

IVANHOE MINES LTD
Form 6-K
March 16, 2012

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

From: 15 March 2012

IVANHOE MINES LTD.

(Translation of Registrant's Name into English)

Suite 654 999 CANADA PLACE, VANCOUVER, BRITISH COLUMBIA V6C 3E1

(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F- Form 40-F-

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes: No:

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- .)

Enclosed:

2011 Management Proxy Circular

Notice of Annual Meeting of Shareholders

and

Management Proxy Circular

of

IVANHOE MINES LTD.

DATED: MARCH 31, 2011

IVANHOE MINES LTD.

Notice of Annual Meeting of Shareholders

May 10, 2011

NOTICE IS HEREBY GIVEN that the Annual Meeting of shareholders of Ivanhoe Mines Ltd. (the Corporation) will be held on Tuesday, May 10, 2011, at 9:00 AM local time, in the President s Room of the Terminal City Club located at 837 West Hastings Street, Vancouver, British Columbia for the following purposes:

1. to receive the annual report of the directors to the shareholders;
2. to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2010, and the auditors report thereon;
3. to elect fourteen (14) directors for the ensuing year;
4. to appoint auditors for the ensuing year and to authorize the directors to fix the auditors remuneration; and
5. to transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed March 25, 2011 as the Record Date for the determination of shareholders entitled to notice of, and to vote at, the meeting and at any adjournment thereof.

A management proxy circular, form of proxy, the audited consolidated financial statements and management s discussion and analysis for the year ended December 31, 2010 and a return envelope accompany this notice of meeting.

A shareholder who is unable to attend the meeting in person and who wishes to ensure that such shareholder s shares will be voted at the meeting, is requested to complete, date and execute the enclosed form of proxy and deliver it by facsimile, by hand or by mail in accordance with the instructions set out in the form of proxy and in the management proxy circular.

Dated at Vancouver, British Columbia this 31st day of March 2011.

BY ORDER OF THE BOARD

Beverly A. Bartlett
Vice President and Corporate Secretary

IVANHOE MINES LTD.

World Trade Centre

654 999 Canada Place

Vancouver, British Columbia, V6C 3E1

MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES

This Management Proxy Circular is furnished to the holders of common shares (shareholders) of IVANHOE MINES LTD. (the Corporation) by management of the Corporation in connection with the solicitation of proxies to be voted at the Annual Meeting (the Meeting) of the shareholders to be held at 9:00 AM, local time, on May 10, 2011 in the President s Room of the Terminal City Club located at 837 W. Hastings Street, Vancouver, British Columbia, and at any adjournment thereof, for the purposes set forth in the Notice of Meeting.

The solicitation of proxies by management will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. All costs of this solicitation will be borne by the Corporation.

The Board of Directors of the Corporation has fixed the close of business on March 25, 2011 as the record date, being the date for the determination of the registered shareholders entitled to receive notice of, and to vote at, the Meeting (the Record Date).

Unless otherwise stated, the information contained in this Management Proxy Circular is as of March 25, 2011. All dollar amounts are expressed in Canadian dollars (C\$ or Cdn\$), United States dollars (US\$) or Australian dollars (A\$), as indicated.

APPOINTMENT OF PROXYHOLDERS

A shareholder entitled to vote at the Meeting may, by means of a proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders, to attend and act at the Meeting for the shareholder and on the shareholder s behalf.

The individuals named in the enclosed form of proxy (the Form of Proxy) are directors and/or officers of the Corporation. **A shareholder may appoint, as proxyholder or alternate proxyholder, a person or persons other than any of the persons designated in the enclosed Form of Proxy, and may do so either by inserting the name or names of such persons in the blank space provided in the enclosed Form of Proxy or by completing another proper Form of Proxy.**

A shareholder forwarding the enclosed Form of Proxy may indicate the manner in which the proxyholder is to vote with respect to any specific item by checking the appropriate position. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the position opposite the item is to be left blank. The shares represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

An appointment of a proxyholder or alternate proxyholders will not be valid unless a form of proxy making the appointment, signed by the shareholder or by an attorney of the shareholder authorized in writing, is deposited with CIBC Mellon Trust Company, by facsimile to 1-866-781-3111 or 1-416-368-2502, by mail to P.O. Box 721, Agincourt, Ontario, M1S 0A1 or by hand to The Oceanic Plaza, 1600 1066 Hastings Street, Vancouver, British Columbia, V6E 3K9 or 320 Bay Street, Banking Hall Level, Toronto, Ontario, M5H 4A6 and received by CIBC Mellon Trust Company not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke the proxy:

- (a) by depositing an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing
 - (i) with CIBC Mellon Trust Company, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used,
 - (ii) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or an adjournment thereof, at which the proxy is to be used,
 - (iii) with the chairman of the Meeting on the day of the Meeting or an adjournment thereof, or
- (b) in any other manner provided by law.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

EXERCISE OF DISCRETION

The persons named in the enclosed Form of Proxy will vote or withhold from voting the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction in respect of a particular matter, such shares will be voted in favour of such matter. The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified or referred to in the Notice of Meeting and this Management Proxy Circular and with respect to other matters which may properly come before the Meeting.** As of the date of this Management Proxy Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any such or other matters which are not now known to management should properly come before the Meeting, the shares will be voted on such matters in accordance with the best judgment of the persons named in the Form of Proxy.

VOTES NECESSARY TO PASS RESOLUTIONS

The Corporation's by-laws provide that the quorum for the transaction of business at the Meeting is at least one individual present at the commencement of the Meeting holding, or representing by Proxy the holder or holders of, common shares carrying, in the aggregate, not less than thirty-three and one-third percent (33 1/3%) of the votes eligible to be cast at the Meeting.

Under the *Yukon Business Corporations Act* (the "YBCA"), a simple majority of the votes cast by shareholders at the Meeting is required to pass an ordinary resolution and a majority of two-thirds of the votes cast at the Meeting is required to pass a special resolution.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Corporation or the persons they appoint as their proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are non-registered shareholders (Non-Registered Shareholders) because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a Non-Registered Shareholder are registered either:

(i) in the name of an intermediary (an Intermediary) that the Non-Registered Shareholder deals with in respect of the shares of the Corporation (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSA's and similar plans); or

(ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice of Meeting, this Management Proxy Circular, the Form of Proxy and the request form (collectively, the Meeting Materials) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either be given:

(a) a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a voting instruction form) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the Form of Proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the Form of Proxy, properly complete and sign the Form of Proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

(b) a Form of Proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the Form of Proxy, this Form of Proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the Form of Proxy and deposit it with the Corporation, c/o CIBC Mellon Trust Company, The Oceanic Plaza, 1600 1066 Hastings Street, Vancouver, British Columbia, V6E 3K9 or 320 Bay Street, Banking Hall Level, Toronto, Ontario, M5H 4A6.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the shares of the Corporation they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the Form of Proxy and insert the Non-Registered Shareholder or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a Form of Proxy or voting instruction form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder's shares of the Corporation are held and following the instructions of the intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS

The Corporation's authorized capital consists of an unlimited number of common shares without par value (Common Shares) and an unlimited number of preferred shares without par value.

As of March 25, 2011, the Corporation had issued 653,638,447 fully paid and non-assessable Common Shares, each carrying the right to one vote. As of such date, no preferred shares were issued or outstanding.

A holder of record of one or more Common Shares on the securities register of the Corporation on the Record Date who either attends the Meeting personally or deposits a Proxy in the manner and subject to the provisions described above will be entitled to vote or to have such share or shares voted at the Meeting, except to the extent that

- (a) the shareholder has transferred the ownership of any such share after the Record Date, and
- (b) the transferee produces a properly endorsed share certificate for, or otherwise establishes ownership of, any of the transferred shares and makes a demand to CIBC Mellon Trust Company no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

To the knowledge of the directors and senior officers of the Corporation, the only persons who beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Corporation, the approximate number of Common Shares so owned, controlled or directed and the percentage of voting shares of the Corporation represented by such shares, and the share ownership by the current directors and senior officers of the Corporation as a group, in each case as at March 25, 2011, are:

Name and Address	September 30, Number of Shares Owned, Controlled or Directed	September 30, Percentage of Shares Outstanding
Rio Tinto International Holdings Limited		
London, UK	275,139,619	42.09%
Robert M. Friedland ⁽¹⁾		
Singapore	101,360,740	15.51%
Directors and Officers as a group ⁽²⁾⁽⁴⁾	102,512,138 ⁽²⁾⁽³⁾	15.68%

- (1) Common Shares are held directly (as to 22,782,421 shares) and indirectly through Newstar Securities SRL (as to 36,888,716 shares) and Goldamere Holdings SRL (as to 41,689,603 shares), each company beneficially owned and controlled as to 100% by Mr. Friedland. Common Shares held directly and indirectly by Mr. Friedland do not include 1,377,437 unissued Common Shares issuable upon the exercise of incentive stock options held by Mr. Friedland, none of which are currently vested and exercisable.
- (2) Common Shares held by the directors and senior officers as a group do not include 14,858,020 unissued Common Shares issuable upon the exercise of incentive stock options 5,935,286 of which are currently vested and exercisable or the unvested bonus shares of 564,250.
- (3) Includes 101,360,740 Common Shares held directly and indirectly by Robert M. Friedland.
- (4) The information as to shares beneficially owned, controlled or directed by a nominee is not within the knowledge of the management of the Corporation and has been furnished by the nominee.

In addition to the foregoing:

- (a) Rio Tinto also holds the following convertible securities entitling Rio Tinto to acquire additional unissued Common Shares:

- (i) share purchase warrants¹ to purchase up to: (i) 14,070,182 Common Shares at prices between US\$8.37 and US\$8.51 per Common Share, (ii) 40,224,365 Common Shares at US\$9.49 per Common Share, and (iii) 827,706 Common Shares at a price of C\$2.97 per Common Share; and

- (ii) subscription right to purchase Common Shares from treasury granted under, and subject to, the Heads of Agreement dated December 8, 2010 (the HOA) between the Corporation and Rio Tinto.

If all of the above-described convertible securities are exercised to acquire all of the underlying unissued Common Shares, Rio Tinto would hold slightly under 49% of the issued and outstanding Common Shares.

Concurrent with the Private Placement Agreement between the Corporation and Rio Tinto entered into in 2006 (the 2006 Rio Tinto Agreement), Rio Tinto and Mr. Friedland entered into a shareholders agreement, (the Friedland Rio Shareholders Agreement), whereby Mr. Friedland has agreed to vote or cause to be voted any Common Shares he controls, directly or indirectly, in favour of any transaction contemplated by the 2006 Rio Tinto Agreement. In connection with the HOA, the term of the Friedland Rio Shareholders Agreement was extended to January 18, 2012.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation at any time since the beginning of its last completed financial year, any proposed nominee for director of the Corporation or any associate or affiliate of the foregoing, has any material interest, direct or indirect, in any matter to be acted upon at the Meeting, except as disclosed in this Management Proxy Circular.

¹ The exercise price and the number of share purchase warrants listed (i) to (iii) have been adjusted under the HOA, with such adjustments still subject to Rio Tinto confirmation, to ensure that Rio Tinto is in the same position with respect to these warrants as they were prior to the Corporation's Rights Offering transaction which was completed on February 3, 2011 (the Rights Offering).

ELECTION OF DIRECTORS

Term of Office

The Corporation's Articles currently provide that the number of directors of the Corporation will be a minimum of 3 and a maximum of 14. Under the HOA, the Corporation and Rio Tinto have agreed to certain provisions regarding Rio Tinto's director nomination rights. For more information on these rights, reference is made to pages 25 and 26 of this Management Proxy Circular. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is earlier vacated in accordance with the provisions of the YBCA, each director elected will hold office until the conclusion of the next annual meeting of the Corporation or, if no director is then elected, until a successor is elected.

Management Nominees

The following table sets out the names of management's fourteen (14) nominees for election as directors, their ages, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation, the number of Common Shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by each as at March 25, 2011, and the number of options to purchase Common Shares of the Corporation and common shares of the Corporation's publicly traded affiliates held by each as at March 25, 2011.

Robert M. Friedland

Singapore

Age: 60

Executive Chairman & CEO

Director Since: 1994

Director Status:

Non-Independent

(Management)

Areas of Experience:

CEO/Board

Finance

Mining Industry

Public Capital Markets

Managing/Leading Growth

Mr. Friedland is the founder, Executive Chairman and CEO of the Corporation⁽³⁾. He has been a member of the Corporation's Executive Committee since its formation in March 2005.

He is Chairman and President of Ivanhoe Capital Corporation, a company based in Singapore that specializes in venture capital and project financing for international business enterprises, predominantly in the fields of energy and minerals. He is a co-founder and the Executive Co-Chairman and CEO of Ivanhoe Energy Inc., which is implementing projects applying the company's advanced proprietary technology which converts heavy oil into lighter crude oil.

Mr. Friedland was named 2006 Mining Person of the Year by the Northern Miner publishing group of Canada for his success in negotiating a strategic partnership between the Corporation and Rio Tinto to develop the Corporation's Oyu Tolgoi copper-gold project in Mongolia. Following his earlier role in the discovery and sale of the Voisey's Bay nickel-copper-cobalt deposit in Eastern Canada, he was named Developer of the Year in 1996 by the Prospectors and Developers Association of Canada for his work in establishing and financing companies engaged in mineral exploration and development around the world.

Mr. Friedland graduated from Reed College, Oregon, in 1974 with an undergraduate degree in political science.

Principal Occupation, Business or Employment⁽¹⁾

Executive Chairman of the Corporation (March 1994 – present); President of the Corporation (March 1994 – July 1994; March 2003 – January 2004) Chief Executive Officer (October 2010 – present); Chairman, Ivanhoe Capital Corporation (January 1991 – present); President, Ivanhoe Capital Corporation (July 1988 – present); Executive Co-Chairman and CEO, Ivanhoe Energy Inc. (May 2008 – present); Chairman and Non-Executive Director, Ivanhoe Australia Limited (2007 – present).

September 30,

September 30,

September 30,

September 30,

Edgar Filing: IVANHOE MINES LTD - Form 6-K

Board/Committee Membership:	2010		Other Public Company Board Membership ⁽¹⁷⁾	
	Attendance:		Company:	Since:
Board of Directors	13 of 14	93%	Ivanhoe Energy Inc. (TSX; NASDAQ)	1995
Executive Committee	0 of 0		Ivanhoe Australia Limited (ASX; TSX)	2007
Total:	13 of 14	93%		

Common Shares Beneficially Owned, Controlled or Directed^{(1)(2):}

Company Name	Year	September 30, Common Shares	September 30, Total Market Value of Common Shares ⁽⁶⁾	
			Year	Value
Ivanhoe Mines Ltd.	2011	101,360,740	C\$	2,720,522,262
	2010	96,881,622	C\$	1,677,989,693
Ivanhoe Australia Limited	2011	3,000,000	A\$	10,290,000
	2010	2,000,000	A\$	6,980,000

Options Held:

Date Granted	September 30, Expiry Date	September 30, Number Granted ⁽²⁰⁾	September 30, Vested & Unexercised/ Unvested	September 30, Exercise Price ⁽⁷⁾	September 30, Total Unexercised	September 30, Value of Unexercised Options ⁽⁸⁾
Jan. 29, 2011	Jan. 29, 2018	300,000	Nil/300,000 ⁽⁹⁾	C\$ 27.83	300,000	Nil
Oct. 9, 2009	Oct. 9, 2016	277,987	Nil/215,487 ⁽¹³⁾	C\$ 13.76	215,487	C\$ 2,818,570
May 8, 2009	May 8, 2016	1,611,950	Nil/861,950 ⁽¹⁹⁾	C\$ 8.20	861,950	C\$ 16,066,748
					Total	C\$ 18,885,318

Options Held in Publicly Traded Affiliates of the Corporation:

Name of Affiliate	September 30, Date Granted	September 30, Expiry Date	September 30, Number Granted	September 30, Vested & Unexercised/ Unvested	September 30, Exercise Price ⁽⁷⁾	September 30, Total Unexercised	September 30, Value of Unexercised Options ⁽⁸⁾
SouthGobi Resources Ltd.	Nov. 27, 2008	Nov. 27, 2013	125,000	82,500/42,500	C\$ 5.10	125,000	C\$ 1,120,000
SouthGobi Resources Ltd.	July 9, 2008	July 9, 2013	250,000	165,000 /85,000	C\$ 18.86	250,000	Nil
Ivanhoe Australia Limited ⁽¹⁸⁾	Aug. 6, 2008	n/a	4,000,000	Nil/1,000,000	Nil ⁽¹⁸⁾	1,000,000	A\$ 3,430,000

Value of Corporation's Equity at Risk:

Year	September 30, Common Shares ⁽⁶⁾	September 30, Unexercised Options ⁽⁸⁾	September 30, Total
2011	C\$ 2,720,522,262	C\$ 18,885,318	C\$ 2,739,407,580
2010	C\$ 1,677,989,693	C\$ 14,570,000	C\$ 1,692,559,693

Peter G. Meredith

Vancouver,

British Columbia, Canada

Age: 67

Deputy Chairman

Director Since: 2005

Director Status:

Non-Independent

(Management)

Areas of Experience:

CEO/Board

Finance

Mining Industry

Financially Literate

Public Capital Markets

Peter Meredith became the Corporation's Deputy Chairman in May 2006 and oversees the Corporation's business development and corporate relations. Mr. Meredith was the Corporation's CFO from May 2004 to May 2006 and from June 1999 to November 2001. He was the CEO of SouthGobi Resources Ltd. from June 2007 until October 2009, at which time he was appointed chairman of SouthGobi. Prior to joining the Corporation, Mr. Meredith spent 31 years with Deloitte & Touche LLP, Chartered Accountants, and retired as a partner in 1996. Mr. Meredith is a Chartered Accountant and a member of the Canadian Institute of Chartered Accountants.

Principal Occupation, Business or Employment⁽¹⁾

Deputy Chairman (May 2006 – present); Chief Financial Officer of the Corporation (June 1999 – November 2001; May 2004 – May 2006); Chairman, SouthGobi Resources Ltd. (October 2009 – present); Chief Financial Officer, Ivanhoe Capital Corporation (1996 – March 2009); Senior Partner, Deloitte & Touche LLP, chartered accountants (1966 – 1996).

	September 30, 2010	September 30, 2009	September 30, 2008	September 30, 2007
Board/Committee Membership:	Attendance:		Other Public Company Board Membership⁽¹⁷⁾	Since:
Board of Directors	14 of 14	100%	Ivanhoe Energy Inc. (TSX; NASDAQ)	2007
Currency Advisory Committee	1 of 1	100%	SouthGobi Resources Ltd. (TSX; The Stock Exchange of Hong Kong(HKSE))	2003
Executive Committee	0 of 0			
Total:	15 of 15	100%	Entrée Gold Inc. (TSX; AMEX) (Audit Committee Chair; Compensation Committee)	2002
			Great Canadian Gaming Corporation (TSX) (Compensation Committee Chair; Audit & Risk Committee)	2000
				2007

Edgar Filing: IVANHOE MINES LTD - Form 6-K

Ivanhoe Australia Limited (ASX; TSX)(Nomination,
Governance & Remuneration Committee, Audit Committee)

Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾⁽²⁾:

Company Name	September 30,	September 30,	September 30,	
	Year	Common Shares	Common	Shares ⁽⁶⁾
Ivanhoe Mines Ltd.	2011	80,500	C\$	2,160,620
	2010	48,500	C\$	840,020
Ivanhoe Australia Limited	2011	375,000	A\$	1,286,250
	2010	250,000	A\$	872,500

Options Held:

Date Granted	September 30, Expiry Date	September 30, Number Granted ⁽²⁰⁾	September 30, Vested & Unexercised/ Unvested	September 30, Exercise Price ⁽⁷⁾	September 30, Total Unexercised	September 30, Value of Unexercised Options ⁽⁸⁾
Jan. 29, 2011	Jan. 29, 2018	220,000	Nil/220,000 ⁽⁹⁾	C\$ 27.83	220,000	Nil
Oct. 9, 2009	Oct. 9, 2016	287,316	71,829/ 215,487 ⁽¹³⁾	C\$ 13.76	287,316	C\$ 3,758,093
Jul 23, 2009	July 23, 2016	229,853	57,463/ 172,390 ⁽¹⁴⁾	C\$ 8.77	229,853	C\$ 4,153,444
May 8, 2009	May 8, 2016	844,561	297,085/ 430,976 ⁽¹⁹⁾	C\$ 8.20	728,061	C\$ 13,571,057
Nov 13, 2008	Nov. 13, 2015	459,555	63,209/ 241,346 ⁽¹⁵⁾	C\$ 2.82	304,555	C\$ 7,315,411
Sep 22, 2008	Sept. 22, 2013	277,987	71,829/ 143,658 ⁽¹⁶⁾	C\$ 8.35	215,487	C\$ 3,984,355
Mar 27, 2006	Mar. 27, 2013	 Vice President				

and Secretary

- (1) Consists of the Company's contribution to the 401(k) plan account of the named executive officers during the years mentioned; term life, bank-owned life insurance and disability insurance premiums paid by the Company for the benefit of the named executive officers; and gross-ups or other amounts reimbursed for the payment of taxes. For Mr. Rust, this also includes expenses related to country club memberships, use of a bank-owned automobile, information technology and health/wellness benefits.

Outstanding Equity Awards at Fiscal Year-End 2016

The following table provides certain information on the unexercised options held by each of the named executive officers as of December 31, 2016. There are no other equity awards outstanding to the named executive officers.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
Glenn W. Rust	1,500	-	\$ 15.74	03/21/2021
Glenn W. Rust	3,750	1,250 (1)	\$ 15.09	02/19/2023
Virginia R. Bays	3,450	-	\$ 26.96	08/23/2017
Donna G. Shewmake	4,600	-	\$ 23.26	06/03/2018

- (1) Mr. Rust's options vest in four equal annual installments beginning February 19, 2014.

BENEFICIAL OWNERSHIP OF COMPANY COMMON STOCK

The following table sets forth certain information known to the Company concerning persons who beneficially owned more than five percent (5%) of the outstanding Company common stock as of April 3, 2017. Referenced footnotes follow the second table concerning the beneficial ownership of Company common stock by directors and executive officers of the Company.

Name and Address	Number of Shares	Percent of
	Beneficially Owned (1)	Class
BancFund, VI L.P., Banc Fund VII L.P., Banc Fund VIII L.P. and Banc Fund IX L.P. 20 North Wacker Drive, Suite 3300 Chicago, Illinois 60606	209,209 (2)	8.78%
Hunter E. Craig 1900 Arlington Boulevard Charlottesville, Virginia 22903	206,381	8.66%
William D. Dittmar, Jr. 401 East Market Street Charlottesville, Virginia 22902	173,836	7.28%

The following table sets forth certain information, as of April 3, 2017, concerning beneficial ownership of the Company's common stock by each director, nominee and named executive officer and all directors, nominees and executive officers as a group.

Name	Shares of Common Stock Beneficially Owned	
	Number of Shares (1)	Percent of Class
Virginia R. Bayes	6,736 (3)	*
H.K. Benham, III	16,434	*
Steven W. Blaine	4,888	*
William D. Dittmar, Jr.	173,836	7.28%
Tara Y. Harrison	0	*
James T. Holland	12,507 (3)	*
Susan K. Payne	12,428 (3)	*
Glenn W. Rust	25,278	1.06%
Donna G. Shewmake	4,600	*
Gregory L. Wells	5,980	*
Bryan D. Wright	7,244 (3)	*
Directors and Executive Officers as a Group (11 persons)	269,931	11.24%

* Represents less than one percent of the Company's common stock.

- (1) All shares reported are held with sole investment power and sole voting power except as noted. Number of shares reported includes shares that may be acquired within 60 days through the exercise of stock options granted under the Company's incentive stock option plans as follows: Ms. Bayes, 3,450; Mr. Benham, 2,244; Mr. Blaine, 4,428; Mr. Dittmar, 4,428; Mr. Rust, 1,250; and Ms. Shewmake, 4,600.
- (2) Based on a Schedule 13G/A filed jointly with the SEC on February 15, 2017 by Banc Fund VI L.P., Banc Fund VII L.P., Banc Fund VIII L.P. and Banc Fund IX L.P. (collectively, the Banc Funds) reporting beneficial ownership as of December 31, 2016. Charles J. Moore is the manager of each of the Banc Funds and has voting and dispositive power of the Company's common stock held by the Banc Funds. Mr. Moore is also the controlling member of a company whose principal business is to be a general partner of the entities that act as the general partners of the Banc Funds.
- (3)

Edgar Filing: IVANHOE MINES LTD - Form 6-K

Includes shares held with shared voting and investment power with a spouse or shares held by a spouse as follows: Ms. Bayes, 115 shares; Mr. Holland, 1,610 shares; Ms. Payne, 11,278 shares; and Mr. Wright, 2,150 shares.

13

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Pursuant to Section 16(a) of the Securities Exchange Act of 1934, the Company's directors, executive officers and persons who own more than 10% of the Company's securities (collectively, reporting persons) are required to file reports of ownership and changes in ownership of the Company's securities with the Securities and Exchange Commission and to provide copies of such reports to the Company. Prior to the Reorganization, such reports were required to be filed with the Office of the Comptroller of the Currency. To the Company's knowledge, based solely on a review of the information and reports furnished to the Company, the Company believes that all reporting persons timely filed all reports required under Section 16(a) during 2016 with the following exception: two Form 4 reports were filed late on behalf of Mr. Benham.

TRANSACTIONS WITH RELATED PERSONS

Certain of the Company's officers and directors, and certain immediate family members and/or entities in which such persons are associated, are customers of the Company's banking affiliates and have had transactions in the ordinary course of business with the banking affiliates, including loan, deposit, asset management and other banking transactions. All such banking transactions have been on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated persons, and did not involve more than a normal risk of collection or present any unfavorable features for the bank. All credit transactions involving officers and directors are reviewed and approved pursuant to the Bank's established underwriting procedures, and all credit transactions involving executive officers and directors, and/or entities in which such persons are associated, are reported to the board of directors of the Bank.

The Company had business dealings or entered into non-banking transactions with directors of the Company or with entities in which a director or principal shareholder is owner, principal or has a beneficial interest of 10% or more since January 1, 2016. The Company has not adopted a formal written policy that covers the review and approval of director and other related person transactions by the Board; however, the Board, as a matter of practice, reviews all such significant transactions for approval. All such dealings and transactions have been on substantially the same terms as those prevailing at the time for comparable business dealings and transactions with unrelated persons. From January 1, 2016 through March 31, 2017, the Company or its subsidiaries engaged in the following transactions with directors or a related entity: the Bank made lease payments of \$575,562 (which included reimbursements for taxes and insurance of \$78,578) to Pantops Park, LLC, of which William D. Dittmar, Jr. is the manager and indirect owner. The Company has engaged in non-banking transactions with other related persons of the Company; however, the amount of such payments did not exceed the disclosure threshold of \$120,000.

INDEPENDENT AUDITORS

The Company has selected Yount, Hyde & Barbour, P.C. to serve as independent auditors for the Company in 2017. This firm audited the books and records of the Company for 2016 and 2015. The Company or the Bank incurred the fees and out-of-pocket expenses shown in the table below for audit and other professional services provided by Yount, Hyde & Barbour, P.C., for or during the fiscal years ended December 31, 2016 and December 31, 2015.

	2016	2015
Audit Fees (1)	\$ 107,214	\$ 99,239
Audit-related Fees (2)	10,945	12,481
Tax Fees (3)	9,490	15,550
Total Fee	\$ 127,649	\$ 127,270

- (1) Audit fees: Audit and review services, review of documents filed with the Securities and Exchange Commission, and, in 2016, procedures related to the Company's acquisition of a wealth management book of business.
- (2) Audit-related fees: Consist of the audit of the Bank's 401(k) Plan, as well as research and consultation on various accounting and disclosure matters.
- (3) Tax fees: Preparation of federal and state income tax returns, and, in 2015, assistance in compliance with the tangible property regulations and preparation of Form 3115, as required.

Edgar Filing: IVANHOE MINES LTD - Form 6-K

In every case, the scope of all audit services and permissible non-audit services provided by Yount, Hyde & Barbour, P.C. was pre-approved by the Company's Audit and Compliance Committee. The Committee was directly responsible for the appointment, compensation, retention and oversight of Yount, Hyde & Barbour, P.C., and the firm reported directly to the Committee.

Representatives from Yount, Hyde & Barbour, P.C. are expected to be present at the Annual Meeting to make a statement if they desire to do so and to answer questions shareholder(s) may have.

Yount, Hyde & Barbour, P.C. has advised the Company that neither it, nor any of its members, has any direct financial interest or material indirect financial interest in the securities of the Company, or any connection with the Company in the capacity of promoter, underwriter, voting trustee, director, officer or employee.

AUDIT AND COMPLIANCE COMMITTEE REPORT

The Audit and Compliance Committee (the Audit Committee) consists of Messrs. Dittmar, Holland, Wells and Wright, none of whom are employees of the Company. The Committee is authorized by the Board to: (A) provide independent oversight with respect to the independent audit; (B) monitor the Company's (i) accounting practices, procedures and policies, (ii) financial reporting processes, and (iii) compliance of the Company's consolidated financial statements and internal controls with federal and state banking and securities regulatory requirements; and (C) evaluate the Company's system of internal controls, internal audit function (whether outsourced or conducted in-house), and related areas.

The Audit Committee has reviewed and discussed the audited consolidated financial statements with management. The Audit Committee has also reviewed and discussed with Yount, Hyde & Barbour, P.C., independent auditors, the matters required to be discussed by applicable Public Company Accounting Oversight Board (PCAOB) standards. The Audit Committee has received the written disclosures and the letter from the independent auditors required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit and Compliance Committee concerning independence and has discussed with the independent auditors the independence of the firm.

Based on the review and discussions described above, the Audit Committee recommended to the Board of Directors of the Company that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 for filing with the Securities and Exchange Commission.

William D. Dittmar, Jr., Chair
James T. Holland
Gregory L. Wells
Bryan D. Wright

CODE OF ETHICS

The Company has adopted a Code of Ethics that applies to all its employees, including its principal executive officer and its principal financial officer. The Code of Ethics is designed to deter wrongdoing and to promote the following: honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with regulatory agencies and in other public communications; compliance with applicable governmental laws, rules and regulations; the prompt internal reporting of violations of the Code to an appropriate person identified in the Code; and accountability for adherence to the Code.

The Company's Code of Ethics is available, free of charge, by contacting the Corporate Secretary of Virginia National Bankshares Corporation at 404 People Place, Charlottesville, Virginia 22911. It is also available on the Company's Investor Relations website at www.vnbcorp.com in the Corporate Overview section under Governance Documents.

SHAREHOLDER COMMUNICATIONS WITH DIRECTORS

Shareholders may communicate with all or any member of the Board of Directors by addressing correspondence to the Board of Directors, or to the individual director, in care of the Corporate Secretary of Virginia National Bankshares Corporation, 404 People Place, Charlottesville, Virginia 22911. All communications so addressed will be forwarded to the Chairman of the Board of Directors (in the case of correspondence addressed to the Board of Directors) or to any named individual director.

OTHER MATTERS

The Company is not aware of any other matters to come before the Annual Meeting. If other matters are properly raised at the Annual Meeting, the persons named in the enclosed proxy form will vote the proxy in their discretion.

SHAREHOLDER NOMINATIONS AND PROPOSALS

The Company's Bylaws provide that, in addition to any other applicable requirements, for any nomination of a director or other business to be properly brought before an annual meeting by a shareholder, the shareholder must provide written notice to the Company at least 90 but not more than 120 days prior to the first anniversary of the preceding year's annual meeting. For the 2018 annual meeting, notice must be delivered to the Corporate Secretary no later than February 16, 2018. The notification must contain certain information as provided in the Company's Bylaws. Any proposed nomination or business not in compliance with the requirements of the Company's Bylaws shall be disregarded. A copy of the Company's Bylaws is available at www.vnbcorp.com in the Corporate Overview section under Governance Documents. A copy may also be requested by contacting the Corporate Secretary at the address below.

In order for a shareholder proposal to be considered for inclusion in the Company's proxy materials relating to its 2018 Annual Meeting of Shareholder pursuant to applicable Securities and Exchange Commission rules, it must be received by the Company no later than December 13, 2017.

Shareholder notifications and proposals should be sent to the attention of the Corporate Secretary, Virginia National Bankshares Corporation, 404 People Place, Charlottesville, Virginia 22911.

ANNUAL REPORT

The Company's Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission, is being mailed with this proxy statement. Shareholders may also request, without charge, a copy of the Company's 2016 Annual Report on Form 10-K by writing to the Corporate Secretary, 404 People Place, Charlottesville, Virginia 22911.

To Our Friends and Fellow Shareholders:

*The Directors and Staff of
Virginia National Bankshares Corporation
Cordially Invite You to Join Them for an
Informal Discussion
Immediately Following the Formal Annual Meeting*

VIRGINIA NATIONAL BANKSHARES CORPORATION

This Proxy is solicited on behalf of the Board of Directors

As an alternative to completing this form, you may enter your vote instruction via the Internet at WWW.VOTEPROXY.COM and follow the simple instructions. Use the Company Number and Account Number shown on your proxy card.

The undersigned hereby appoints Virginia R. Bayes, Steven W. Blaine and Gregory L. Wells, any of whom may act alone and with full power of substitution, as proxies, to represent and vote all shares of Virginia National Bankshares Corporation (the Company) of the undersigned at the Annual Meeting of Shareholders of the Company to be held on Wednesday, May 17, 2017, at 3:00 p.m. at Virginia National Bank, 404 People Place, Charlottesville, Virginia 22911, or any adjournment or postponement thereof, on the following matters:

(Continued and to be signed on the reverse side.)

**ANNUAL MEETING OF SHAREHOLDERS OF
VIRGINIA NATIONAL BANKSHARES CORPORATION
May 17, 2017
PROXY VOTING INSTRUCTIONS**

INTERNET - Access www.voteproxy.com and follow the on-screen instructions or scan the QR code with your smartphone. Have your proxy card available when you access the web page.

Vote online until 11:59 PM EST the day before the meeting.

MAIL - Sign, date and mail your proxy card in the envelope provided as soon as possible.

IN PERSON - You may vote your shares in person by attending the Annual Meeting.

**COMPANY NUMBER
ACCOUNT NUMBER**



**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDERS' MEETING TO BE HELD
ON MAY 17, 2017**

A complete set of proxy materials related to Virginia National Bankshares Corporation's 2017 Annual Meeting of Shareholders (the Meeting) is available on the internet at www.vnb.com in the Investors section under Proxy Materials. The materials available include the Notice of Annual Meeting of Shareholders, the Proxy Statement, the form of Proxy and the Annual Report on Form 10-K for the year ended December 31, 2016. The matters to be acted upon are set forth below. Execution of a proxy will not affect a registered shareholder's right to attend the Meeting and vote in person. Any registered shareholder who has executed and returned a proxy may revoke it by attending the Meeting and voting in person.

Please detach along perforated line and mail in the envelope provided you are not voting via the Internet.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES IN PROPOSAL 1 AND FOR PROPOSALS 2 & 3

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE

FOR AGAINST ABSTAIN

1. Election of the following persons as directors to serve until the next annual meeting of shareholders

2. **A d v i s o r y
(n o n - b i n d i n g)
a p p r o v a l o f t h e
C o m p a n y ' s e x e c u t i v e
c o m p e n s a t i o n .**

FOR ALL NOMINEES

NOMINEES:

- H. K. Benham, III
- Steven W. Blaine
- William D. Dittmar, Jr.
- James T. Holland
- Susan K. Payne
- Glenn W. Rust
- Gregory L. Wells
- Bryan D. Wright

**WITHHOLD AUTHORITY
FOR ALL NOMINEES**

**FOR ALL EXCEPT
(See instructions below)**

3. **Ratification of the
a p p o i n t m e n t o f
Y o u n t , H y d e &
B a r b o u r , P . C . a s t h e
C o m p a n y ' s
i n d e p e n d e n t a u d i t o r s
f o r 2 0 1 7 .**

4. **To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.**

Edgar Filing: IVANHOE MINES LTD - Form 6-K

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the circle next to each nominee you wish to withhold, as shown here:

This Proxy will be voted as specified. If no specification is made, this Proxy will be voted in accordance with the recommendations of the Board of Directors.

PLEASE COMPLETE THIS PROXY ABOVE, SIGN BELOW AND RETURN IT PROMPTLY IN THE ENVELOPE PROVIDED.

Execution of a Proxy will not affect a registered shareholder's right to attend the meeting and vote in person. Any registered shareholder who has executed and returned a Proxy may revoke it by attending the meeting and voting in person.

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of
Shareholder

Date:

Signature of Shareholder

Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.
