

**EARLY WARNING REPORT FILED PURSUANT TO
NATIONAL INSTRUMENT 62-103**

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Common shares (“**KCC Shares**”) of Kinco Copper Limited (“**KCC**”), head office located at 800-1199 W. Hastings St., Vancouver BC, V6E 3T5.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

This report is filed in respect of the Acquiror’s securityholding percentage falling below 10% of issued and outstanding KCC Shares.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

The Acquiror is Ivanhoe Industries, LLC (“**Ivanhoe**”), through its affiliates HPX TechCo Inc., and High Power Ventures Inc.

Ivanhoe is a Delaware USA limited liability company, and its head office located at 90 Park Avenue, 18th floor, New York, NY 10016, USA. Ivanhoe’s principal business is investments in technology, energy and natural resource companies worldwide.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On August 22, 2017, KCC issued KCC Shares in a private placement that has caused Ivanhoe Industries’ beneficial ownership of KCC Shares to decrease to approximately 9.21% on a partially diluted basis, causing Ivanhoe to cease to be an insider of KCC. Neither Ivanhoe, nor any of Ivanhoe’s affiliates participated in this private placement.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

No securities of KCC were acquired or disposed of by Ivanhoe to trigger the filing of this report. The issuance of KCC Shares on August 22, 2017 (the "August Issuance") triggered this requirement, as this reduced Ivanhoe's securityholding percentage below the 10% reporting threshold.

HPX TechCo Inc. ("TechCo"), an affiliate of Ivanhoe Industries, is a registered holder of 4,053,183 common shares of KCC (each, a "KCC Share"), and is the registered holder of warrants of KCC ("Warrants") to purchase 2,009,232 KCC Shares. High Power Ventures Inc. ("Ventures") an affiliate of Ivanhoe Industries, is the registered holder of 48,291 KCC Shares. As a result, Ivanhoe Industries, indirectly through Ventures and TechCo, has beneficial ownership or control over 4,101,474 KCC Shares and Warrants to purchase 2,009,232 KCC Shares.

Due to the issuance of KCC Shares on August 22, 2017, Ivanhoe Industries' beneficial ownership of KCC Shares has decreased to approximately 9.21% of KCC's issued and outstanding shares, on a partially diluted basis and assuming only the Warrants held by TechCo are exercised.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

See the response to Item 3.1.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the issuance of KCC Shares on August 22, 2017, Ivanhoe was the beneficial owner of 4,101,474 KCC Shares (then approximately 8.10% of KCC Shares on a non-diluted basis). After the issuance of KCC Shares on August 22, 2017, Ivanhoe was, and is, the beneficial owner of 4,101,474 KCC Shares (approximately 6.38% of KCC Shares on a non-diluted basis).

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

The acquiror has ownership and control over all of the securities that are the subject of this report.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

Not applicable.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

Not applicable.

4.3 *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following: (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer; (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries; (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board; (e) a material change in the present capitalization or dividend policy of the reporting issuer; (f) a material change in the reporting issuer's business or corporate structure; (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company; (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace; (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada; (j) a solicitation of proxies from securityholders; (k) an action similar to any of those enumerated above.

Depending on economic or market conditions, or matters relating to KCC, or Ivanhoe Industries, Ivanhoe Industries or its affiliates may choose to acquire or dispose of securities of KCC.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

After the issuance of KCC Shares on August 22, 2017, Ivanhoe ceased to be a Reporting Insider of KCC.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated as of the 24th day of August, 2017

IVANHOE INDUSTRIES, LLC

per: “Anthony Abbenante”

Anthony Abbenante, President