zijin and Zijin Purchaser shall provide any and all required Completion Guarantees in respect of all of the Phase 1 Project Financing, which for greater certainty shall not include the Corporation, and further shall not include Ivanhoe Mines, Ivanhoe Mines US, the 1% Holder or any of their respective Affiliates. If Ivanhoe Mines arranges or

procures the Ivanhoe Project Financing on terms approved by Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation (including the guarantee fee as described in Section 8.1(6)), Ivanhoe Mines should provide any and all required Completion Guarantees, which for greater certainty shall not include the Corporation, and further shall not include Zijin and Zijin Purchaser, the 1% Holder or any of their respective Affiliates. For greater certainty, no Shareholder has any obligation to provide any required Completion Guarantees in respect of any debt financing not arranged or procured by such Shareholder. During the Phase 1 of Development, if the Completion Guarantees have not been released, and if the Annual Program and Budget has not been approved by Shareholders, the disapproving Shareholder(s) shall negotiate in good faith with the Parties providing the Completion Guarantees regarding how to address the obligations and liabilities in connection with the Completion Guarantees.

- (6) The Party who has arranged and/or procured the Phase 1 Project Financing or Ivanhoe Project Financing, as the case may be, shall provide Completion Guarantees. The Party providing Completion Guarantees shall be entitled to charge a guarantee fee to the Corporation commensurate with risk of completion only and which amount shall be consistent with other guarantee fees charged by operators to Subsidiaries for the risk of completion only in other comparable commercial project financings in the mining sector and approved by Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation.
- (7) The Shareholders acknowledge and agree that a pledge of and/or encumbrance over any or all of their Shares may be required in connection with the Phase 1 Project Financing or Ivanhoe Project Financing, as the case may be, and consent to any such pledge and/or encumbrance.
- (8) Each of Ivanhoe Mines and Ivanhoe US, or Zijin and Zijin Purchaser, as may be the case, shall use their commercially reasonable efforts to:
 - (a) provide Ivanhoe Mines and Ivanhoe US, or Zijin and Zijin Purchaser, as may be the case with reasonable prior notice of any meetings and/or negotiations with any Third Parties with respect to any potential Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing, as the case may be;
 - (b) permit representatives of Ivanhoe Mines and Ivanhoe US, or Zijin and Zijin Purchaser, as may be the case to attend any negotiations with respect to any potential Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing, as the case may be; and
 - (c) provide Ivanhoe Mines and Ivanhoe US, or Zijin and Zijin Purchaser, as may be the case the opportunity to submit any proposed modifications with respect to any potential Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing, which proposed modifications shall be considered in good faith by the Shareholder arranging or procuring the Phase 1 Project Financing, Subsequent Project Financing or Ivanhoe Project Financing, as the case may be.

- (9) For the purposes of this Agreement, Zijin and Zijin Purchaser shall only be deemed to have arranged and/or procured for the Corporation the Phase 1 Project Financing as stipulated in Section 8.1, only when all conditions precedent to the initial draw-down of such Phase 1 Project Financing other than the Transfer of the 1% Holder Shares to Zijin Purchaser in accordance with Article 10 have been met and the Corporation is capable of drawing-down on such funds on notice only to the lender and upon the transfer of 1% Holder Shares to Zijin Purchaser herein.
- (10) The Corporation shall not declare or distribute any dividend to Shareholders until the repayment of all and any principal and interest of the Phase 1 Project Financing or Ivanhoe Project Financing, as the case may be. The Corporation shall cause ProjectCo not to declare or distribute any dividend to its shareholders until the repayment of all and any principal and interest of the Phase 1 Project Financing or Ivanhoe Project Financing, as the case may be.
- (11) Unless Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation agree otherwise in writing from time to time (including that funding could be by way of equity), funding to the Corporation, ProjectCo and the other DRC Subsidiary shall be by way of Shareholder loans.

Section 8.2 Contribution by Shareholders

- (1) The Project Committee may recommend to the Directors that the Directors make cash calls (each, a “**Cash Call**”) of the Shareholders to the extent required to meet Costs. Subject to Section 4.4(4), Cash Calls shall only be made pursuant to an Annual Program and Budget for the Business or an Interim Annual Program and Budget for the Business. Any Cash Call that is not made pursuant to an Annual Program and Budget or an Interim Annual Program and Budget shall not be recommended by the Project Committee and not approved by the Directors unless Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation agree otherwise.
- (2) Each Shareholder agrees to contribute its Proportionate Interest of up to an aggregate of 35% of the Capital Required for Phase 1 of Development. Furthermore, each Shareholder agrees to contribute its Proportionate Interest of up to an aggregate of 35% of the Capital Expenditures for any Development of the Kamoa Project subsequent to Phase 1 of Development.
- (3) Subject to Section 8.2(1), each Shareholder shall contribute to each Cash Call at the times specified by resolution of the Directors following the recommendation of the Project Committee in an amount equal to its Proportionate Interest at the times so specified. Cash Calls may be advanced by Shareholders by way of equity or shareholder loans as the Directors may determine at any time and from time to time in accordance with Section 4.8.
- (4) A Shareholder that fails to contribute to a Cash Call at the time and in the amount specified in the Cash Call notice shall be diluted in accordance with the following formula:

Dilution Formula:

$$I = ((A+B)/C) \times 100 \%$$

where:

I = the resulting percentage Share ownership interest of the reducing (diluted) Shareholder.

A= the sum of the reducing (diluted) Shareholder's total cash contributions, inclusive of the Deemed Initial Cash Contribution and all cash contributions actually made since the Effective Date and prior to any cash contributions actually made pursuant to the most recent Cash Call notice. For the purposes of this Section, "**Deemed Initial Cash Contribution**" means \$832,000,000 multiplied by 49.5%, 49.5% and 1% in the case of Zijin Purchaser, Ivanhoe Mines US and the 1% Holder, respectively. Furthermore, for the purposes of this Section, if, after complying with the procedures set out in Article 6, a Selling Shareholder Transfers Sale Shares to a Third Party, such Third Party's Deemed Initial Cash Contribution will be the sum of (i) \$832,000,000 multiplied by the percentage of Shares acquired (irrespective of the amount actually paid for those Sale Shares), and (ii) all cash contributions actually made by the Selling Shareholder since the Effective Date and prior to any cash contributions actually made pursuant to the most recent Cash Call notice multiplied by the percentage of Shares acquired and then divided by the Selling Shareholder's Proportionate Interest immediately prior to the Selling Shareholder's Transfer of the Sale Shares. Furthermore, for the purposes of this Section 8.2(4) only, and to the extent that the 1% Holder is for the purpose of this Section 8.2(4) considered the reducing (diluted) Shareholder then to this sum shall be added an amount equal to all cash contributions actually made pursuant to the initial Cash Call set out in Section 8.2(5) divided by 99%, and then multiplied by 1%.

B = the amount of the cash contribution actually made pursuant to the most recent Cash Call notice by the reducing (diluted) Shareholder.

C = the sum of all Shareholders' cash contributions, inclusive of the total Deemed Initial Cash Contribution of \$832,000,000 and cash contributions actually made since the Effective Date, including those cash contributions actually made pursuant to the most recent Cash Call notice. Furthermore, for the purposes of this Section 8.2(4) only, to this sum shall be added an amount equal to all cash contributions actually made pursuant to the initial Cash Call set out in Section 8.2(5) divided by 99%, and then multiplied by 1%.

- (5) The Parties acknowledge and agree that the Directors of the Corporation shall be deemed to have made an initial Cash Call for an aggregate amount of \$10,000,000 for working capital and general corporate purposes, and that such Cash Call will be funded by Ivanhoe Mines US and Zijin Purchaser concurrently with the effectiveness of this Agreement and advanced as Shareholder loans to the Corporation.

Section 8.3 Project Financing Post-Exercise of 1% Option

In the event that Zijin Purchaser exercises the 1% Option, Zijin and Zijin Purchaser will be required to arrange and/or procure any and all subsequent Project Financing for all then existing and future phases of the Kamoa Project (inclusive of any debt provided to facilitate the provision of power to the Kamoa Project by any Subsidiary of the Corporation) (the "**Subsequent Project Financing**") in accordance with the approved overall or long term development and operational program and plan for the Business, on terms approved by Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation, including without any recourse to Ivanhoe Mines or Ivanhoe Mines US. Any such Subsequent Project Financing arranged or procured by Zijin and Zijin Purchaser shall be for no less than 65% of the Capital Expenditures required for the Kamoa Project's Development (other than the costs of a Pre-Feasibility Study or Feasibility Study) subsequent to Phase 1 of Development. For greater certainty, Zijin and Zijin Purchaser have no obligation to arrange and/or procure any Subsequent Project Financing for all then existing and future phases of the Kamoa Project, unless the subsequent phase(s) of the Kamoa Project have been demonstrated to be economically feasible and the Directors and the Shareholders have duly approved a development plan to proceed with the subsequent phase(s) of the Kamoa Project in accordance with this section. Furthermore, for greater certainty, all phases of the Kamoa Project subsequent to Phase 1 of Development will only proceed, and any subsequent phase will only be funded, with Cash Calls, with the approval of Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation. As a condition of Zijin and Zijin Purchaser arranging or procuring the Subsequent Project Financing on terms approved by Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation, Zijin and Zijin Purchaser shall provide any and all required Completion Guarantees in respect of all of the Subsequent Project Financing, which for greater certainty shall not include the Corporation, and further shall not include Ivanhoe Mines, Ivanhoe Mines US, the 1% Holder or any of their respective Affiliates. For greater certainty, no Shareholder has any obligation to provide any required Completion Guarantees in respect of any debt financing not arranged or procured by such Shareholder. Zijin and Zijin Purchaser shall provide Completion Guarantees of any Subsequent Project Financing. For the purposes of this Agreement, Zijin and Zijin Purchaser shall only be deemed to have arranged and/or procured the Subsequent Project Financing only when all conditions precedent to the initial draw-down of such Subsequent Project Financing have been met and the Corporation is capable of drawing-down on such funds on notice only to the lender.

ARTICLE 9 OFFTAKE

Section 9.1 Offtake Rights

- (1) Each of Zijin and Zijin Purchaser on the one hand, and Ivanhoe Mines and Ivanhoe Mines US on the other, acknowledge and agree that Zijin and Zijin Purchaser shall have the preferential right at any time on or prior to the 7th anniversary of the date the Kamoa Project achieves Commercial Production to negotiate an agreement with the Corporation and/or ProjectCo, on commercial arm's length terms approved by Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation, during the negotiation of the Phase 1 Project Financing, which would allow Zijin and Zijin Purchaser to acquire, for the term of the Project Financing plus an option for up to a further five (5) additional years, up to that portion of total production of the Minerals from the Kamoa Project attributable to the Corporation at the date that Offtake becomes available, based on the percentage holding of the Corporation in the shares of ProjectCo ("**Offtake**"), provided that Zijin and Zijin Purchaser shall have arranged and/or procured for the Corporation the Phase 1 Project Financing in accordance with Section 8.1, and are otherwise in compliance with that Section in all respects, prior to Commercial Production and any acquisition of such Offtake.
- (2) The Offtake negotiation right of Zijin or Zijin Purchaser set forth in this Article 9 may or may not be exercised by Zijin or Zijin Purchaser, and where not exercised such Offtake right is not assignable to a Third Party or the 1% Holder without the prior written consent of Ivanhoe Mines and Ivanhoe Mines US.
- (3) In discharging the obligations in this Article 9, Zijin or Zijin Purchaser, Ivanhoe Mines or Ivanhoe Mines US, and the Corporation and/or ProjectCo shall negotiate reasonably and in good faith to enter into an agreement with respect to Offtake from the Kamoa Project (an "**Offtake Agreement**"), which the Parties acknowledge may be required by the lender(s) in connection with and as a condition of any Phase 1 Project Financing. The Parties agree that the Offtake Agreement shall be subject to review following any Development of the Kamoa Project subsequent to Phase 1 of Development of the Kamoa Project and may be amended or revised if approved by Shareholders holding in the aggregate no less than 80.01% of the then total issued and outstanding Shares of the Corporation.
- (4) For greater certainty, the Offtake right set forth in this Article 9 extends only to Offtake produced by commercial mining activities that take place at the Kamoa Project.
- (5)

REDACTED

Information relates to third party processes

ARTICLE 10 OPTION

Section 10.1 Option Right

Subject to Section 10.2, the 1% Holder hereby grants to Zijin Purchaser an option to purchase from the 1% Holder, on the 1% Option Closing Date, all (but not less than all) of the Shares registered in the name of the 1% Holder (the **"1% Holder Shares"**), for the purchase price set out in Section 10.3 (the **"1% Option"**).

Section 10.2 Exercise Condition

The 1% Option set forth in Section 10.1 shall not be exercisable by Zijin Purchaser (and Zijin Purchaser shall not be entitled to deliver to the 1% Holder the 1% Option Exercise Notice) unless Zijin and Zijin Purchaser have arranged or procured the Phase 1 Project Financing in accordance with Section 8.1 (the **"1% Option Exercise Condition"**) and are otherwise in compliance with that Section in all respects.

Section 10.3 Option Purchase Price

The aggregate purchase price payable by Zijin Purchaser to the 1% Holder for the 1% Holder Shares, in connection with the exercise of the 1% Option, on the 1% Option Closing Date, is the 1% Option Purchase Price.

Section 10.4 Manner of Exercise of Option

- (1) The 1% Option may be exercised by Zijin Purchaser upon delivery of written notice (the **"1% Option Exercise Notice"**) given to the 1% Holder and Ivanhoe Mines US at any time during the period commencing on the date the 1% Option Exercise Condition is satisfied in accordance with Section 8.1 (the **"1% Option Effective Date"**) and ending at the earlier of (i) 5:00 p.m. (Hong Kong time) on the date that is seven (7) years from the delivery date of the Feasibility Study and (ii) the date that the Ivanhoe Project Financing shall have been arranged in accordance with Section 8.1(3) (the **"1% Option Expiry Time"**), after which time the 1% Option shall expire and terminate and be of no further force or effect.

- (2) The 1% Option Exercise Notice must state the following:
- (a) that Zijin Purchaser is electing to exercise the 1% Option to purchase all (but not less than all) of the 1% Holder Shares from the 1% Holder for the 1% Option Purchase Price; and
 - (b) subject to regulatory approval (including any Chinese regulatory approvals), the closing date (the “**1% Option Closing Date**”) of the purchase and sale of the 1% Holder Shares pursuant to the exercise of the 1% Option shall be no earlier than five (5) Business Days and no later than ten (10) Business Days following the date of the 1% Option Exercise Notice.
- For greater certainty, in the event that the regulatory approval referred to in (b) above is not received within twelve (12) months after the date the 1% Option Exercise Notice is delivered, all of the Zijin Purchaser’s rights to the 1% Option shall be deemed to be irrevocably extinguished.
- (3) The 1% Option Exercise Notice shall be delivered to the 1% Holder and Ivanhoe Mines US in accordance with the provisions of Section 15.3.
- (4) For greater certainty, the 1% Option may only be exercised in respect of all, but not less than all, of the 1% Holder Shares, and any exercise or purported exercise of the 1% Option for less than all of the 1% Holder Shares, shall be null and void.

Section 10.5 Option Closing Procedures

- (1) The completion of the purchase and sale of the 1% Holder Shares in connection with the exercise of the 1% Option shall take place on the 1% Option Closing Date, at such place as the 1% Holder, Zijin Purchaser and Ivanhoe Mines US may agree to in writing.
- (2) Subject to satisfaction or waiver by the relevant party of the conditions of closing, at the closing of the purchase and sale of the 1% Holder Shares:
- (a) the 1% Holder shall deliver to Zijin Purchaser actual possession of the share certificate(s) representing the 1% Holder Shares duly endorsed in blank for transfer, or accompanied by an irrevocable instrument of transfer form duly executed in blank, in either case by the holder(s) of record, together with evidence satisfactory to Zijin Purchaser that Zijin Purchaser or its nominee(s) have been entered upon the books of the Corporation as the holder of the 1% Holder Shares;
 - (b) Zijin Purchaser shall deliver to the 1% Holder the 1% Option Purchase Price, payable by wire transfer of immediately available funds to a bank account nominated by the 1% Holder at least two (2) Business Days prior to the 1% Option Closing Date;
 - (c) the 1% Holder shall deliver releases to the Corporation and the other Shareholders releasing all claims that the 1% Holder may have against the Corporation or the other Shareholders with respect to any matter or thing up to

and including the time of the 1% Option Closing Date (except for any claims which might arise between the 1% Holder and Zijin Purchaser out of the purchase and sale of the 1% Holder Shares in connection with the exercise of the 1% Option as contemplated under this Article 10);

- (d) any Debt owing by the 1% Holder to the Corporation or the other Shareholders (including, for greater certainty, the 1% Holder Prom Note) shall be repaid, provided however that if the 1% Holder fails to repay any Debt, Zijin Purchaser shall pay the amount of such Debt and recover this amount by reducing accordingly the 1% Option Purchase Price otherwise payable to the 1% Holder; and
- (e) Zijin Purchaser shall deliver to the 1% Holder an instrument of transfer form to the Barbados Registrar of Companies confirming assessment and payment of any transfer tax in Barbados by Zijin Purchaser.

Section 10.6 Conditions of Closing

- (1) The completion of the purchase and sale of the 1% Holder Shares in connection with the exercise of the 1% Option is subject to the following conditions to be fulfilled or performed, on or before the 1% Option Closing Date, which conditions are for the exclusive benefit of Zijin Purchaser and may be waived, in whole or in part, by Zijin Purchaser in its sole discretion:
 - (a) the 1% Holder must represent and warrant to Zijin Purchaser that (i) on the 1% Option Closing Date, the 1% Holder Shares are owned by the 1% Holder as the beneficial owner with good title, free and clear of all Liens other than those restrictions contained in the Articles and this Agreement, and (ii) upon completion, Zijin Purchaser will have good and valid title to the 1% Holder Shares sold by the 1% Holder, free and clear of all Liens other than (A) those contained in the Articles and this Agreement, and (B) Liens granted by Zijin Purchaser;
 - (b) all filings, notices and Authorizations required to be obtained by the 1% Holder to complete the purchase and sale of the 1% Holder Shares have been made, given or obtained;
 - (c) the completion of the purchase and sale of the 1% Holder Shares and the payment of the 1% Option Purchase Price will not result in the violation of any Law by the 1% Holder; and
 - (d) no order or notice will have been made, issued or delivered by any Governmental Entity, seeking to enjoin, restrict or prohibit or enjoining, restricting or prohibiting, on a temporary or permanent basis any of the transactions contemplated by this Article 10 or imposing any temporary or permanent terms or conditions on the transactions contemplated by this Article 10.

- (2) The completion of the purchase and sale of the 1% Holder Shares in connection with the exercise of the 1% Option is subject to the following conditions to be fulfilled or performed, on or before the 1% Option Closing Date, which conditions are for the exclusive benefit of the 1% Holder and may be waived, in whole or in part, by the 1% Holder in its sole discretion:
- (a) the completion of the purchase and sale of the 1% Holder Shares and the payment of the 1% Option Purchase Price will not result in the violation of any Law;
 - (b) the Transfer of the 1% Holder Shares to Zijin Purchaser must be exempt from any prospectus or similar requirements of applicable Laws; and
 - (c) all guarantees, indemnities, covenants and security made or granted by the 1% Holder to secure any Debt, liability or obligation of the Corporation (i) must be cancelled; or (ii) Zijin Purchaser must have indemnified the 1% Holder against all Liabilities which may be paid, suffered or incurred with respect to such guarantees, indemnities, covenants or security.
- (3) If, as a result of a condition expressed in this Section, the purchase and sale of the 1% Holder Shares in connection with the exercise of the 1% Option cannot be completed on the 1% Option Closing Date, the purchase and sale of the 1% Holder Shares shall be completed on the second (2nd) Business Day following the date that the condition is subsequently satisfied.

Section 10.7 Pre-Closing Covenants

- (1) Subject to Section 10.7(3), each of Zijin Purchaser and the 1% Holder shall take all actions that are within its power to control and use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, to ensure satisfaction of the conditions in Section 10.6(1) and Section 10.6(2), as the case may be.
- (2) The 1% Holder will take all necessary steps and corporate proceedings to permit good title to the 1% Holder Shares to be duly and validly transferred and assigned to Zijin Purchaser at the time of closing of the purchase and sale of the 1% Holder Shares pursuant to the exercise of the 1% Option, free of all Liens other than the restrictions contained in the Articles and this Agreement.
- (3) Each of Zijin Purchaser and the 1% Holder will use its commercially reasonable efforts to make or give, or cause to be made or given, all filings with and notification to any Governmental Entity and obtain or cause to be obtained all Authorizations required by each, necessary in order to complete the exercise of the 1% Option.

Section 10.8 Transfer taxes

1% Holder shall be responsible for the timely payment of all property transfer taxes, stamp duties, and similar fees and charges related to the transfer of the 1% Holder Shares under this Article 10. The Parties acknowledge and agree that Zijin shall in no event be responsible for

the payment of any capital gains taxes or taxes of a similar nature arising as a result of the exercise of the 1% Option in accordance with this Article 10.

Section 10.9 Restriction on 1% Holder

- (1) While the 1% Option remains outstanding and unexercised, the 1% Holder will not, without the prior written consent of Zijin Purchaser and Ivanhoe Mines US (which consent may be withheld by one or both), sell, Transfer, assign, pledge, charge, mortgage or deal in any other way with, directly or indirectly, dispose of, or encumber, the 1% Holder Shares except as otherwise expressly permitted by this Agreement.
- (2) If the 1% Option has not been exercised and has expired and the Subsequent Option has also expired, following such time, the 1% Holder will not, without the prior written consent of Zijin Purchaser and Ivanhoe Mines US (which consent may be withheld by one or both), sell, Transfer, assign, pledge, charge, mortgage or deal in any other way with, directly or indirectly, dispose of, or encumber, the 1% Holder Share, except through the procedures in Article 6 in which case the 1% Holder may, at any time, make the same Offer within the meaning of Section 6.1 to each other Shareholder using such procedures.
- (3) If the 1% Option has been exercised, and if the conditions set out in Section 10.6 have been satisfied or waived, the 1% Holder shall in any event Transfer the 1% Holder Shares to Zijin Purchaser. If the 1% Holder fails to Transfer the 1% Holder Shares to Zijin Purchaser in accordance with Article 10, an Event of Default under the 1% Holder Prom Note shall be deemed to occur upon which Zijin Purchaser and Ivanhoe Mines US shall be entitled to exercise the On-Default Option set out in Article 11.

Section 10.10 Subsequent Option Right

- (1) Subject to Section 10.10(2), in the event the 1% Option granted pursuant to Section 10.1 has not been exercised by Zijin Purchaser by the 1% Option Expiry Time and the Ivanhoe Project Financing shall have been arranged as set forth in Section 8.1(3), then Ivanhoe Mines US will have the right to purchase the 1% Holder Shares (the “**Subsequent Option**”) at any time during the period commencing on the date the Ivanhoe Project Financing shall have been arranged as set forth in Section 8.1(3) and ending at the earlier of (i) 5:00 p.m. (Hong Kong time) on the date that is seven (7) years from the delivery date of the Feasibility Study and (ii) the date that the Phase 1 Project Financing shall have been arranged or procured by Zijin and Zijin Purchaser in accordance with Section 8.1, after which time the Subsequent Option under Section 10.10(1) shall expire and terminate and be of no further force or effect.
- (2) In the event that by the 1% Option Expiry Time neither the 1% Option granted pursuant to Section 10.1 shall have been exercised by Zijin Purchaser nor the Subsequent Option granted pursuant to Section 10.10(1) shall have been exercised by Ivanhoe Mine US, then each of Ivanhoe Mines US and Zijin Purchaser will each have the right to purchase one-half of the 1% Holder Shares at any time during the period commencing at the 1% Option Expiry Time and ending at 5:00 p.m. (Vancouver time) on the date that is six (6) months thereafter, after which time the option granted by this Section 10.10(2) shall expire and terminate and be of no further force or effect.

- (3) If Ivanhoe Mines US validly exercises the Subsequent Option, or if Ivanhoe Mines US or Zijin Purchaser exercises its right to purchase one-half of the 1% Holder Shares in accordance with Section 10.10(2), the purchase price payable to the 1% Holder, the manner of exercise and the related closing procedures will comply *mutatis mutandis* with Section 10.3, Section 10.4, Section 10.5, Section 10.6, Section 10.7 and Section 10.8, as the case may be.

Section 10.11 Other Securities

The provisions of this Article 10 will apply *mutatis mutandis* to any other shares or other securities of the Corporation into which the 1% Holder Shares are converted, exchanged or otherwise changed, or acquired including by way of dividend or distribution thereon.

Section 10.12 Continuing Obligations

If the 1% Holder Transfers all of the 1% Holder Shares pursuant to this Article 10, the obligations of the 1% Holder under Article 12 shall continue in full force and effect.

ARTICLE 11 ON-DEFAULT OPTION

Section 11.1 On-Default Option Right

Notwithstanding Section 10.2 but subject to Section 10.10 and to Section 11.2, the 1% Holder hereby grants to each of Ivanhoe Mines US and Zijin Purchaser (in each case, the “**On-Default Option Holder**”) an option to purchase from the 1% Holder, on the On-Default Option Closing Date, half of the 1% Holder Shares, for the purchase price set out in Section 11.3 (the “**On-Default Option**”).

Section 11.2 Exercise Condition

- (1) The On-Default Option set forth in Section 11.1 shall not be exercisable by an On-Default Option Holder (and an On-Default Option Holder shall not be entitled to deliver to the 1% Holder the On-Default Option Exercise Notice) unless an Event of Default exists under the 1% Holder Prom Note or the 1% Holder has materially breached this Agreement (the “**On-Default Option Exercise Condition**”).
- (2) Promptly following an Event of Default under the 1% Holder Prom Note, the 1% Holder shall deliver written notice of same to each of the On-Default Option Holders, and in any event, no later than forty-eight (48) hours following the commencement of the Event of Default.
- (3) For purposes of this Section 11.2, “**Event of Default**” is as defined in the 1% Holder Prom Note.

Section 11.3 On-Default Option Purchase Price

The aggregate purchase price payable by an On-Default Option Holder to the 1% Holder for half of the 1% Holder Shares, in connection with the exercise of the On-Default Option, on the On-Default Option Closing Date, shall be equal to half of the then current market value of the 1% Holder Shares as determined by independent expert evaluator(s) appointed and paid for

by Zijin Purchaser, Ivanhoe Mines US and/or the 1% Holder (the **“On-Default Option Purchase Price”**).

Section 11.4 Manner of Exercise of Option

- (1) The On-Default Option may be exercised by an On-Default Option Holder upon delivery of written notice (the **“On-Default Option Exercise Notice”**) given to the 1% Holder and the other On-Default Option Holder at any time during the period commencing on the date on which the On-Default Option Exercise Condition is triggered (the **“On-Default Option Effective Date”**) and ending upon the valid exercise of the On-Default Option by an On-Default Option Holder.
- (2) The On-Default Option Exercise Notice must state the following:
 - (a) that an On-Default Option Holder is electing to exercise the On-Default Option to purchase half (but not less than half) of the 1% Holder Shares from the 1% Holder for the On-Default Option Purchase Price; and
 - (b) the closing date (the **“On-Default Option Closing Date”**) of the purchase and sale of the 1% Holder Shares pursuant to the exercise of the On-Default Option shall be no earlier than five (5) Business Days and no later than ten (10) Business Days following the date of the On-Default Option Exercise Notice.
- (3) The On-Default Option Exercise Notice shall be delivered to the 1% Holder and the other On-Default Option Holder in accordance with the provisions of Section 15.3.
- (4) For greater certainty, the On-Default Option may only be exercised in respect of half, but not less than half, of the 1% Holder Shares, and any exercise or purported exercise of the On-Default Option for less than half of the 1% Holder Shares, shall be null and void. One On-Default Option Holder may exercise the On-Default Option in its sole discretion regardless of whether the other On-Default Option Holder exercises the On-Default Option.

Section 11.5 Option Closing Procedures

- (1) The completion of the purchase and sale of the 1% Holder Shares in connection with the exercise of the On-Default Option shall take place on the On-Default Option Closing Date, at such place as an On-Default Option Holder and the 1% Holder may agree to in writing.
- (2) Subject to satisfaction or waiver by the relevant party of the conditions of closing, at the closing of the purchase and sale of the 1% Holder Shares:
 - (a) the 1% Holder shall deliver to an On-Default Option Holder actual possession of the share certificate(s) representing the 1% Holder Shares duly endorsed in blank for transfer, or accompanied by an irrevocable instrument of transfer form duly executed in blank, in either case by the holder(s) of record, together with evidence satisfactory to an On-Default Option Holder that an On-Default Option

Holder or its nominee(s) have been entered upon the books of the Corporation as the holder of the 1% Holder Shares;

- (b) in case of exercise of the On-Default Option by Ivanhoe Mines US, Ivanhoe Mines US shall deliver to the 1% Holder the On-Default Option Purchase Price, which shall be set-off against the principal amount under the 1% Holder Prom Note and any balance to be paid by wire transfer of immediately available funds to a bank account nominated by the 1% Holder;
- (c) in case of exercise of the On-Default Option by Zijin Purchaser, Zijin Purchaser shall pay the On-Default Option Purchase Price to the 1% Holder by the wire transfer of immediately available funds to a bank account nominated by the 1% Holder;
- (d) any Debt owing by the 1% Holder to the Corporation shall be repaid; and
- (e) the 1% Holder shall deliver to the On-Default Option Holders the required instrument of transfer forms to the Barbados Registrar of Companies confirming assessment and payment of any transfer tax in Barbados by the 1% Holder.

Section 11.6 Conditions of Closing

- (1) The completion of the purchase and sale of the 1% Holder Shares in connection with the exercise of the On-Default Option is subject to the following conditions to be fulfilled or performed, on or before the On-Default Option Closing Date, which conditions are for the exclusive benefit of the On-Default Option Holders and may be waived, in whole or in part, by an On-Default Option Holder in its sole discretion:
 - (a) the 1% Holder must represent and warrant to the On-Default Option Holders that (i) on the On-Default Option Closing Date, the 1% Holder Shares are owned by the 1% Holder as the beneficial owner with good title, free and clear of all Liens other than those restrictions contained in the Articles and this Agreement, and (ii) upon completion, the On-Default Option Holders will have good and valid title to the 1% Holder Shares sold by the 1% Holder, free and clear of all Liens other than (A) those contained in the Articles and this Agreement, (B) Liens granted by the On-Default Option Holders exercising the On-Default Option, and (C) the 1% Option;
 - (b) all filings, notices and Authorizations required to be obtained by the 1% Holder to complete the purchase and sale of the 1% Holder Shares must have been made, given or obtained;
 - (c) the completion of the purchase and sale of the 1% Holder Shares will not result in the violation of any Law by the 1% Holder; and
 - (d) no order or notice will have been made, issued or delivered by any Governmental Entity, seeking to enjoin, restrict or prohibit or enjoining, restricting or prohibiting, on a temporary or permanent basis any of the transactions contemplated by this Article 11 or imposing any temporary or

permanent terms or conditions on the transactions contemplated by this Article 11.

- (2) The completion of the purchase and sale of the 1% Holder Shares in connection with the exercise of the On-Default Option is subject to the purchase and sale of the 1% Holder Shares not resulting in the violation of any Law, which condition:
 - (a) is to be fulfilled or performed on or before the On-Default Option Closing Date;
 - (b) is for the exclusive benefit of the 1% Holder; and
 - (c) may be waived, in whole or in part, by the 1% Holder in its sole discretion.
- (3) If, as a result of a condition expressed in this Section, the purchase and sale of the 1% Holder Shares in connection with the exercise of the On-Default Option cannot be completed on the On-Default Option Closing Date, the purchase and sale of the 1% Holder Shares shall be completed on the second (2nd) Business Day following the date that the condition is subsequently satisfied.

Section 11.7 Pre-Closing Covenants

- (1) Subject to Section 11.7(3), each of the On-Default Option Holders and the 1% Holder shall take all actions that are within its power to control and use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, to ensure satisfaction of the conditions in Section 11.6(1) and Section 11.6(2), as the case may be.
- (2) The 1% Holder will take all necessary steps and corporate proceedings to permit good title to the 1% Holder Shares to be duly and validly transferred and assigned to the On-Default Option Holders at the time of closing of the purchase and sale of the 1% Holder Shares pursuant to the exercise of the On-Default Option, free of all Liens other than the restrictions contained in the Articles and this Agreement.
- (3) Each of the On-Default Option Holders and the 1% Holder will use its commercially reasonable efforts to make or give, or cause to be made or given, all filings with and notification to any Governmental Entity and obtain or cause to be obtained all Authorizations required by each, necessary in order to complete the exercise of the On-Default Option.

Section 11.8 Transfer taxes

The 1% Holder shall be responsible for the timely payment of all property transfer taxes, stamp duties, and similar fees and charges related to the transfer of the 1% Holder Shares under this Article 11.

Section 11.9 Restriction on 1% Holder

While the On-Default Option remains outstanding and unexercised, the 1% Holder will not, without the prior written consent of the On-Default Option Holders (which consent may be withheld), sell, Transfer, assign, pledge, charge, mortgage or deal in any other way with,

directly or indirectly, dispose of, or encumber, the 1% Holder Shares except as otherwise permitted by this Agreement.

Section 11.10 Other Securities

The provisions of this Article 11 will apply *mutatis mutandis* to any other shares or other securities of the Corporation into which the 1% Holder Shares are converted, exchanged or otherwise changed, or acquired including by way of dividend or distribution thereon.

Section 11.11 Continuing Obligations

If the 1% Holder Transfers all of the 1% Holder Shares pursuant to this Article 11,

- (1) the obligations of the 1% Holder under Section 10.1 relating solely to the sale of the 1% Holder Shares in connection with the valid exercise of the 1% Option shall be performed and fulfilled by Ivanhoe Mines US (to the extent the 1% Option remains exercisable at the relevant time) and, for greater certainty, in the case that the 1% Option is exercised at a time when Ivanhoe Mines US is required to fulfil such option, this clause does not extend any obligation to Ivanhoe Mines US to comply with Section 10.5(2)(c), Section 10.5(2)(d), Section 10.8, and Section 10.12, provided if Zijin Purchaser exercises the On-Default Option, the obligations Ivanhoe Mines US assumes under Section 10.1 relating solely to the sale of the Shares in connection with the valid exercise of the 1% Option shall be reduced by half,
- (2) the obligations of the 1% Holder under Section 10.10 relating solely to the sale of the 1% Holder Shares to Ivanhoe Mines US in connection with the valid exercise of the Subsequent Option shall be performed and fulfilled by Zijin Purchaser (to the extent the Subsequent Option shall become exercisable at the relevant time) and, for greater certainty, in the case that the Subsequent Option is exercised at a time when Zijin Purchaser is required to fulfil such option, this clause does not extend any obligation to Zijin Purchaser to comply with Section 10.5(2)(c), Section 10.5(2)(d), Section 10.8, and Section 10.12, provided if Ivanhoe Mines US exercises the On-Default Option, the obligations of Zijin Purchaser assumed under Section 10.10 relating to the sale of the Shares in connection with the valid exercise of the Subsequent Option shall be reduced by half; and
- (3) the obligations of the 1% Holder under Article 12 shall continue in full force and effect.

ARTICLE 12 CONFIDENTIALITY AND STANDSTILL

Section 12.1 Confidentiality Obligation

Each Shareholder shall keep all Confidential Information confidential and shall not disclose any Confidential Information to any Person or use any Confidential Information except as permitted by this Agreement. A Shareholder may disclose Confidential Information to its employees and advisors but only to the extent that they need to know the Confidential Information, they have been informed of the confidential nature of the Confidential Information and they agree to be bound by and act in accordance with this Section. “**Confidential**

Information” means all information relating to the Business, Operations, assets, liabilities, plans, prospects and other affairs of the Corporation, in whatever form, and includes all Books and Records.

Section 12.2 Confidentiality Exceptions

The restrictions set out in Section 12.1 do not apply to Confidential Information or any part of it that:

- (a) is or becomes generally available to the public;
- (b) is required to be disclosed by Law; or
- (c) is permitted in writing to be disclosed by the Person who owns such Confidential Information.

Section 12.3 Standstill

- (1) For a period of ten (10) years from the date of this Agreement, no Shareholder nor any of their respective Affiliates (regardless of whether an Affiliate on the date hereof) will, directly or indirectly, without the prior written consent of Ivanhoe Mines, which consent may be withheld:
 - (a) effect or seek, offer, agree or propose (whether publicly or otherwise) to effect, or cause to participate in, or in any way advise, encourage, or assist (including financial assistance) any other person to effect or seek, offer, agree or propose (whether publicly or otherwise) to effect or participate in:
 - (i) any direct or indirect acquisition by purchase or otherwise, individually or jointly in concert with any other person, of any securities or direct or indirect rights or options to acquire any securities (or any other beneficial ownership thereof), assets or properties of Ivanhoe Mines, or any of its Affiliates, whether such agreement or proposal is with Ivanhoe Mines or any of its Affiliates or shareholders or with a Third Party;
 - (ii) any merger, arrangement or other business combination or tender, takeover bid or exchange offer, direct or indirect, involving Ivanhoe Mines or any of its Affiliates or shareholders; or
 - (iii) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to Ivanhoe Mines or any of its Affiliates;
 - (b) directly or indirectly make, or in any way participate in, any solicitation of proxies to vote, or seek to advise or influence any other person with respect to the voting of any voting securities of Ivanhoe Mines;
 - (c) form, join or in any way participate in a “group” within the meaning of section 13(d)(3) of the United States Securities Exchange Act of 1934, as amended, or act

jointly or in concert with any person with respect to any voting securities of Ivanhoe Mines;

- (d) otherwise act, alone or in concert with others, to seek to control or influence the management, directors or corporate policies of Ivanhoe Mines;
 - (e) take any action which might cause or require Ivanhoe Mines to make a public announcement regarding any of the types of matters set forth in (a) or (b) above;
 - (f) enter into or engage in any discussions, negotiations, agreements or arrangements with any Third Party with respect to any of the foregoing;
 - (g) make any public announcement of any intention, plan or arrangement to do or take any of the foregoing actions;
 - (h) attempt to induce any party not to make or conclude any proposal with respect to Ivanhoe Mines by threatening or indicating that Zijin, Zijin Purchaser or any of their respective Affiliates may take any of the foregoing actions.
- (2) For greater certainty, each of Zijin and Zijin Purchaser acknowledges and agrees that, without the prior written consent of Ivanhoe Mines, each of Zijin, Zijin Purchaser or any of their respective Affiliates is expressly prohibited from communicating, and nothing contained in this Agreement shall be interpreted as authorizing Zijin, Zijin Purchaser or any of their respective Affiliates to communicate, with any person (whether or not such person has executed a confidentiality agreement with Ivanhoe Mines) with respect to a possible “joint bid” for the assets or securities of Ivanhoe Mines or any transaction or series of transactions having similar effect including, without limitation, the acquisition of any assets or securities of Ivanhoe Mines or any interest therein by a Third Party.
- (3) Nothing in this Section 12.3 prohibits Zijin, or any Affiliate of Zijin, from selling, transferring or otherwise disposing of any common shares of Ivanhoe Mines owned by such entity.

ARTICLE 13

DISPUTE RESOLUTION

Section 13.1 Settling Disputes

If any dispute, claim, question or difference arises out of or in connection with this Agreement, including the interpretation, performance, breach, termination or invalidity of it, or in respect of any legal relationship associated with or derived from this Agreement (a “**Dispute**”), the Parties shall attempt to settle the Dispute by negotiation, including between the Chairman of Zijin and the Chairman of Ivanhoe Mines. If the Dispute has not been resolved, for any reason, within forty-five (45) calendar days following delivery of a notice of Dispute, the Dispute may be resolved by arbitration as provided in Section 13.2.

Section 13.2 Arbitration

- (1) A Party may commence arbitration in respect of a Dispute by delivering to the other Parties and to the International Chamber of Commerce a written notice of arbitration. The Dispute will be arbitrated and resolved under the Rules of Arbitration of the International Chamber of Commerce by the arbitrators appointed in accordance with the said Rules.
- (2) The place of arbitration will be Hong Kong, the language of the arbitration will be English and there will be 3 arbitrators.
- (3) The arbitration will be kept confidential and the existence of the proceeding and any element of it (including any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions and any awards) will not be disclosed beyond the arbitrators, the Parties, their counsel and any person necessary to the conduct of the proceeding, except as may lawfully be required in judicial proceedings relating to the arbitration or otherwise or as may be required by Law.
- (4) This arbitration provision will be governed by and interpreted and enforced in accordance with the laws of Hong Kong.
- (5) A Party to a Dispute may, at any time, make an offer to the other Party to the Dispute to settle all or any part of the Dispute. Any offer to settle is deemed to be an offer of compromise made in confidence and without prejudice. In the event an offer to settle is not accepted, the fact that an offer to settle has been made will not be communicated to the arbitrators until the arbitrators have made a final determination of all aspects of the Dispute other than costs. If an offer to settle is not accepted and the arbitration award is no more favourable to the Party to which the offer was made, the Party making the offer is entitled to all of its costs in connection with the arbitration in respect of the period from the date the offer to settle was made to the making of the arbitration award.

ARTICLE 14 REPRESENTATIONS AND WARRANTIES

Section 14.1 Representations and Warranties of the Shareholders

Each Shareholder severally represents and warrants as follows and acknowledges and confirms that the other Parties are relying on such representations and warranties in entering into this Agreement:

- (a) **Corporate Power.** The Shareholder has been duly formed and is validly existing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to enter into and deliver this Agreement and to perform its obligations under this Agreement.
- (b) **Conflict with Other Instruments.** The execution and delivery by the Shareholder and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Agreement will not conflict with or result in a breach of: (i) its constitutional documents, (ii) any applicable Law,

(iii) any agreement or instrument to which the Shareholder is a party or by which it is bound or by which any of its properties or assets are bound, or (iv) any judgment, injunction, determination or award which is binding on it.

- (c) **Authorizations and Consents.** There is no requirement on the part of the Shareholder to make any filing with or give any notice to any Governmental Entity, or obtain any Authorization, in connection with the completion of the transactions contemplated by this Agreement, except for filings and notifications required by applicable securities Laws. There is no requirement on the part of the Shareholder to obtain any consent, approval or waiver of any Person under any contracts or instruments to which the Shareholder is a party or pursuant to which any of the Shareholder's assets may be affected in connection with the completion of the transactions contemplated by this Agreement.
- (d) **Corporate Action.** The execution and delivery of this Agreement by the Shareholder and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Agreement have been duly authorized by all necessary corporate action on the part of the Shareholder (including any approval of its shareholders that it may be required to obtain).
- (e) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Shareholder and constitutes a legal, valid and binding obligation of it enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.
- (f) **Title to Shares.** The Shares set out opposite the Shareholder's name on Schedule "A" are owned by the Shareholder as the registered and beneficial owner with good title, free and clear of all Liens, other than those restrictions on transfer contained in the Articles, this Agreement, or by Law, and in the case of Zijin Purchaser, other than the Lien created by the Securities Pledge Agreement. The total number of issued and outstanding Shares as of the Effective Date is as set out in Schedule "A".

Section 14.2 Survival

The representations, warranties and covenants of the Parties contained in this Article shall survive the execution and delivery of this Agreement and continue in full force and effect with respect to each Party until it ceases to be bound by the provisions of this Agreement or the Agreement terminates under Section 2.5.

ARTICLE 15 MISCELLANEOUS

Section 15.1 Installment Payments

The Parties acknowledge and agree that the fact Zijin Purchaser has agreed to acquire Shares from Ivanhoe Mines US pursuant to a share acquisition agreement among the Parties dated as of the Effective Date in exchange for consideration including future cash installment payments to Ivanhoe Mines US, and that for certainty, (i) Zijin Purchaser shall be entitled to all rights (including voting rights) and other entitlements as a holder of 49.5% of the issued and outstanding Shares as of the Effective Date notwithstanding the fact that payment of part of the consideration for its Shares shall have been deferred pursuant to the terms of the agreement governing the sale of such Shares, and (ii) such matters shall not have any impact on, or otherwise derogate or impair, any of Zijin and Zijin Purchaser's rights and obligations as provided under this Agreement, provided, that the failure of Zijin Purchaser to pay any such installment payment when due and payable will result in Zijin Purchaser being deemed an Inactive Shareholder during the period of such non-performance.

Section 15.2 Non-Solicitation

- (1) Until the date that is one (1) year after the Effective Date, Ivanhoe Mines and Ivanhoe Mines US shall not, without written consent of Zijin and Zijin Purchaser, solicit for hire or employ, directly or indirectly, any individual that is an officer, Director or employee of the Corporation:
 - (a) other than any individual that is at the date of this Agreement also a director, officer, employee or consultant of Ivanhoe Mines, Ivanhoe Mines US or any of their respective affiliates (other than the Corporation); or
 - (b) other than through general solicitations by newspaper or similar advertisement or via an executive search firm that was not encouraged or instructed by Ivanhoe Mines or Ivanhoe Mines US to undertake such solicitation.

Section 15.3 Notices

Any notice, direction or other communication (each a "Notice") given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or facsimile (but not by electronic mail) and addressed:

- (a) to Ivanhoe Mines and Ivanhoe Mines US:

Suite 654-999 Canada Place,
Vancouver, British Columbia
Canada
V6C 3E1

Attention: Mary Vincelli
Telephone: (604) 331-9882
Facsimile: (604) 682-2060
Email: mary@ivancorp.net

(b) to Zijin and Zijin Purchaser at:

Zijin Mining Group Co., Ltd.
19/F, Haifu Center
599 Sishui Dao
Huli, Xiamen 361016
People's Republic of China

Attention: Mr. Qixue Fang
Telephone: +86 592 2933 599
Facsimile: +86 592 2933 655
Email: fangqx@zjky.cn

Gold Mountains International Mining (H.K.) Limited
Unit 7503A, Level 75, International Commerce Centre
Hong Kong

Attention: Xuefeng Wu
Telephone: +852 28032527
Fax Number: +852 2803 0878
Email: wuxuefeng@zijinmining.com.hk

(c) to the 1% Holder at:

Crystal River Global Limited
P.O. Box 957, Offshore Incorporations Centre
Road Town, Tortola, British Virgin Islands

Attention: So Hon Chun, Director
Facsimile: +852 (2865) 3209
Email: hansso1@netvigator.com

A Notice is deemed to be delivered and received (i) if sent by personal delivery, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by same-day service courier, on the date of delivery if sent on a Business Day and delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (iii) if sent by overnight courier, on the next Business Day, provided delivery was made prior to 4:00 p.m. (local time in place of receipt), or (iv) if sent by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile. Any Notice sent by e-mail transmission, will be deemed to have been received two hours after the time such transmission was sent, if such time falls within business hours in the place of delivery, or at 9:00am on the next Business Day immediately following such date in the place of delivery of the intended recipient. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed.

Section 15.4 Time of the Essence

Time is of the essence in this Agreement.

Section 15.5 Third Party Beneficiaries

The Parties intend that this Agreement shall not benefit or create any right or cause of action in favour of any Person, other than the Parties. No Person, other than the Parties, and except as set forth in Section 3.5, is entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.

Section 15.6 No Agency or Partnership

Nothing contained in this Agreement makes or constitutes any Party, or any of its directors, officers or employees, the representative, agent, principal, partner, joint venturer, employer, employee of any other Party. It is understood that no Party has the capacity to make commitments of any kind or incur obligations or liabilities binding upon any other Party. For greater certainty, each of the Parties hereto acknowledges that each of Ivanhoe Mines and Zijin are publicly listed companies, and accordingly, each acknowledges that any change in the shareholding, directorship, management or control of either Ivanhoe Mines or Zijin shall not impact any of the rights, obligations or liabilities of any of the Parties under this Agreement.

Section 15.7 Expenses

Each Party shall bear its own costs and expenses incurred in connection with the negotiation and execution and performance of this Agreement.

Section 15.8 Amendments

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by all of the Parties.

Section 15.9 Effect of Amended and Restated Agreement

This Agreement supercedes and replaces the Shareholder, Governance and Option Agreement originally executed and dated on May 26, 2015 in its entirety, and shall be considered effective from the Effective Date notwithstanding the date of execution of this Agreement, as amended and restated.

Section 15.10 Waiver

No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision (whether or not similar). No waiver shall be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement shall not operate as a waiver of that right. A single or partial exercise of any right shall not preclude a Party from any other or further exercise of that right or the exercise of any other right.

Section 15.11 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise,

between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement. For greater certainty, in the event of any inconsistency between this Agreement and the Management Fee Agreement, this Agreement shall govern.

Section 15.12 Successors and Assigns

- (1) This Agreement becomes effective only when executed by each of the Parties. After that time, it is binding on and enures to the benefit of each of the Parties and their respective heirs, administrators, executors, legal personal representatives, successors and permitted assigns.
- (2) Except as otherwise provided in this Agreement, neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

Section 15.13 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision shall be deemed to be severed from this Agreement and the remaining provisions shall remain in full force and effect.

Section 15.14 Governing Law

- (1) This Agreement is governed by, and is to be interpreted and enforced in accordance with, the laws of Hong Kong.
- (2) Subject to Article 13, each Party irrevocably attorns and submits to the exclusive jurisdiction of the Hong Kong courts and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

Section 15.15 Binding Effect

This Agreement is intended to be a legally binding and enforceable agreement among the Parties as of the Effective Date.

Section 15.16 Performance by Subsidiaries

- (1) Zijin shall ensure that its Subsidiaries that are Parties to this Agreement, and any Subsidiaries or Affiliates of Zijin who become Parties to this Agreement as Permitted Transferees pursuant to Section 5.2 and who have agreed to be bound by this Agreement pursuant to Section 2.6 hereof, fulfil their covenants and obligations hereunder.
- (2) Ivanhoe Mines shall ensure that any Subsidiaries or Affiliates of Ivanhoe Mines who become Parties to this Agreement as Permitted Transferees pursuant to Section 5.2 and who have agreed to be bound by this Agreement pursuant to Section 2.6 hereof, fulfill their covenants and obligations hereunder.

Section 15.17 Language and Translations

This Agreement is drafted in the English language, which shall serve as the official version of this Agreement. In the event this Agreement is translated into any other language, such translated version may be utilized for information purposes only. In the event of any inconsistency, the English language version is the original version and will prevail in case of any inconsistency over any translated version, and in the interpretation required of the Agreement.


Section 15.18 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or email) and all such counterparts taken together shall be deemed to constitute one and the same instrument. A Party sending a facsimile or email transmission shall also deliver the original signed counterpart to the other Parties; however, failure to deliver the original signed counterpart shall not invalidate this Agreement.

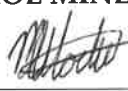
[Remainder of page left intentionally blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have executed this Agreement.

IVANHOE MINES LTD.

By: 
Name: M Cloete
Title: Chief Financial Officer

IVANHOE MINES US LLC

By: 
Name: M Cloete
Title: Chief Financial Officer

ZIJIN MINING GROUP CO., LTD.

By: _____
Name:
Title:

**GOLD MOUNTAINS (H.K.)
INTERNATIONAL MINING COMPANY
LIMITED**

By: _____
Name:
Title:

CRYSTAL RIVER GLOBAL LIMITED

By: _____
Name:
Title:

IN WITNESS WHEREOF the Parties have executed this Agreement.


IVANHOE MINES LTD.

By: _____
Name: _____
Title: _____

IVANHOE MINES US LLC

By: _____
Name: _____
Title: _____

ZIJIN MINING GROUP CO., LTD.

By:  _____
Name: FANG QIXUE
Title: Executive Director

GOLD MOUNTAINS (H.K.)
INTERNATIONAL MINING COMPANY
LIMITED

By:  _____
Name: FANG QIXUE
Title: Board Chairman

CRYSTAL RIVER GLOBAL LIMITED

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF the Parties have executed this Agreement.

IVANHOE MINES LTD.

By: _____
Name: _____
Title: _____

IVANHOE MINES US LLC

By: _____
Name: _____
Title: _____

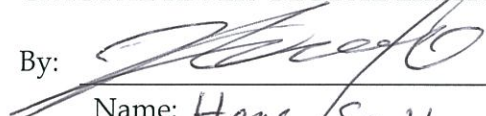
ZIJIN MINING GROUP CO., LTD.

By: _____
Name: _____
Title: _____

**GOLD MOUNTAINS (H.K.)
INTERNATIONAL MINING COMPANY
LIMITED**

By: _____
Name: _____
Title: _____

CRYSTAL RIVER GLOBAL LIMITED

By:  _____
Name: Hans So Hong Chun
Title: Director

KAMOA HOLDING LIMITED

By: 

Name: M Clote

Title: Director

SCHEDULE "A"
Share Ownership

Total Number of Issued and Outstanding Shares:	14,000
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Shareholder	Number of Shares Held
Ivanhoe Mines US	6,930
Gold Mountains (H.K.) International Mining Company Limited	6,930
1% Holder	140