



IVANHOE MINES

Dated April 26, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED
MARCH 31, 2024

INTRODUCTION

This management's discussion and analysis (MD&A) should be read in conjunction with the unaudited condensed consolidated interim financial statements of Ivanhoe Mines Ltd. ("Ivanhoe", "Ivanhoe Mines" or the "Company"), for the three months ended March 31, 2024, which has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34) and the audited consolidated financial statements of Ivanhoe for the years ended December 31, 2023, and 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS). All dollar figures stated herein are in U.S. dollars unless otherwise specified. References to "C\$" mean Canadian dollars and references to "R" mean South African Rands.

The effective date of this MD&A is April 26, 2024. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca. Certain statements contained in the MD&A are forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements" and "Risk Factors".

This MD&A includes references to earnings before interest, tax, depreciation and amortization (EBITDA), Adjusted EBITDA, EBITDA margin, normalized profit, and "Cash costs (C1) per pound" which are non-GAAP financial performance measures. For a detailed description of each of the non-GAAP financial performance measures used in this MD&A, and a detailed reconciliation to the most directly comparable measure under IFRS, please refer to the non-GAAP Financial Performance Measures section of this MD&A starting on page 41. The non-GAAP financial performance measures set out in this MD&A are intended to provide additional information to investors and do not have any standardized meaning under IFRS, and therefore may not be comparable to other issuers, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

FIRST QUARTER HIGHLIGHTS

- 86,203 tonnes of copper in concentrate was produced at the Kamoakakula Copper Complex ("Kamoakakula") for Q1 2024, compared to 92,215 tonnes in Q4 2023 and 93,603 tonnes in Q1 2023.
- Kamoakakula sold 85,155 tonnes of payable copper during Q1 2024, recognizing revenue of \$618 million, an operating profit of \$286 million and quarterly EBITDA of \$365 million.
- Kamoakakula's cost of sales per pound (lb.) of payable copper sold was \$1.50/lb. for Q1 2024 compared with \$1.50/lb. and \$1.25/lb. in Q4 2023 and Q1 2023, respectively. Cash cost (C1) per pound of payable copper produced in Q1 2024 totaled \$1.57/lb., within guidance, compared with \$1.53/lb. and \$1.42/lb. in Q4 2023 and Q1 2023, respectively.
- Ivanhoe Mines recorded a loss of \$69 million for Q1 2024, which includes a \$139 million non-cash loss on the \$575 million convertible bond fair valuation, compared with a profit of \$82 million for Q1 2023. Ivanhoe Mines' normalized profit for Q1 2024 was \$70 million, compared to a normalized profit of \$113 million for Q1 2023.
- Ivanhoe Mines' Adjusted EBITDA was \$126 million for Q1 2024, compared with \$172 million for the same period in 2023 which includes an attributable share of EBITDA from Kamoakakula.
- Ivanhoe Mines has a strong balance sheet with cash and cash equivalents of \$411 million on hand as at March 31, 2024, and expects Kamoakakula's Phase 1 and Phase 2 cash flow and project-level facilities to be sufficient to fund the Phase 3 expansion capital cost requirements at current copper prices.

REVIEW OF OPERATIONS

Ivanhoe Mines is a mining, exploration and development company. At present, the Company's financial performance is primarily affected by ongoing mining operations at its Kamo-Kakula Copper Complex, and ongoing exploration and development activities being conducted at its three material properties and the highly prospective Western Foreland Exploration Project. These consist of:

- **The Kamo-Kakula Copper Complex.** A joint venture between Ivanhoe Mines and Zijin Mining Group Co., Ltd., ("Zijin" or "Zijin Mining") within the Central African Copperbelt in the Democratic Republic of Congo's (DRC) southern Lualaba province. Ivanhoe Mines and Zijin Mining each hold an indirect 39.6% interest in the Kamo-Kakula Copper Complex, Crystal River Global Limited (Crystal River) holds an indirect 0.8% interest and the DRC government holds a direct 20% interest. The Kamo-Kakula Copper Complex began producing copper in May 2021 and, through phased expansions, is positioned to become one of the world's largest copper producers. (See "*Kamo-Kakula Copper Complex*")
- **The Kipushi Project.** The existing Kipushi Mine is located on the Central African Copperbelt in the DRC's southern Haut-Katanga province, one of Africa's major mining hubs. The mine, which operated between 1924 and 1993, is approximately 30 kilometres southwest of the provincial capital, Lubumbashi, and less than one kilometre from the DRC-Zambia border. Ivanhoe Mines holds a 68% interest in Kipushi; the state-owned mining company, La Générale des Carrières et des Mines (Gécamines), holds the remaining 32% interest. (See "*Kipushi Project*")
- **The Platreef Project.** Construction of the planned Platreef Mine on the Company's discovery of palladium, platinum, nickel, rhodium, copper and gold, on the Northern Limb of South Africa's Bushveld Igneous Complex is in progress. Ivanhoe Mines holds a 64% interest in Platreef, the South African beneficiaries of a broad-based, black economic empowerment structure have a combined 26% stake in the Platreef Project and the remaining 10% is owned by a Japanese consortium of ITOCHU Corporation, Japan Oil, Gas and Metals National Corporation; and Japan Gas Corporation. (See "*Platreef Project*")
- **The Western Foreland Exploration Project.** A group of licences totalling approximately 2,400 km² and located in close proximity to the Kamo-Kakula Copper Complex, the majority of which are 80%-100%-owned, as well as 247 km² of joint venture licences. Ivanhoe's DRC exploration group is targeting Kamo-Kakula-style copper mineralization through a regional exploration and drilling program. (See "*Western Foreland Exploration Project*")

KAMOA-KAKULA COPPER COMPLEX

The Kamoia-Kakula Copper Complex operated as the Kamoia Holding joint venture between Ivanhoe Mines and Zijin Mining, has been independently ranked as the world's third-largest copper deposit by international mining consultant Wood Mackenzie in 2027. The project is approximately 25 kilometres southwest of the town of Kolwezi and about 270 kilometres west of Lubumbashi. Kamoia-Kakula Copper Complex's Phase 1 concentrator began producing copper in May 2021 and achieved commercial production on July 1, 2021. The Phase 2 concentrator, which doubled nameplate production capacity, was commissioned in April 2022.

Ivanhoe sold a 49.5% share interest in Kamoia Holding Limited (Kamoia Holding) to Zijin Mining and a 1% share interest in Kamoia Holding to privately owned Crystal River in December 2015. Kamoia Holding holds an 80% interest in the project. Ivanhoe and Zijin Mining each hold an indirect 39.6% interest in Kamoia-Kakula, Crystal River holds an indirect 0.8% interest, and the DRC government holds a direct 20% interest. Kamoia-Kakula's employee workforce of approximately 5,000 is currently 90% Congolese.

Photo: Aerial view of the Kamoia-Kakula Copper Complex, which is now operating at a processing capacity of 9.2 Mtpa, and production capacity of 450,000 tonnes of copper per annum.



Kamoa-Kakula summary of operating and financial data

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Ore tonnes milled (000's tonnes)	2,061	2,133	2,236	2,244	1,930
Copper ore grade processed (%)	4.80%	4.95%	5.37%	5.21%	5.42%
Copper recovery (%)	87.4%	87.9%	87.2%	87.2%	87.1%
Copper in concentrate produced (tonnes)	86,203	92,215	103,947	103,786	93,603
Payable copper sold (tonnes)	85,155	90,967	96,509	101,526	86,777
Cost of sales per pound (\$ per lb.)	1.50	1.50	1.34	1.24	1.25
Cash cost (C1) (\$ per lb.)	1.57	1.53	1.46	1.41	1.42
Realized copper price (\$ per lb.)	3.82	3.71	3.84	3.79	4.04
Sales revenue before remeasurement (\$'000)	612,496	625,983	681,821	729,924	659,529
Remeasurement of contract receivables (\$'000)	5,824	(8,365)	13,014	(27,542)	29,594
Sales revenue after remeasurement (\$'000)	618,320	617,618	694,835	702,382	689,123
EBITDA (\$'000)	364,893	343,899	423,211	456,628	457,311
EBITDA margin (% of sales revenue)	59%	56%	61%	65%	66%

All figures in the above tables are on a 100%-project basis. Metal reported in concentrate is before refining losses or deductions associated with smelter terms. This MD&A includes "EBITDA", "Adjusted EBITDA", "EBITDA margin", and "Cash cost (C1)" which are non-GAAP financial performance measures. For a detailed description of each of the non-GAAP financial performance measures used herein and a detailed reconciliation to the most directly comparable measure under IFRS, please refer to the non-GAAP Financial Performance Measures section of this MD&A starting on page 41.

C1 cash cost per pound of payable copper produced can be further broken down as follows:

		Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Mining	(\$ per lb.)	0.44	0.38	0.41	0.39	0.41
Processing	(\$ per lb.)	0.23	0.24	0.20	0.19	0.19
Logistics charges (delivered to China)	(\$ per lb.)	0.50	0.50	0.46	0.45	0.46
TC, RC, smelter charges	(\$ per lb.)	0.25	0.26	0.25	0.25	0.23
General & Administrative	(\$ per lb.)	0.15	0.15	0.14	0.13	0.13
Cash cost (C1) per pound of payable copper produced	(\$ per lb.)	1.57	1.53	1.46	1.41	1.42

Cash cost (C1) is prepared on a basis consistent with the industry standard definitions by Wood Mackenzie cost guidelines but are not measures recognized under IFRS. In calculating the C1 cash cost, the costs are measured on the same basis as the Company's share of profit from the Kamoa Holding joint venture that is contained in the financial statements. C1 cash cost is used by management to evaluate operating performance and include all direct mining, processing, and general and administrative costs. Smelter charges and freight deductions on sales to the final port of destination, which are recognized as a component of sales revenues, are added to C1 cash cost to arrive at an approximate cost of delivered, finished metal. C1 cash cost excludes royalties, production taxes and non-routine charges as they are not direct production costs.

All figures are on a 100% project basis and metal reported in concentrate is before refining losses or deductions associated with smelter terms.

The increase in Kamo-Kakula's C1 cash cost per pound of payable copper produced in Q1 2024 is principally due to the decrease in copper in concentrate produced during the quarter, but also as a result of the lower grade of copper ore processed in Q1 2024. The grid instability during the quarter not only impacted the ore tonnes milled but also impacted the copper ore grade processed due to reduced underground access to high-grade areas due to water ingress during power interruptions.

Photo: Mireille Kahinda Kayakez, underground drilling operator, was born and raised in Kolwezi, DRC, and is one of the many local employees at Kamo-Kakula.



Kamo-Kakula produced 86,203 tonnes of copper in concentrate in Q1 2024

Kamo-Kakula produced 86,203 tonnes of copper in concentrate in the first quarter of 2024. Annual production guidance for Kamo-Kakula is maintained at between 440,000 and 490,000 tonnes of copper in concentrate for 2024.

Kamo-Kakula's Phase 1 and 2 concentrators milled approximately 2.06 million tonnes of ore during the first quarter at an average feed grade of 4.8% copper. Copper flotation recoveries for the quarter averaged 87.4%, above the Phase 1 and 2 concentrator design recovery rate of 86.0%.

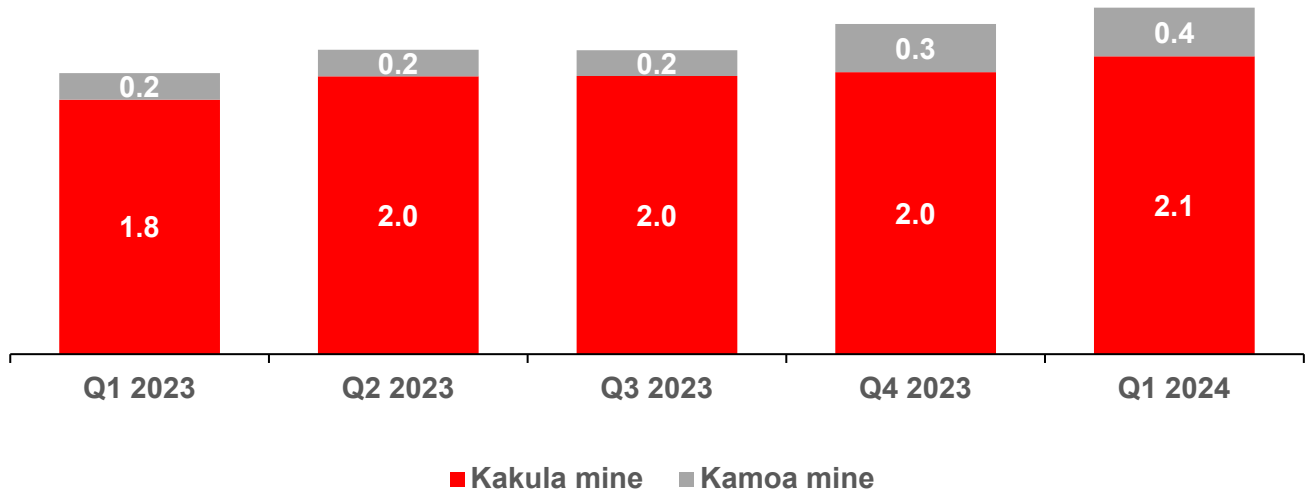
A daily milling record was achieved on January 2, 2024, when 31,375 tonnes of ore was processed by the Phase 1 and 2 concentrators over 24 hours. This performance is equivalent to an annual milling rate of 10.5 million tonnes (after accounting for availability).

A quarterly mining record of 2.5 million tonnes of ore was achieved from the Kakula and Kamo 1 underground mines, as shown in Figure 1. Ore from the Kamo 1 Mine is stockpiled on surface ahead of the commencement of the adjacent Phase 3 concentrator. The Phase 3 concentrator is tracking ahead of schedule with completion and first feed now expected next month in May, two full quarters ahead of original schedule. At the end of the quarter, there were 2.05 million tonnes of stockpiled ore for the Phase 3 concentrator, at an average grade of 3.1% copper.

Photo: Aerial view of smelter construction site (foreground) and the Phase 1 and 2 concentrators (background). Construction of the smelter is over 80% complete and on target for completion at the end of 2024.



Figure 1. Mined ore per quarter from the Kakula and Kamoia 1 underground mines (million tonnes).



First-quarter production, including throughput and head grade continued to be impacted by the previously reported instability within the DRC’s southern power grid. Kamoia Copper continues to work closely with the DRC’s state-owned power company, La Société Nationale d’Electricité (SNEL), to deliver solutions for the identified causes of the instability experienced across the southern DRC’s grid infrastructure since late 2022. During the first quarter, heavier-than-usual rainfall during the wet season further contributed to grid intermittency. The rainfall led to elevated water levels in the Congo River, causing debris to block the intakes feeding the Inga hydroelectric dam complex. The blockages negatively impacted hydro generation capacity. The wet season typically occurs between November and April.

Production at the Kamoakakula Copper Complex for the first quarter of 2024 was 86,203 tonnes of copper in concentrate, compared to 92,215 tonnes in Q4 2023 and 93,603 tonnes in Q1 2023. Ore was drawn down as required from surface stockpiles to maximize copper production.

In December 2023, SNEL and Ivanhoe Mines Energy DRC, a subsidiary of Kamoakakula Holding Limited, signed an amendment to the existing financing agreement to fund the identified infrastructure upgrades. The original 2014 financing agreement consisted of a loan of up to \$250 million to fund the refurbishment of 78 MW of generation capacity at the Mwadingusha dam and 178 MW of generation capacity from Turbine #5 at the Inga II dam. Infrastructure investments are underway to enable the transmission of that power over the Inga-Kolwezi connection. The refurbishment of the Mwadingusha facility was completed in September 2021, and the refurbishment of Turbine #5 at Inga II dam is expected to be completed during the first quarter of 2025.

The amendment to the financing agreement increases the loan up to \$450 million. As with the existing financing agreement, the \$200 million in additional funding by Ivanhoe Mines Energy to SNEL bears interest at the Secured Overnight Financing Rate plus 3% and will be repaid via a 40% discount on the tariff of grid energy consumed by Kamoakakula.

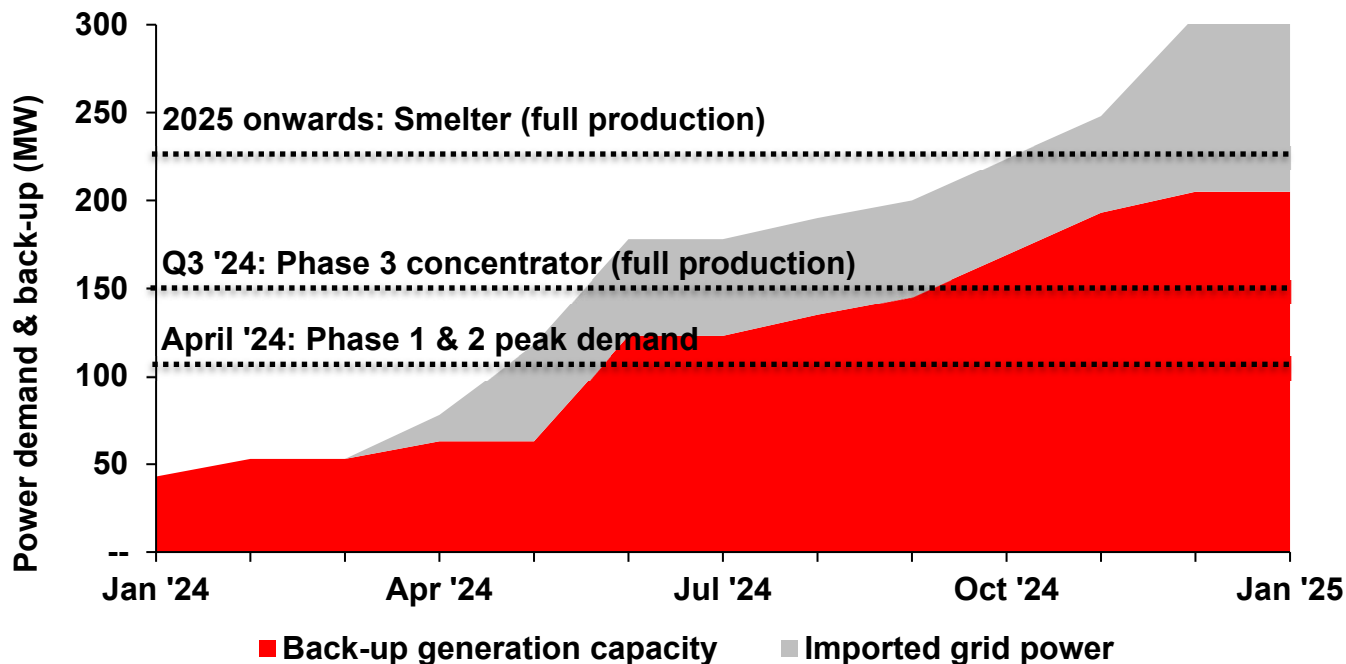
The additional funding is assigned specifically for grid infrastructure upgrades, such as an increase in grid capacity between the Inga II dam and Kolwezi, a new harmonic filter at the Inga Converter Station, as well as a new static compensator at the Kolwezi Converter Station. In addition, various smaller initiatives have been identified to strengthen the transmission capability and improve the long-term stability of the southern grid. This includes the restringing of powerlines in the southern grid, as well as repairs to the direct current (DC) infrastructure. Funding will also be used to install preventative measures to avoid future blockages of the Inga dam intakes. Mobilization of resources is well underway, with project delivery expected to be complete by mid-2025. In addition to this, Ivanhoe Mines Energy is working with SNEL to put in place maintenance contracts to maintain key generation capacity and transmission infrastructure.

55 MW of imported power secured to offset grid stability, with significantly improved production in April; installation of further on-site backup-power generation capacity ongoing

Since mid-March, 15 MW of imported power has been supplied to Kamoakakula from the neighbouring Zambian grid. The imported power has had a significant, positive effect on the stability of Kamoakakula's operations, with production of copper in concentrate for April, a 30-day month, expected to be approximately 32,000 tonnes.

Kamoakakula has recently signed an agreement that secures an additional 40 MW of imported power sourced from Mozambique, from May 1, 2024, supplied via the Zambian interconnector. Mozambique has abundant hydroelectric-generated capacity, the majority of which is exported to South Africa. Subject to availability, it is expected that total imported power will increase up to 100 MW by year-end (see Figure 2).

Figure 2. Kamo-Kakula’s 2024 peak demand and phased rollout of on-site, back-up generation capacity and imported grid power, supplementing existing domestically-supplied power by SNEL (MW).



Other power -generating projects have been initiated to de-risk the current and future operations over the short to medium term, while the grid infrastructure upgrades are completed.

Kamo Copper’s engineering team is currently expanding its on-site backup generation capacity to ensure there is on-site redundancy for the current Phase 1 and 2 operations, as well as future Phase 3 operations.

On-site backup-power generator capacity is scheduled to increase, via a phased roll-out, to a total of over 200 MW in time for the completion of the direct-to-blister copper smelter in Q4 2024, as shown in Figure 2. The generator farm sites are being built adjacent to the Phase 1 and 2 concentrators, and smelter at Kakula, as well as adjacent to the Phase 3 concentrator at Kamo.

63 MW of on-site backup generation capacity is currently installed at Kamo-Kakula and that is expected to increase, ahead of schedule, to a total of 123 MW by the end of the second quarter. Peak on-site power demand from operations is currently approximately 105 MW. The Phase 3 concentrator will add an additional requirement of 45 MW once fully ramped up in the third quarter. In addition, the smelter will require a further 75 MW of power once fully ramped up throughout 2025.

Construction of the Phase 3 concentrator plant and associated infrastructure is 94% complete and ahead of schedule for first-feed imminently

Kamo-Kakula’s Phase 3 concentrator is expected to be completed imminently, in May 2024, significantly ahead of the original schedule. The new 5-Mtpa Phase 3 concentrator is located adjacent to the Kamo underground mines, approximately 10 kilometres north of the Phase 1 and 2 concentrators located above the Kakula underground mine.

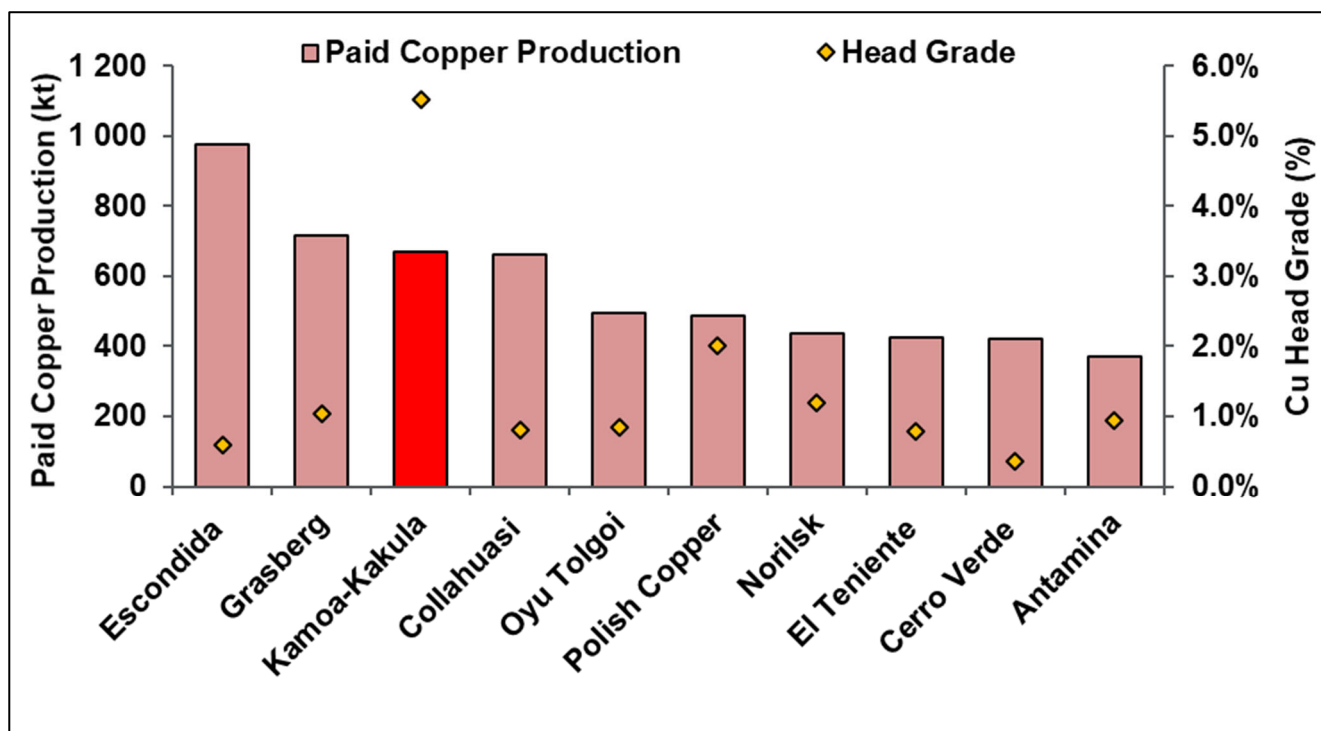
The Phase 3 concentrator is 30% larger in capacity, compared with the Phase 1 and 2 concentrators. The process design is very similar, therefore the bulk of the equipment is the same or similar to that installed in the Phase 1 and 2 concentrators, resulting in a commonality of spare parts, while also leveraging prior operational and maintenance experience.

Following the commissioning of the Phase 3 concentrator, Kamo-Kakula will have a total design processing capacity of 14.2 Mtpa. Phase 3 is expected to increase annualized copper production to over 600,000 tonnes per year over the next ten years, positioning Kamo-Kakula as the world's third-largest copper mining complex, and the largest copper mine on the African continent. See Figure 3.

Photo: Aerial view of Kamo-Kakula's Phase 3 concentrator, which is tracking two full quarters ahead of schedule for first feed in May 2024.



Figure 3. World's projected top 10 copper mines in 2027, by key metrics.



Note: Kamo-Kakula production and grade are based on the Kamo-Kakula 2023 PFS. The 'Cu Head Grade' for the projects benchmarked by Wood Mackenzie reflects the average reserve grade.

Source: Wood Mackenzie, 2023 (based on public disclosure, the Kamo-Kakula 2023 PFS has not been reviewed by Wood Mackenzie).

Kamoa-Kakula's Phase 3 expansion, consists of two new underground mines called Kamoa 1 and Kamoa 2, as well as the existing Kansoko Mine. The Kamoa 1 and Kamoa 2 mines share a single box cut with a twin service-and-conveyor decline. Construction of the twin declines to the Kamoa 1 and Kamoa 2 underground mines and excavation to access the Phase 3 mining areas is advancing well for Q2 production.

Once commissioned, copper concentrate produced from the Phase 3 concentrator will be partially sold to generate cash flow, and partially stockpiled in anticipation of the smelter commissioning scheduled for the end of 2024.

Construction of the direct-to-blister copper smelter project is 81% complete and on target for completion by the end of 2024

The Phase 3 expansion also includes the construction of Africa's largest smelter, which will have a capacity of 500,000 tonnes of >99%-pure blister-anode copper per annum. The direct-to-blister flash smelter is being built adjacent to the existing Phase 1 and Phase 2 concentrator plants. The smelter will incorporate leading-edge technology supplied by Metso Finland and will comply with the world-leading International Finance Corporation's (IFC) emissions standards.

The smelter project is 81% complete and on schedule for completion at the end of Q4 2024. Detailed engineering and procurement activities for the smelter are complete. Approximately 23,000 tonnes of the total approximately 26,000 tonnes of structural steel have been delivered to site, with over 14,000 tonnes already installed. Of a total of approximately 73,000 tonnes of equipment and materials, 49,000 tonnes have been delivered to site with an additional 24,000 tonnes en route. The remaining equipment will be delivered in the next three months. Civil construction is nearing completion with structural steel erection and mechanical equipment installation well advanced. In April, a major milestone was achieved with the delivery and installation of the three anode furnaces and steam drier drums, each weighing approximately 200 tonnes. Electrical installation has commenced in all areas. Recruitment and training of the operational team is well advanced and ongoing.

Photo: Construction of Kamoa-Kakula's Phase 3 smelter concentrate blending building. The smelter project is on track for completion in Q4 2024.



The smelter will have a processing capacity of approximately 1.2 Mtpa of dry concentrate feed and is designed to run on a blend of concentrate produced from the Kakula (Phase 1 and 2) and Kamoia (Phase 3 and future Phase 4) concentrators. As per the Kamoia-Kakula 2023 Integrated Development Plan, the smelter is projected to process approximately 80% of Kamoia-Kakula's total concentrate production. Kamoia-Kakula will also continue to toll-treat concentrates under a 10-year agreement with the Lualaba Copper Smelter (LCS), located approximately 50 kilometres from Kamoia-Kakula, near the town of Kolwezi. Approximately 180,000 tonnes of copper concentrate per year is toll-treated at LCS.

Photo: First feed into Kamoia-Kakula's Phase 3 ball mills and flotation cells is expected to commence ahead of schedule in May 2024.



Photo: Valmy Kibwe, Kamoia Copper Safety Officer, inspects work at the Phase 3 direct-to-blister furnace construction site.



As a by-product, the smelter will also produce approximately 700,000 tonnes per year of high-strength sulphuric acid. There is a strong demand for sulphuric acid in the DRC, as it is used to leach copper from oxide ores through the SX-EW (solvent extraction and electrowinning) process. In 2023, approximately 6 million tonnes of acid were consumed by mining operations in the DRC. Domestic acid demand is expected to increase to over 7 million tonnes in the short to medium term. The market price for acid in the DRC is comparatively high, as most of the high-strength sulphuric acid consumed is imported first as sulphur, with high associated transportation costs, and burned in domestic acid plants to produce liquid high-strength sulphuric acid. Offtake contracts for the high-strength sulphuric acid produced by the smelter are well-advanced with local purchasers.

Kamoa-Kakula is well-advanced with preparations for smelter operations. Recruitment of the 950-strong team of operators, and hiring and training of the operational management team and key operators is well underway. Procurement of maintenance spares and start-up consumables has also started.

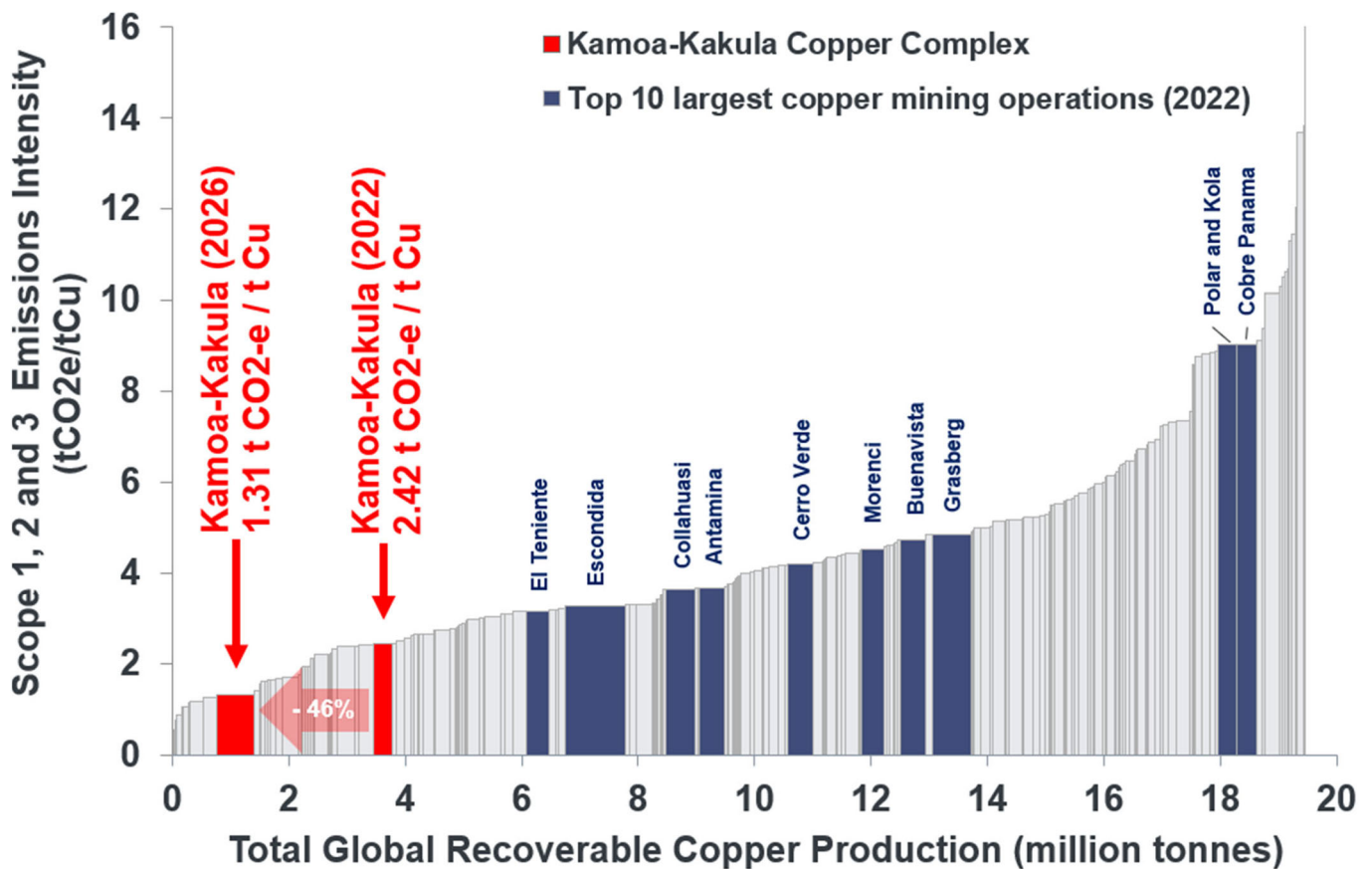
The on-site smelter will offer transformative financial benefits for the Kamoa-Kakula Copper Complex, most significantly a material reduction in logistics costs, and to a lesser extent reduced concentrate treatment charges and local taxes, as well as revenue from acid sales. Logistics costs accounted for approximately one-third of Kamoa-Kakula's total cash cost (C1) during Q1 2024, and the volume of required trucks is expected to approximately halve following the smelter start-up as each truck will transport 99+%-pure blister copper anodes instead of wet concentrate with 40-50% contained copper. Smelting on-site is expected to drive a decrease in average cash cost (C1) of approximately 20%.

Refurbishment of hydropower at Inga II approximately 62% complete, now on track for Q1 2025 completion

The refurbishment of Turbine #5 at the Inga II hydroelectric facility is approximately 62% complete and advancing within budget to generate 178 MW of hydroelectric power for the DRC grid from Q1 2025. Wet commissioning and synchronization to the grid were delayed by two months due to the late delivery in the first quarter of the turbine runner and shaft, as well as related components for assembly. All critical-path equipment packages have now been delivered to the site, with all contractors fully mobilized and assembly work underway.

The later commissioning of Turbine #5 is not expected to impact the ramp-up of the direct-to-blister smelter from the end of 2024, due to additional imported power secured, as well as the availability of back-up generation capacity.

Figure 4. 2022 Scope 1, 2 & 3 copper GHG emissions intensity curve, highlighting Kamoia-Kakula and the top 10 largest copper mining operations. Following the completion of the on-site smelter, as part of the Phase 3 expansion, the GHG emissions intensity is expected to almost halve.



Source: Skarn Associates and WSP Group. For full footnotes reference the original news release dated November 3, 2023.

Phase 3 underground infrastructure expansion at Kakula, Kamoia and Kansoko mines progressing well

Engineering and procurement of the project is mostly complete with the focus now on fabrication, construction and commissioning.

During the first quarter of 2024 the Kakula multistage west dam was commissioned, providing an additional pumping capacity of 1,500 litres per second (l/s), a 30% increase overall, thus significantly de-risking the water management of the Kakula Mine.

The Kamoia 1 overland conveying system from the bulk reclaim tip to the run-of-mine stockpile was successfully commissioned allowing early material for the commissioning of the Phase 3 concentrator front end. The overland conveying system has a design capacity of 3,000 tonnes per hour and will initially transfer the stockpiled rock from the Kansoko Mine to the Kamoia 1 concentrator.

Basic engineering for “Project 95” expected to be complete in May 2024, aiming to increase Kamoia-Kakula’s copper recoveries to 95%

Ivanhoe’s previously announced “Project 95” is an initiative launched to increase the overall metallurgical copper recovery rate of Kamoia-Kakula’s operations. The grade of Kamoia-Kakula’s tailings in 2023 averaged approximately 0.8% copper, which is higher than the average head grade of major global copper mines. By liberating unrecovered copper from the tailings stream of the concentrators, as well as from the deposited tailings, Kamoia’s engineering team aim to increase recoveries to approximately 95%, thereby reducing the copper in tailings.

For context, in 2023 the Kamo-Kakula Copper Complex milled approximately 8.54 million tonnes of ore, producing 393,551 tonnes of copper in concentrate at an 87.3% metallurgical recovery rate, in line with design parameters. Therefore, over 50,000 tonnes of contained copper were not recovered into concentrate and diverted to the tailings storage facility, or used underground as backfill.

Using conventional fine grinding, highly promising test work results indicated that approximately 65% of the remaining contained copper in the tailings stream can be recovered, taking the overall recovery rate up to 95%. Basic engineering on the tailings-stream recovery plant is underway and is expected to be completed in May 2024.

Kamo-Kakula completes first 10,000-tonne trial shipment of copper concentrate along the Lobito Corridor

During the quarter, Kamo-Kakula signed a term sheet outlining the key terms for a Reserved Capacity Agreement for the transportation of up to 240,000 tonnes of copper products along the Lobito Corridor from 2025. The Reserve Capacity Agreement, to be based on the non-binding term sheet, will allocate Kamo-Kakula the right to transport along the Lobito Corridor a minimum of 120,000 tonnes and a maximum of 240,000 tonnes per annum of blister anode or concentrate. The term sheet outlines a minimum term for the agreement of five years commencing in 2025, following a ramp-up year in 2024. The costs of exporting mineral products along the Lobito Corridor are expected to be cheaper than the current market price for trucking via the existing export routes, and the rates are anticipated to reduce further as volumes transported along the line increase.

After quarter end, Kamo-Kakula completed the first 10,000-tonne trial shipment of copper concentrate along the Lobito Corridor, as per the memorandum of understanding (MOU) announced on August 18, 2023. Shipments will now continue under the second 10,000-tonne trial, as per the term sheet as announced on February 7, 2024. To date, 10,825 tonnes of copper concentrate have been transported along the railway line. As such, Kamo-Kakula is the first industrial customer of the Lobito Corridor in the modern era.

Health & Safety at Kamo-Kakula Copper Complex

After quarter end, a fatal accident occurred underground during development at the Kansoko Mine, when Mr. Mpata Kazala Magloire, a general worker, was struck by the drill string of an underground drill rig. Kamo Copper is undertaking a comprehensive internal investigation into the accident, which resulted from a serious breach of protocol, and is working with the DRC authorities on their investigation of the accident. Once the investigations are complete, management will review and implement any additional safety measures recommended to prevent such an accident from recurring. Production activities at the Kamo-Kakula concentrators were not affected by the incident.

On behalf of the Kamo Copper Joint Venture, Ivanhoe Mines extends its deepest condolences to the grieving family and friends of Mr. Magloire.

Photo: In April, contractor Mining Services & Supplies (MSS) celebrated 7 million lost time injury (LTI) free manhours on the same day as the World Day for Safety and Health. MSS are contracted for the construction of the Phase 3 concentrator.



COPPER PRODUCTION AND CASH COST GUIDANCE FOR 2024

Kamoa-Kakula 2024 Guidance

Contained copper in concentrate (tonnes)	440,000 to 490,000
Cash cost (C1) (\$ per pound of payable copper produced)	1.50 to 1.70

The figures are on a 100% project basis and metal reported in concentrate is before refining losses or deductions associated with smelter terms. Kamoa-Kakula's 2024 guidance is based on several assumptions and estimates and involves estimates of known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially.

Production guidance is based on assumptions for the completion of the Phase 3 concentrator and the reliability of the DRC grid power supply, among other variables. The Kamoa-Kakula joint venture produced a total of 86,203 tonnes of copper in concentrate for the three months ended March 31, 2024.

Cash cost (C1) per pound of payable copper amounted to \$1.57/lb. for the three months ended March 31, 2024. Cash cost guidance is based on assumptions including copper ore grade processed, completion of the Phase 3 concentrator, reliability of DRC grid power supply and prevailing logistics rates among other variables.

Cash cost guidance includes a provision for the use of on-site, backup generator capacity during 2024 to support the Phase 1 and 2 operations during periods of intermittent power from the grid, particularly due to the early commissioning of Phase 3. On-site backup power is approximately four times greater in cost than the grid-supplied power by SNEL and twice as expensive as imported power, on a cents per kilowatt hour basis. Increased reliance on backup power can increase cash costs by up to approximately \$0.20/lb., which is captured in the guidance range.

Cash cost guidance is impacted by the timing of Kamoa-Kakula's Phase 3 concentrator which is well ahead of schedule for first production in May 2024. Copper in concentrate produced by the Phase 3 concentrator is expected to have a higher cash cost when compared to Phase 1 and Phase 2 due to the lower average copper grade expected from the Kamoa 1 and Kamoa 2 mines feeding the Phase 3 concentrator, compared to the Kakula Mine feeding the Phase 1 and Phase 2 concentrators. Completion of the on-site smelter, on schedule for Q4 2024, is expected to drive a decrease in average cash cost (C1) over the first five years post-completion (from 2025) by approximately 20%.

Cash cost (C1) is a non-GAAP measure used by management to evaluate operating performance and includes all direct mining, processing, stockpile rehandling charges, and general and administrative costs. Smelter charges and freight deductions on sales to the final port of destination (typically China), which are recognized as a component of sales revenues, are added to cash cost (C1) to arrive at an approximate cost of delivered finished metal.

For historical comparatives, see the non-GAAP Financial Performance Measures section of this MD&A.

KIPUSHI PROJECT

The historic Kipushi zinc-copper-germanium-silver mine in the DRC is adjacent to the town of Kipushi, approximately 30 kilometres southwest of Lubumbashi on the Central African Copperbelt. Kipushi is approximately 250 kilometres southeast of the Kamoia-Kakula Copper Complex and less than one kilometre from the Zambian border. Ivanhoe acquired its 68% interest in the Kipushi Project in November 2011, through Kipushi Holding which is 100%-owned by Ivanhoe Mines. The balance of 32% in the Kipushi Project is held by the DRC state-owned mining company, Gécamines, whose ownership will increase to 38% upon completion of the conditions precedent to the updated joint venture agreement signed in late 2023.

For over 69 years up until 1993 when the mine was placed on care and maintenance, the Kipushi Mine produced a total of 6.6 million tonnes of zinc and 4.0 million tonnes of copper from 60 million tonnes of ore grading 11% zinc and approximately 7% copper. It also produced 278 tonnes of germanium and 12,673 tonnes of lead between 1956 and 1978. There is no formal record of the production of precious metals as the concentrate was shipped to Belgium and the recovery of precious metals remained undisclosed during the colonial era; however, drilling by Ivanhoe Mines has encountered significant silver values within Kipushi's current zinc- and copper-rich deposits.

Since acquiring its interest in Kipushi in 2011, Ivanhoe's drilling campaigns have upgraded and expanded the mine's zinc-rich Big Zinc and Southern Zinc orebodies to a Measured and Indicated Mineral Resource of 11.78 million tonnes grading 35.34% zinc, 0.80% copper, 23 grams/tonne (g/t) silver and 64 g/t germanium, at a 7% zinc cut-off, containing 9.2 billion pounds of zinc, 8.7 million ounces of silver and 24.4 million ounces of germanium. Kipushi's exceptional zinc grade is more than twice that of the world's next highest-grade zinc project, according to Wood Mackenzie, a leading, international industry research and consulting group.

Kipushi's high-grade zinc concentrate assays include significant quantities of germanium and gallium. Germanium is a strategic metal used today in electronic devices, flat-panel display screens, light-emitting diodes, night vision devices, optical fibre, optical lens systems, and solar power arrays. Gallium is a strategic metal used today to manufacture compound semiconductor wafers used in integrated circuits, and optoelectronic devices such as laser diodes, light-emitting diodes, photodetectors, and solar cells.

Kipushi concentrator pre-commissioning commenced ahead of schedule, with first ore expected in June 2024

Construction of the new 800,000-tonne-per-annum concentrator facility is nearing completion. The concentrator includes dense media separation (DMS) and a milling and flotation circuit and is expected to produce more than 270,000 tonnes of zinc in concentrate over the first five years of production. Design recoveries are targeted at 96%, with a concentrate grade averaging 55% contained zinc.

With overall project progress approximately 90% complete to date, the Kipushi concentrator is ahead of schedule for first feed in June 2024. All 2,139 tonnes of steel and 254 tonnes of platework required for the concentrator structures have been delivered to site and erection is nearly complete. Electrical installation is advancing well with some of the substations already energized and ready for equipment commissioning in the coming weeks.

The erection of the concentrate warehouse structural steel is complete and final sheeting installation nearing completion. The installation of the concentrate bagging plant is also complete.

The construction of the tailings storage facility is complete and commissioned. The tailings storage facility has been designed in accordance with Global Industry Standards on Tailings Management (GISTM).

Photo: Kipushi's 800,000-tonnes-per-annum concentrator is ahead of schedule for first feed in June 2024. Shaft P5 (background) will provide ore to the mill via the overland conveyor. Approximately 260,000 tonnes of ore are already stockpiled on surface ahead of commissioning of the concentrator.



Photo: Underground development continues to open multiple access levels into the Big Zinc orebody, while decline development is well-advanced. A total of 5,580 metres of lateral and decline development has been completed to date.



Underground development 15% ahead of schedule, with 5,580 metres completed to date and 1,015 metres completed during the first quarter

In line with the Kipushi 2022 Feasibility Study, mining will focus on the zinc-rich Big Zinc and Southern Zinc zones, with an estimated 11.8 million tonnes of Measured and Indicated Mineral Resources grading 35.3% zinc.

The underground mining and development are fully mechanized, highly efficient and designed to enable a quick ramp-up to a steady state of 800,000 tonnes per annum. Five mining crews are deployed underground. Each mining crew is made up of five miners per shift and equipped with a primary fleet supplied by Epiroc of Stockholm, Sweden; a 282 Twin Boomer, a ST 14 Scooptram (LHD) and two MT42 dump trucks with a Simba long hole stope drill rig for the stoping crew.

Underground development continues to open multiple access levels into the Big Zinc orebody, from the top down, while decline development continues to spiral down parallel to the plunging Big Zinc deposit. The main decline is currently at a depth of 1,420 metres below surface.

Stoping of ultra-high grade Big Zinc orebody began ahead of schedule; approximately 260,000 tonnes of development ore stockpiled on surface

The mining method of the Big Zinc orebody is transverse sublevel open stoping, with high-grade ore extracted from the stopes in a primary and secondary sequence. The void of the mined-out stopes will be filled with cemented aggregate fill (CAF) to maximize the extraction of the ultra-high-grade ore.

The height of each long-hole stope is approximately 60 metres, comprising an upper 30-metre-high stope and a lower 30-metre-high stope. Stopes will be separated by a 15-metre-high sill pillar. The long-hole stopes will be mined with a bottom-up mining sequence, with the lower stope extracted first, followed by the upper stope.

Stoping of Kipushi's ultra-high-grade Big Zinc orebody commenced in December 2023, ahead of schedule. Stoping started on a trial mining basis to complete the training of the underground mining crews in preparation for the commencement of commercial operations in the coming months.

The first stoping block was successfully mined out during the first quarter. A total of 18,733 tonnes were mined at the 1,245-metre level, with an average grade of 18.7% zinc. Mining panels have been established between the 1,290-metre level and the 1,320-metre level.

Ore from underground development and trial stoping is being stockpiled on surface ahead of first feed into the concentrator. To date, approximately 260,000 tonnes of ore is stockpiled on surface near the Kipushi concentrator, at an average grade of 23% zinc. This includes 75,600 tonnes of "medium-grade" ore at an average grade of 32% zinc.

Photo: The recently completed all-weather 'Kicodrome' community football pitch adjacent to the Kipushi mine (background)



PLATREEF PROJECT

The Platreef Project is owned by Ivanplats (Pty) Ltd (Ivanplats), which is 64%-owned by Ivanhoe Mines. A 26% interest is held by Ivanplats' historically disadvantaged, broad-based, black economic empowerment (B-BBEE) partners, which include 20 local host communities with approximately 150,000 people, project employees and local entrepreneurs. A Japanese consortium of ITOCHU Corporation, Japan Oil, Gas and Metals National Corporation (JOGMEC), and Japan Gas Corporation, owns a 10% interest in Ivanplats, which it acquired in two tranches for a total investment of \$290 million.

The Platreef Project hosts an underground deposit of thick, platinum-group metals, nickel, copper, and gold mineralization on the Northern Limb of the Bushveld Igneous Complex in Limpopo Province – approximately 280 kilometres northeast of Johannesburg and eight kilometres from the town of Mokopane in South Africa.

On the Northern Limb, platinum-group metals mineralization is primarily hosted within the Platreef, a mineralized sequence traced for more than 30 kilometres along strike. Ivanhoe's Platreef Project, within the Platreef's southern sector, is comprised of two contiguous properties: Turfspruit and Macalacaskop. Turfspruit, the northernmost property, is contiguous with, and along strike from, Anglo Platinum's Mogalakwena group of mining operations and properties.

Since 2007, Ivanhoe has focused its exploration and development activities on defining and advancing the down-dip extension of its original discovery at Platreef, now known as the Flatreef Deposit, which is amenable to highly mechanized, underground mining methods.

Photo: Platreef's Phase 1 concentrator (foreground) is on schedule for cold commissioning in Q3 2024. Shaft 1 (left) and Shaft 2 (right) are in the background.



Optimized Platreef development plan to accelerate and re-scope Phase 2 to 4-Mtpa capacity by equipping Shaft #3 for hoisting

In 2023, Ivanhoe's engineering team completed an internal optimization study of the phased expansion of the Platreef Project. Current underground development and operations are dependent on the initial 1 Mtpa Shaft #1 until the 10-metre-diameter, 8-Mtpa Shaft #2 is commissioned. The study concluded that accelerating the startup of Phase 2 will create significant project value.

Phase 2 expansion will be accelerated by re-purposing ventilation Shaft #3 for hoisting. Shaft #3 will generate additional hoisting capacity of approximately 4 Mtpa, bringing total hoisting capacity to approximately 5 Mtpa.

The reaming of Shaft #3 down to the 950-metre level commenced in 2023. Reaming is the process of boring, or excavating, a vertical shaft from the bottom up and it is the quickest and safest method of constructing a shaft. Reaming is expected to be completed during the second quarter of 2024. Once equipped, Shaft #3 is expected to be ready for hoisting in the fourth quarter of 2025, well ahead of the completion of the much larger Shaft #2.

The internal study concluded that equipping Shaft #3 for hoisting de-risks Phase 1 underground operations ahead of the completion of Shaft #2 and accelerates the underground development for Phase 2. In addition, the Phase 2 concentrator would have an increased processing capacity of 3.3 Mtpa, up from 2.2 Mtpa as per the first module of Phase 2 defined in the Platreef 2022 Feasibility Study. Therefore, the Phase 1 and Phase 2 concentrators will have a total combined processing capacity of approximately 4.0 Mtpa, with ore fed by Shaft #1 and Shaft #3.

Additional underground ventilation will now be provided by a new 5.1-metre diameter shaft, named Shaft #4. The drilling of the pilot hole for Shaft #4 commenced in April 2024. Once reaming is complete and the ventilation fans are installed, Shaft #4 is expected to be operational during the third quarter of 2025.

Following the completion of the optimization study, work is well underway on an updated independent Feasibility Study for the Phase 2 expansion, which will be completed and published in the fourth quarter of 2024.

Photo: Leonard Motjapi, Shift Supervisor, and Macdonald Chauke, General Miner underground at the mechanical workshop site on Platreef's 750-metre level.

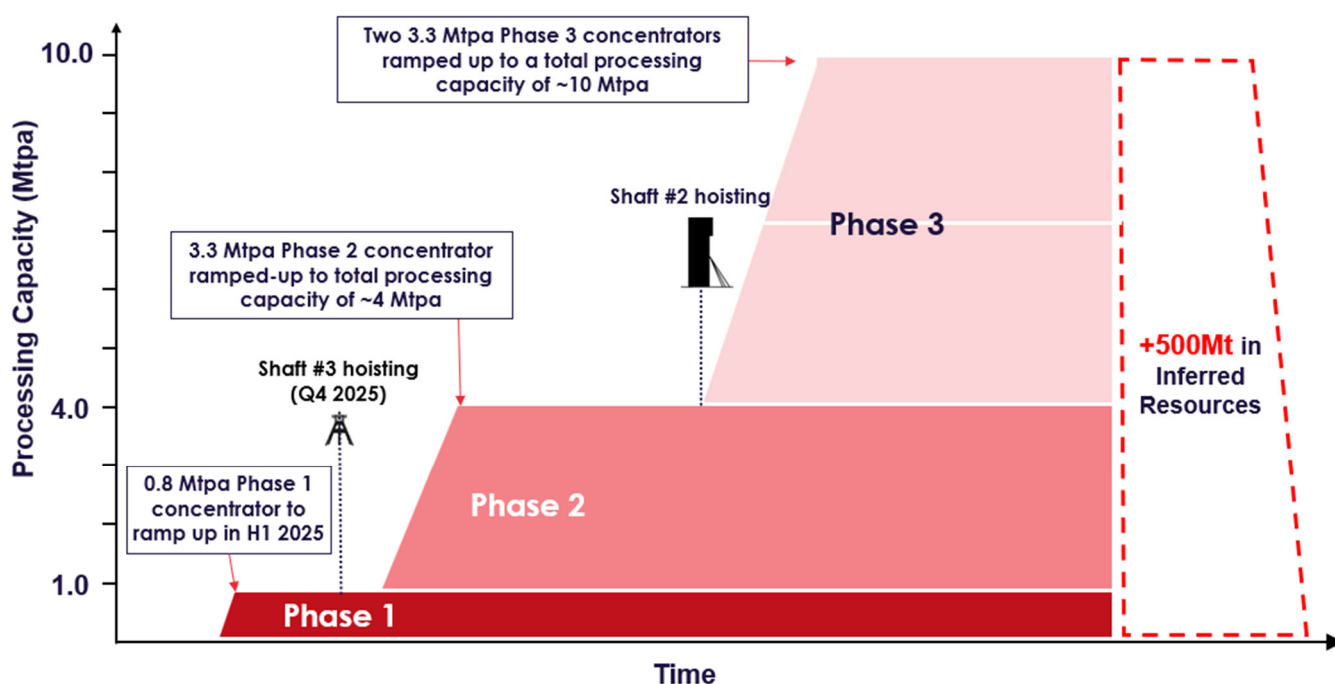


Study work in progress for new Phase 3 expansion to 10 Mtpa, expected to rank Platreef as one of the world's largest PGM producers

In parallel with the release of the updated Feasibility Study, Ivanhoe has also commissioned a preliminary economic assessment (PEA) for an additional expansion, Phase 3, taking the total Platreef processing capacity up to approximately 10 Mtpa (as shown in Figure 5). The new Phase 3 expansion is expected to consist of two additional 3.3-Mtpa concentrator modules, to be located adjacent to the Phase 1 and 2 concentrators. Phase 3 is anticipated to rank Platreef as one of the world's largest and lowest-cost platinum-group metal, nickel, copper and gold producers. The 10-Mtpa concentrator capacity of the Phase 3 expansion will be 12.5 times greater than that of Phase 1 and 2.5 times greater than the processing capacity of the optimized Phase 2 expansion.

The completion of Shaft #2 will increase the total hoisting capacity for ore and waste development, across all three shafts to over 12 Mtpa.

Figure 5. Platreef's updated phased development strategy following optimization. An updated Feasibility Study and PEA, covering the scope of optimized Phase 2 and the new Phase 3 expansion is expected to be completed and published in Q4 2024.



Construction of Shaft #2 headgear approximately 55% complete

Construction activities are advancing well on the installation of 1,124 tonnes of internal structural steel inside Shaft #2's headgear. In addition, all long-lead order equipment packages for the headgear have now been placed. The installation contract for the sinking winders and related infrastructure was also recently placed, with contractor onboarding well advanced. The production winder, as well as the man and material winder, are expected to be delivered to site early in the third quarter of 2024.

The Shaft #2 sinking contract is currently out for tender and planned to be placed later this year, once the reaming of the shaft to an initial diameter of 3.1 metres is complete. Reaming is on schedule to be complete in the third quarter, after which enlargement out to a diameter of 10 metres, will commence.

Offtake agreement with Sibanye-Stillwater to support Phase 2 expansion of Platreef

During the first quarter, Ivanplats signed a Purchase of Concentrate Agreement with Western Platinum Proprietary Limited, a subsidiary of Sibanye-Stillwater Limited, for Phase 2 concentrate production. Sibanye-Stillwater is one of the world's largest primary PGM producers and operates the Marikana complex in North West province, South Africa, which includes a smelter plant with five furnaces, a base metal refinery plant, and a precious-metal refinery plant.

The offtake agreement is for eight years from first production of Phase 2 and is for an initial volume of 60,000 tonnes of concentrate per annum, which is expected to represent between one-third and one-half of the re-scoped Phase 2 volume. Separately, Ivanplats and Sibanye-Stillwater are exploring the possibility of increasing the annual volume to 100,000 tonnes or more.

As previously disclosed, Platreef's Phase 1 concentrate production, for 10 years, will be purchased by Northam Platinum Limited (Northam). Northam is an independent, fully empowered, integrated PGM producer, with primary operations in South Africa including the wholly owned Zondereinde Mine and metallurgical complex, and Booyssendal Mine. Platreef's Phase 1 is expected to produce approximately 40,000 tonnes per year of concentrate, containing six payable metals, including palladium, nickel, platinum, rhodium, copper and gold.

Ivanhoe Mines signs term sheet with leading industrial partner to explore downstream processing of PGM-nickel-copper concentrate in South Africa

During the first quarter, Ivanhoe Mines signed a term sheet with a leading industrial partner to jointly explore the viability of a new PGM-nickel-copper smelter in South Africa. The agreement outlines a technical and commercial collaboration to jointly study the construction of a facility to smelt PGM-nickel-copper concentrate produced during Phase 3, as well as third-party concentrates, into a converter matte. Converter matte is an intermediary smelter product that typically consists of approximately 40 to 50% nickel and 20 to 30% copper by content, with up to 750 grams per tonne of PGM content.

Converter matte can be further processed into refined metal in South Africa, as well as at many refineries abroad. In addition, converter matte receives significantly better terms from its purchasers compared with PGM concentrates.

Both parties have committed to undertake a pre-feasibility study on the development of the facility. The facility may be a greenfield site, or may re-purpose an existing facility in South Africa. The collaboration is designed to draw on the respective skills of both parties. The smelter would be jointly owned, with Ivanhoe owning no less than 50% and a mechanism to increase its ownership in the future.

Construction activities for the Phase 1 concentrator are advancing on schedule for Q3 2024 cold commissioning, with first feed deferred to mid-2025

Construction of the Phase 1 concentrator is advancing on schedule at almost 90% complete and is on track for cold commissioning in the third quarter of 2024. All engineering and procurement activities for the Phase 1 concentrator are essentially complete, with all long lead items delivered to site.

Cold commissioning of the Phase 1 concentrator is expected to continue as planned in Q3 2024. However, first feed and ramp-up of production will be deferred until mid-2025. The waste generated from the increased lateral development, required for fast-tracking Phase 2, as well as from the reaming of Shaft #2 and Shaft #3 will be prioritized for hoisting up Shaft #1 over the next 12 months.

Photo: Calvin Sekele, General Worker, stands at the foot of Platreef's Shaft #2, where construction activities are advancing well on the installation of 1,124 tonnes of internal structural steel inside Shaft #2's headgear.



WESTERN FORELANDS EXPLORATION PROJECT

Ivanhoe's DRC exploration group is targeting Kamo-a-Kakula-style copper mineralization on its Western Forelands exploration licences. The 17 licences in the Western Foreland cover a combined area of approximately 2,407 square kilometres to the north, south and west of the Kamo-a-Kakula Copper Complex. An additional 4 licences under joint venture bring the exploration area to approximately 2,654 square kilometres.

The exploration group is using models that successfully led to the discoveries of Kakula, Kakula West, and the Kamo-a North Bonanza Zone at the Kamo-a-Kakula Copper Complex. More recent discoveries at Makoko, Kiala and the 2023 Kitoko mineralization confirm the effectiveness of these models.

The wet season in the DRC starts in November and continues until early April, with field access often restricted until May. All-weather access to drill sites at Kitoko, Makoko West and Makoko East was established ahead of the wet season so that drilling could continue uninterrupted. Eight contractor-operated diamond rigs were operating at the end of the quarter. A total of 16,861 metres of diamond core has been drilled in 18 completed holes, one abandoned hole and eight continuing holes.

The potential for mineralization at depth between Makoko and Kakula has been tested with deep holes drilled with the assistance of a directional drilling company. Two holes were completed during Q1 2024 with one intersecting a mafic intrusive on the contact between the Nguba sediments and Kibaran basement. The second hole intercepted copper sulphide mineralization in a Nguba siltstone in direct contact with the Kibaran basement.

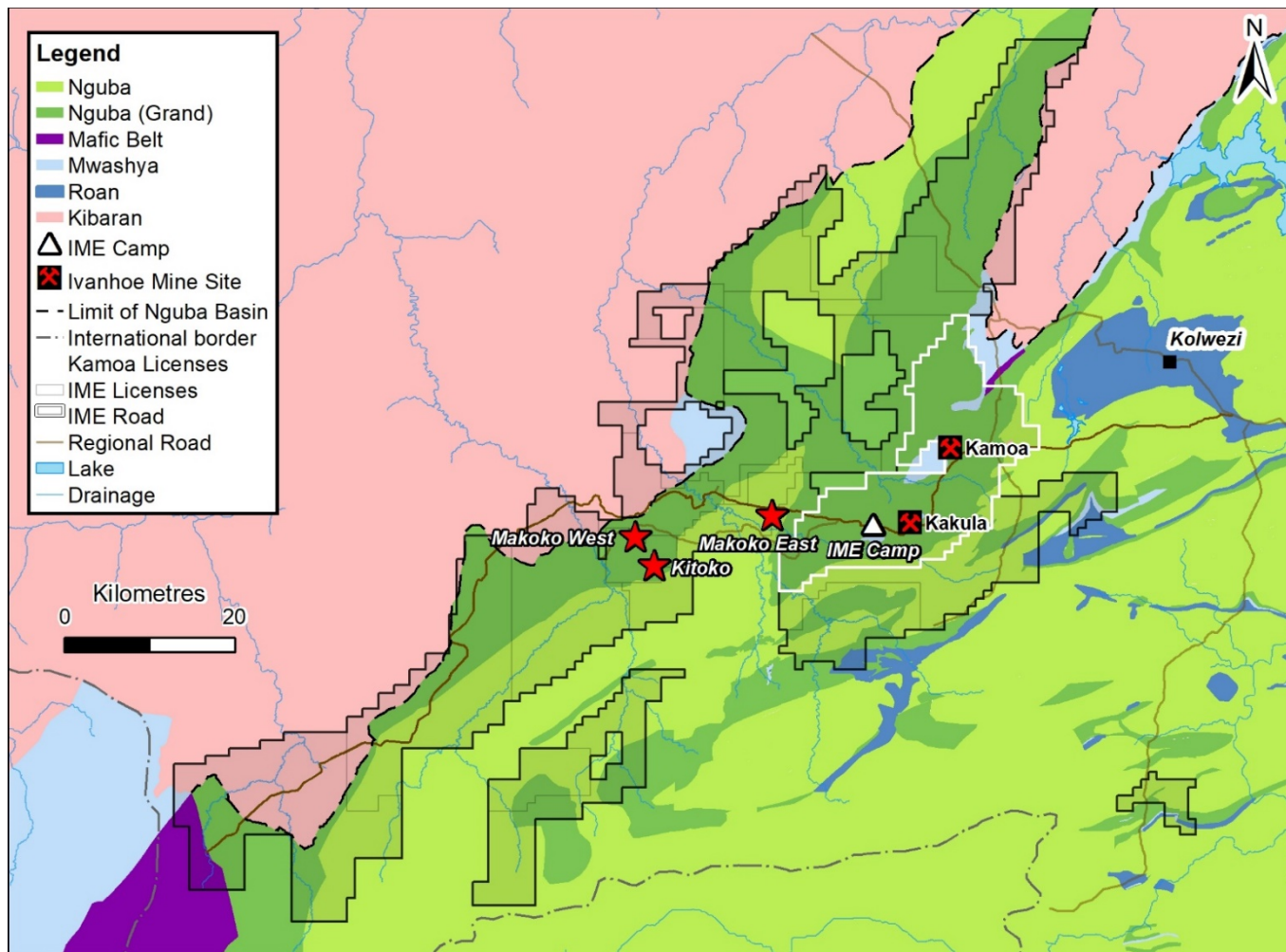
Drilling at Kitoko continued to define the extent of mineralization and develop an understanding of the system. Between three and five diamond drill rigs were active on the prospect from mid-January to the end of the quarter with a total of 10 holes completed, including three wedges from deeper parent holes. Drilling has confirmed the occurrence of mineralization within Nguba sediments in direct contact with the Kibaran basement. This represents a new geological setting for high-grade mineralization on the Western Foreland and will be incorporated into targeting models across the land package.

Drilling at Makoko West (up-dip of Kitoko) continued with between two and four rigs during the quarter. The drilling at Makoko West is targeting the up-dip area of the Kitoko mineralized system, particularly where pyritic siltstones have been deposited close to the Kibaran basement. Six drill holes have been completed and two are underway.

The wet season is expected to end in April and allow access to more regional locations from May onwards. This program will include air core drilling to collect a sample at the top of residual rock below exotic Kalahari sands and diamond drilling at regional targets.

A passive seismic program is scheduled for Q2 2024 at both Kitoko and the Lupemba area, which is located southwest of the Kitoko discovery. The program aims to identify the thickness of Kalahari sand, basement architecture and the location of thick mafic rocks below the Nguba sediments.

Figure 6. Map of the Western Forelands exploration licences (black outline), showing the prospects worked on by the exploration team during the first quarter. The area of the Western Forelands exploration licences is almost seven times as large as the Kamoia-Kakula Copper Complex licences (white outline).



THE MOKOPANE FEEDER EXPLORATION PROJECT

Three new 100%-owned exploration rights were granted on the Northern Limb of the Bushveld complex in South Africa during Q4 2022. The three new exploration rights (Blinkwater 244KR, Moordrift 289KR and Lisbon 288KR) cover 80 square kilometres forming a continuous block situated on the southwest border of the existing Platreef Project's mining rights.

A gravity-high anomaly based on wide-spaced historical Council for Geoscience data was interpreted to represent a primary feeder zone to the Rustenburg Layered Suite of the Northern Limb of the Bushveld Complex. The working hypothesis for this large gravity anomaly (the Mokopane Feeder) is that it represents a significant thickening of the Rustenburg Layered Suite, particularly of the denser Lower Zone units associated with regional scale crustal faults, with significant potential for nickel, copper and platinum-group metals mineralization.

Detailed high-resolution fixed-wing airborne magnetic and Falcon airborne gravity gradiometer geophysical surveys were completed in 2023 to map the subsurface petrophysical characteristics of the anomaly. Detailed inversion modeling of the two high-resolution datasets was completed in December 2023.

The collection, interpretation and review process of all geological and geophysical data continued in Q1 2024. A thesis for drill targeting has been developed using industry experts and three broad areas of drill targeting have been identified. A geological project team has been established, and field investigations of these areas will be conducted in Q2 2024 to finalize drilling locations.

The drilling program is expected to commence in Q2 2024 and will consist of 4,000 metres of diamond core drilling, split over two or three drill holes depending on results.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table summarizes selected financial information for the prior eight quarters. Ivanhoe had no operating revenue in any financial reporting period. All revenue from commercial production at Kamo-a-Kakula is recognized within the Kamo-a Holding joint venture. Ivanhoe did not declare or pay any dividend or distribution in any financial reporting period.

	Three months ended			
	March 31, 2024	December 31, 2023	September 2023	June 30, 2023
	\$'000	\$'000	\$'000	\$'000
Finance income	62,457	63,110	56,671	61,956
Share of profit from joint venture	45,165	49,272	69,829	73,066
Deferred tax recovery	3,221	4,201	1,212	1,965
(Loss) gain on fair valuation of embedded derivative liability	(139,271)	(39,961)	12,218	(26,618)
General administrative expenditure	(14,001)	(14,947)	(9,841)	(10,474)
Exploration and project evaluation expenditure	(8,901)	(8,637)	(6,264)	(4,375)
Share-based payments	(8,933)	(7,715)	(6,732)	(7,120)
Finance costs	(8,944)	(6,741)	(8,752)	(5,539)
(Loss) profit attributable to:				
Owners of the Company	(65,552)	27,739	112,510	92,042
Non-controlling interests	(3,858)	(1,980)	(4,988)	(4,859)
Total comprehensive (loss) income attributable to:				
Owners of the Company	(73,648)	37,155	109,681	86,588
Non-controlling interest	(4,728)	(1,003)	(5,250)	(5,443)
Basic (loss) profit per share	(0.05)	0.02	0.09	0.08
Diluted (loss) profit per share	(0.05)	0.02	0.08	0.07

	Three months ended			
	March 31, 2023	December 31, 2022	September 2022	June 30, 2022
	\$'000	\$'000	\$'000	\$'000
Share of profit from joint venture	82,659	83,324	34,057	49,690
Finance income	57,826	58,477	46,720	38,596
(Loss) gain on fair valuation of embedded derivative liability	(30,900)	(66,600)	(27,700)	183,600
General administrative expenditure	(8,571)	(11,870)	(9,199)	(8,957)
Finance costs	(10,465)	(10,457)	(10,223)	(10,013)
Share-based payments	(7,702)	(7,809)	(7,381)	(4,637)
Exploration and project evaluation expenditure	(3,381)	(3,887)	(4,312)	(13,470)
Deferred tax (expense) recovery	926	(3,839)	4,252	114,184
Profit (loss) attributable to:				
Owners of the Company	86,637	41,884	26,344	316,242
Non-controlling interests	(4,157)	(4,705)	(2,477)	35,278
Total comprehensive income (loss) attributable to:				
Owners of the Company	74,154	53,078	4,588	306,381
Non-controlling interest	(5,420)	(3,621)	(4,678)	34,495
Basic profit per share	0.07	0.03	0.02	0.26
Diluted profit per share	0.07	0.03	0.02	0.11

DISCUSSION OF OPERATING RESULTS

Review of the three months ended March 31, 2024 vs. March 31, 2023

The Company recorded a loss for Q1 2024 of \$69 million and total comprehensive loss of \$78 million compared to a profit of \$82 million and total comprehensive income of \$69 million for the same period in 2023. The main contributor to the loss for the quarter was the loss on the fair valuation of the embedded derivative liability of \$139 million compared to the loss on the fair valuation of the embedded derivative liability of \$31 million for the same period in 2023.

The Kamo-a-Kakula Copper Complex sold 85,155 tonnes of payable copper in Q1 2024 realizing revenue of \$618 million for the Kamo-a Holding joint venture, compared to 86,777 tonnes of payable copper sold for revenue of \$689 million for the same period in 2023. The Company recognized income in aggregate of \$101 million from the joint venture in Q1 2024, which can be summarized as follows:

	Three months ended March 31,	
	2024	2023
	\$'000	\$'000
Company's share of profit from joint venture	45,165	82,659
Interest on loan to joint venture	55,391	47,592
Company's income recognized from joint venture	100,556	130,251

The Company's share of profit from the Kamo-a Holding joint venture was \$37 million less in Q1 2024 compared to the same period in 2023 and is broken down in the following table:

	Three months ended March 31,	
	2024	2023
	\$'000	\$'000
Revenue from contract receivables	612,496	659,529
Remeasurement of contract receivables	5,824	29,594
Revenue	618,320	689,123
Cost of sales	(282,341)	(239,577)
Gross profit	335,979	449,546
General and administrative costs	(47,028)	(30,646)
Amortization of mineral property	(2,765)	(2,596)
Profit from operations	286,186	416,304
Finance costs	(73,716)	(88,673)
Foreign exchange loss	(8,730)	(4,885)
Finance income and other	4,051	4,995
Profit before taxes	207,791	327,741
Current tax expense	(60,299)	(76,473)
Deferred tax expense	(14,332)	(39,617)
Profit after taxes	133,160	211,651
Non-controlling interest of Kamo-a Holding	(41,918)	(44,663)
Total comprehensive income for the period	91,242	166,988
Company's share of profit from joint venture (49.5%)	45,165	82,659

The realized and provisional copper prices used for the remeasurement (mark-to-market) of contract receivables for the three months ended March 31, 2024, and for the same period in 2023, can be summarized as follows:

	Three months ended	
	March 31,	
	2024	2023
	\$'000	\$'000
<i>Realized during the period - open at the start of the period</i>		
Opening forward price (\$/lb.) ⁽¹⁾	3.84	3.79
Realized price (\$/lb.) ⁽¹⁾	3.81	4.07
Payable copper tonnes sold	99,913	51,178
Remeasurement of contract receivables (\$'000)	(6,040)	32,625
<i>Realized during the period - new copper sold in the current period</i>		
Provisional price (\$/lb.) ⁽¹⁾	3.78	4.08
Realized price (\$/lb.) ⁽¹⁾	3.85	4.01
Payable copper tonnes sold	55,529	56,121
Remeasurement of contract receivables (\$'000)	8,801	(8,551)
<i>Open at the end of the period - open at the start of the period</i>		
Opening forward price (\$/lb.) ⁽¹⁾	–	3.79
Closing forward price (\$/lb.) ⁽¹⁾	–	4.05
Payable copper tonnes sold	–	6,625
Remeasurement of contract receivables (\$'000)	–	3,748
<i>Open at the end of the period - new copper sold in current period</i>		
Provisional price (\$/lb.) ⁽¹⁾	3.94	4.02
Closing forward price (\$/lb.) ⁽¹⁾	3.99	4.05
Payable copper tonnes sold	29,626	30,307
Remeasurement of contract receivables (\$'000)	3,063	1,772
Total remeasurement of contract receivables (\$'000)	5,824	29,594

⁽¹⁾ Calculated on a weighted average basis

Of the \$74 million (Q1 2023: \$89 million) finance costs recognized in the Kamoia Holding joint venture for Q1 2024, \$46 million (Q1 2023: \$74 million) relates to shareholder loans where each shareholder funded Kamoia Holding in an amount equivalent to its proportionate shareholding interest before generating sufficient operational cashflow. Of the remaining finance costs, \$21 million (Q1 2023: \$12 million) relates to the provisional payment facility and advance payment facility available under Kamoia-Kakula's offtake agreements, \$3 million (Q1 2023: \$3 million) relates to the equipment financing facilities, \$2 million relates to bank overdraft facilities and \$2 million relates to unwinding of lease liabilities.

Ivanhoe's exploration and project evaluation expenditure amounted to \$9 million in Q1 2024 and \$3 million for the same period in 2023 and related mainly to increased exploration activities at Ivanhoe's Western Foreland exploration licences.

Finance income for Q1 2024 amounted to \$62 million and was \$4 million more than for the same period in 2023 (\$58 million). Included in finance income is the interest earned on loans to the Kamoia Holding joint venture to fund past development which amounted to \$55 million for Q1 2024, and \$48 million for the same period in 2023, and increased due to the higher interest rates and accumulated loan balance.

The Company recognized a loss on the fair valuation of the embedded derivative financial liability of \$139 million for Q1 2024, compared to a loss on the fair valuation of the embedded derivative financial liability of \$31 million for Q1 2023, which is further explained in the accounting for the convertible notes section on page 37.

Financial position as at March 31, 2024, vs. December 31, 2023

The Company's total assets increased by \$76 million, from \$5,000 million as at December 31, 2023, to \$5,076 million as at March 31, 2024. The increase in total assets was mainly attributable to the increase in the Company's investment in the Kamoia Holding joint venture by \$101 million, the increase in property, plant and equipment of \$105 million as project development continued at the Platreef and Kipushi projects, as well as the increase in deferred tax assets by \$7 million, offset by the decrease in cash and cash equivalents of \$163 million.

The Company's investment in the Kamoia Holding joint venture increased by \$101 million from \$2,518 million as at December 31, 2023, to \$2,618 million as at March 31, 2024. The Company's investment in the Kamoia Holding joint venture can be broken down as follows:

	March 31, 2024	December 31, 2023
	\$'000	\$'000
Company's share of net assets in joint venture	830,430	785,265
Loan advanced to joint venture	1,787,677	1,732,286
Total investment in joint venture	2,618,107	2,517,551

The Company's share of net assets in the Kamoia Holding joint venture can be broken down as follows:

	March 31, 2024		December 31, 2023	
	100%	49.5%	100%	49.5%
	\$'000	\$'000	\$'000	\$'000
Assets				
Property, plant and equipment	4,712,533	2,332,704	4,195,216	2,076,632
Mineral property	775,657	383,950	778,423	385,319
Indirect taxes receivable	452,156	223,817	419,779	207,791
Current inventory	416,751	206,292	435,212	215,430
Run of mine stockpile	348,591	172,553	304,261	150,609
Long-term loan receivable	325,468	161,107	306,594	151,764
Other receivables	275,019	136,134	320,143	158,471
Trade receivables	211,416	104,651	241,944	119,762
Cash and cash equivalents	126,070	62,405	72,486	35,881
Prepaid expenses	82,294	40,736	81,802	40,492
Right-of-use asset	55,441	27,443	56,966	28,198
Non-current deposits	1,872	927	1,872	927
Deferred tax asset	519	257	606	300
Liabilities				
Shareholder loans	(3,611,976)	(1,787,928)	(3,500,105)	(1,732,552)
Advance payment facility	(402,784)	(199,378)	(150,449)	(74,472)
Deferred tax liability	(336,458)	(166,547)	(322,194)	(159,486)
Trade and other payables	(351,418)	(173,952)	(471,377)	(233,332)
Long-term loan facilities	(297,877)	(147,449)	(111,193)	(55,041)
Income taxes payable	(258,405)	(127,910)	(217,028)	(107,429)
Overdraft facility	(100,151)	(49,575)	(177,775)	(87,999)
Rehabilitation provision	(95,081)	(47,065)	(95,081)	(47,065)
Provisional payment facility	(63,815)	(31,588)	(51,501)	(25,493)
Lease liability	(51,050)	(25,270)	(51,913)	(25,697)
Other provisions	(48,269)	(23,893)	(33,344)	(16,505)
Non-controlling interest	(488,868)	(241,990)	(446,950)	(221,240)
Net assets of the joint venture	1,677,635	830,430	1,586,394	785,265

Before commencing commercial production in July 2021, the Kamoia Holding joint venture principally used loans from its shareholders to develop the Kamoia-Kakula Copper Complex through investing in development costs and other property, plant and equipment. No additional shareholder loans were advanced from 2022 to date with joint venture cashflow and facilities funding its operations and expansions.

Overdraft facilities represent drawn unsecured financing facilities from DRC financial institutions at an attractive cost of capital, utilized to augment cash generated from operations for Kamoia-Kakula's continued expansion and working capital. Total available overdraft facilities amount to \$224 million, with an interest rate of approximately 6.5%.

The long-term loan facilities represent Kamoia's equipment financing facilities, as well as a \$200 million term facility with a DRC financial institution with a 4-year tenor and an interest rate of 5.75% over SOFR.

The cash flows of the Kamoia Holding joint venture can be summarized as follows:

	Three months ended	
	March 31,	
	2024	2023
	\$'000	\$'000
Net cash generated from operating activities	338,388	273,421
Change in working capital items	(104,231)	-
Net cash used in investing activities	(531,587)	(253,156)
Net cash generated from financing activities	430,465	2,398
Effect of foreign exchange rates on cash	(1,827)	1,328
Net cash inflow	131,208	23,991
Cash and cash equivalents - beginning of the year	(105,289)	365,633
Cash and cash equivalents - end of the period	25,919	389,624

The Kamoia Holding joint venture's net increase in property, plant and equipment from December 31, 2023, to March 31, 2024, amounted to \$517 million and can be further broken down as follows:

	Three months ended	
	March 31,	
	2024	2023
	\$'000	\$'000
Kamoia Holding joint venture		
Expansion capital	447,679	209,824
Sustaining capital	69,801	46,250
	517,480	256,074
Depreciation capitalized	13,110	8,401
Total capital expenditure	530,590	264,475
Borrowing costs capitalized	65,626	22,588
Total additions to property, plant and equipment for Kamoia Holding	596,216	287,063
Less depreciation, disposals and foreign exchange translation	(78,899)	(44,336)
Net increase in property, plant and equipment of Kamoia Holding	517,317	242,727

Ivanhoe's cash and cash equivalents decreased by \$163 million, from \$574 million as at December 31, 2023, to \$411 million as at March 31, 2024. The Company spent \$121 million on project development and acquiring other property, plant and equipment and \$20 million on its operating activities.

The net increase in property, plant and equipment amounted to \$105 million, with additions of \$125 million to project development and other property, plant and equipment. Of this total, \$53 million pertained to development costs and other acquisitions of property, plant and equipment at the Platreef Project, while \$72 million pertained to development costs and other acquisitions of property, plant and equipment at the Kipushi Project as set out on page 36.

The main components of the additions to property, plant and equipment – including capitalized development costs – at the Platreef and Kipushi projects for the three months ended March 31, 2024, and for the same period in 2023, are set out in the following tables:

	Three months ended	
	March 31,	
	2024	2023
	\$'000	\$'000
Platreef Project		
Phase 1 construction	23,601	22,692
Phase 2 construction	16,025	10,346
Salaries and benefits	4,169	3,407
Administrative and other expenditure	2,167	1,924
Depreciation	1,932	1,713
Site costs	900	980
Studies and contracting work	821	886
Social and environmental	234	403
Total development costs	49,849	42,351
Other additions to property, plant and equipment	3,621	2,830
Total additions to property, plant and equipment for Platreef	53,470	45,181

	Three months ended	
	March 31,	
	2024	2023
	\$'000	\$'000
Kipushi Project		
Mine construction costs	54,278	14,168
Salaries and benefits	4,476	4,269
Administration and overheads	3,717	2,995
Other expenditure	2,861	1,220
Depreciation - development	1,676	2,031
Electricity	1,952	1,872
Studies and contracting work	2,675	1,718
Other additions to property, plant and equipment	–	200
Total project expenditure	71,635	28,473
<i>Accounted for as follows:</i>		
Additions to property, plant and equipment	54,278	14,368
Development costs capitalized to property, plant and equipment	17,357	14,105
Total project expenditure	71,635	28,473

The Company's total liabilities increased by \$145 million to \$1,565 million as at March 31, 2024, from \$1,419 million as at December 31, 2023, with the increase mainly due to the loss on the fair valuation of the embedded derivative liability of \$139 million.

On May 22, 2023, Kipushi Corporation SA (Kipushi), a subsidiary of the Company and the operator of the Kipushi Project, entered into a loan agreement with Rawbank SA (Rawbank), a financial institution in the Democratic Republic of the Congo. Under the terms of the loan agreement, Rawbank provided an \$80 million loan, to be drawn down in two tranches of \$40 million each, to Kipushi to fund its working capital requirements. Both tranches of the loan were drawn down in 2023. The loan incurs interest at 8% per year plus a commission of 0.5% per quarter. The loan and accumulated interest and commission are repayable on May 31, 2024. Ivanhoe Mines Ltd. has guaranteed all amounts due by Kipushi to Rawbank under this loan agreement.

On August 4, 2023, the Company entered into an \$18 million loan agreement with Investec Bank Limited, a South African financial institution, in respect of its acquisition of an aircraft. Interest on the loan is incurred at SOFR + a margin of 3.65% per annum and is payable monthly in arrears. The principal amount is repayable monthly in 60 equal instalments. The Company repaid \$0.8 million of the principal amount and \$0.4 million in interest during the three months ended March 31, 2024.

Accounting for the convertible notes closed in March 2021

The Company closed a private placement offering of \$575 million of 2.50% convertible senior notes maturing in 2026 on March 17, 2021. Upon conversion, the convertible notes may be settled, at the Company's election, in cash, common shares or a combination thereof. Due to this election right and conversion feature, the convertible notes have an embedded derivative liability that is measured at fair value with changes in value being recorded in profit or loss, as well as the host loan that is accounted for at amortized cost.

The convertible senior notes are senior unsecured obligations of the Company which will accrue interest payable semi-annually in arrears at a rate of 2.50% per annum and will mature on April 15, 2026, unless earlier repurchased, redeemed or converted. The initial conversion rate of the notes is 134.5682 Class A common shares of the Company per \$1,000 principal amount of notes or an initial conversion price of approximately \$7.43 per common share.

Holders of the notes may convert the notes, at their option, in integral multiples of \$1,000 principal amount, or excess thereof, at any time until the close of business on the business day immediately preceding October 15, 2025, but only under the following circumstances:

- During any calendar quarter commencing after the calendar quarter ending on June 30, 2021 (and only during such calendar quarter), if the last reported sale price of the Company's Class A common shares for at least 20 trading days (whether consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; or
- During the five consecutive business day period after any ten consecutive trading day period (the "measurement period") in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's Class A common shares and the conversion rate on each such trading day; or
- If the Company calls any or all the notes for redemption in certain circumstances or upon the occurrence of certain corporate events.

On or after October 15, 2025, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes, in multiples of \$1,000 principal amount, at the option of the holder regardless of the foregoing conditions.

The convertible notes will not be redeemable at the Company's option before April 22, 2024, except upon the occurrence of certain tax law changes. On or after April 22, 2024, and on or before the 41st scheduled trading day immediately preceding the maturity date, the notes will be redeemable at the Company's option if the last reported sale price of the Company's common shares has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption price equal to 100% of the principal amount of the convertible notes to be redeemed, plus accrued and unpaid interest to, but excluding the redemption date.

Since upon conversion, the notes may be settled, at the Company's election, in cash, common shares or a combination thereof, the conversion feature is an embedded derivative liability. The effect of this is that the host liability will be accounted for at amortized cost, with an embedded derivative liability being measured at fair value with changes in value being recorded in profit or loss.

The effective interest rate of the host liability was deemed to be 9.39% and the interest recognized on the convertible notes amounted to \$12 million in Q1 2024, before capitalization of borrowing costs on the notes of \$3 million. No repayments of coupon interest were payable in Q1 2024. The carrying value of the host liability was \$508 million as at March 31, 2024, up from \$496 million as at December 31, 2023.

The embedded derivative liability had a fair value of \$151 million on the closure of the convertible notes offering and increased to \$307 million as at December 31, 2023, and increased to \$446 million as at March 31, 2024. The change in the fair value of the embedded derivative liability is mainly due to the increase in the closing price of the Company's shares as reported on the Toronto Stock Exchange from the beginning of the year to March 31, 2024.

The following key inputs and assumptions were used in determining the fair value of the embedded derivative liability:

	March 17, 2021	December 31, 2022	December 31, 2023	March 31, 2024
Share price	C\$7.00	C\$10.70	C\$12.85	C\$16.16
Credit spread (basis points)	630	419	400	400
Volatility	42%	40%	43%	41%
Borrowing costs (basis points)	50	25	25	25
Fair value of embedded derivative liability (\$'million)	\$150.5	\$221.3	\$306.6	\$445.8

Transaction costs on the convertible notes offering relating to the embedded derivative liability amounted to \$4 million and were expensed and included in the profit and loss for Q1 2021.

LIQUIDITY AND CAPITAL RESOURCES

The Company had \$411 million in cash and cash equivalents as at March 31, 2024. At this date, the Company had consolidated working capital deficit of approximately \$663 million, compared to \$348 million at December 31, 2023. The working capital deficit is due to the reclassification of the Convertible Notes and Embedded Derivative Liability under IAS 1 – Revised from non-current liabilities to current liabilities. The reclassification does not impact the Company’s short term liquidity as it has sufficient cash resources to meet its short-term commitments.

The Company’s capital expenditure can be summarized as follows:

Capital Expenditure	Q1 2024 Actuals	2024 Guidance	2025 Guidance
	(\$' million)	(\$' million)	(\$' million)
Kamoa-Kakula			
Phase 3 and other expansion capital	447	1,300 – 1,700	700 – 300
Sustaining capital	70	240	265
	517	1,540 – 1,940	965 – 565
Platreef			
Phase 1 initial capital	35	170 – 200	40 – 10
Phase 2 capital	16	130 – 180	320 – 270
	51	300 – 380	360 – 280
Kipushi			
Initial capital	70	160	–
Sustaining capital	–	35	40
	70	195	40

All capital expenditure figures are presented on a 100%-project basis.

The ranges provided reflect uncertainty in the timing of Kamoa-Kakula Phase 3 expansion and Platreef Phase 2 capital between calendar years 2024 and 2025.

The Phase 3 expansion at the Kamoa-Kakula Mining Complex is ahead of schedule for production in late Q2 2024 and in line with budget. The Kamoa-Kakula’s Phase 1 and 2 operations are anticipated to generate significant operating cash flow and are expected to, together with joint venture level financing facilities, be sufficient to fund Phase 3 capital cost requirements at current copper prices.

Construction of Platreef’s Phase 1 concentrator is advancing on schedule at over 80% complete and is on track for cold commissioning in the third quarter of 2024. Hot commissioning and ramp-up of production are now planned to be deferred to mid-2025. Total planned expenditure on Phase 1 remains on budget. The Phase 2 expansion is being accelerated by re-purposing ventilation Shaft #3 for hoisting, while construction of the 10-metre-diameter Shaft #2 continues. Platreef’s 2025 guidance is provisional only and will be updated upon the completion of the Feasibility Study with the updated project development strategy, which will be completed in the second half of 2024.

Construction of the Kipushi Mine is progressing well, with the processing plant ahead of schedule for first production in Q2 2024. Negotiations are advancing with numerous parties for facilities of \$200 million or higher, and are expected to be concluded in the second quarter of 2024.

On August 4, 2023, the Company entered into an \$18 million loan agreement with Investec Bank Limited, a South African financial institution, in respect of its aircraft. Interest on the loan is incurred at SOFR + a margin of 3.65% per annum and is payable monthly in arrears. The principal amount is repayable monthly in 60 equal installments. The Company repaid \$0.8 million of the principal amount and \$0.4 million in interest during the three months ended March 31, 2024.

Ivanhoe's exploration budget for 2024 has been set to approximately \$90 million, with exploration activities primarily focused on the 2,654-square-kilometre Western Forelands Project.

On March 17, 2021, the Company closed a private placement offering of \$575 million of 2.50% convertible senior notes maturing in 2026. The convertible senior notes are senior unsecured obligations of the Company which will accrue interest payable semi-annually in arrears at a rate of 2.50% per annum and will mature on April 15, 2026, unless earlier repurchased, redeemed or converted. The notes will be convertible at the option of holders, before the close of business on the business day immediately preceding October 15, 2025, only under certain circumstances and during certain periods, and thereafter, at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. Upon conversion, the notes may be settled, at the Company's election, in cash, common shares or a combination thereof. The carrying value of the host liability was \$508 million and the fair value of the embedded derivative liability was \$446 million as at March 31, 2024.

The Company has a mortgage bond outstanding on its offices in London, United Kingdom, of £3.2 million (\$4.1 million). The bond is fully repayable on August 28, 2025, secured by the property, and incurs interest at a rate of one month Sterling Overnight Index Average (SONIA) plus 1.90% payable monthly in arrears. Only interest will be payable until maturity.

In 2013, the Company became a party to a loan payable to ITC Platinum Development Limited, which had a carrying value and contractual value of \$40 million as at March 31, 2024. The loan is repayable once the Platreef Project has residual cash flow, which is defined in the loan agreement as gross revenue generated by the Platreef Project, less all operating costs attributable thereto, including all mining development and operating costs. The loan incurs interest of term SOFR applicable to United States Dollars on a 3-month deposit plus 2.26%. Interest is not compounded.

The Company has an implied commitment in terms of spending on work programs submitted to regulatory bodies to maintain the good standing of exploration and exploitation permits at its mineral properties. The following table sets forth the Company's long-term obligations:

Contractual obligations as at March 31, 2024	Payments Due By Period				
	Total \$'000	Less than 1 year \$'000	1-3 years \$'000	4-5 years \$'000	After 5 years \$'000
Convertible notes	575,000	–	575,000	–	–
Debt	139,747	83,745	15,587	40,415	–
Lease commitments	1,437	362	1,075	–	–
Total contractual obligations	716,184	84,107	591,662	40,415	–

Debt in the above table represents the mortgage bond owing to Citibank, the loan payable to ITC Platinum Development Limited, the loan from Rawbank and the aircraft loan as described above.

NON-GAAP FINANCIAL PERFORMANCE MEASURES

Kamoa-Kakula's cash cost (C1) per pound is a non-GAAP financial measure. These are disclosed to enable investors to better understand the performance of Kamoa-Kakula in comparison to other copper producers who present results on a similar basis.

Cash cost (C1) is prepared on a basis consistent with the industry standard definitions by Wood Mackenzie cost guidelines but are not measures recognized under IFRS. In calculating the C1 cash cost, the costs are measured on the same basis as the company's share of profit from the Kamoa Holding joint venture that is contained in the financial statements. C1 cash cost is used by management to evaluate operating performance and includes all direct mining, processing, and general and administrative costs. Smelter charges and freight deductions on sales to the final port of destination, which are recognized as a component of sales revenues, are added to C1 cash cost to arrive at an approximate cost of finished metal. C1 cash cost and C1 cash cost per pound exclude royalties, production taxes and non-routine charges as they are not direct production costs.

Reconciliation of Kamoa-Kakula's cost of sales to C1 cash cost, including on a per pound basis:

	Three months ended	
	March 31,	
	2024	2023
	\$'000	\$'000
Cost of sales	282,341	239,577
Logistics, treatment and refining charges	104,911	111,444
General and administrative expenditure	47,027	30,646
Royalties and production taxes	(56,400)	(53,812)
Depreciation	(59,511)	(38,488)
Power rebate	(4,468)	(4,493)
Non-cash adjustments to inventory	(1,396)	(688)
General and administrative expenditure of other group entities	(1,540)	(324)
Extraordinary taxes	(21,135)	-
Cash cost (C1)	289,829	283,862
Cost of sales per pound of payable copper sold (\$ per lb.)	1.50	1.25
Cash cost (C1) per pound of payable copper produced (\$ per lb.)	1.57	1.42
Payable copper produced in concentrate (tonnes)	83,945	90,561

Figures in the above table are for the Kamoa-Kakula joint venture on a 100% basis.

EBITDA, Adjusted EBITDA and EBITDA margin, normalized profit after tax and normalized profit per share

EBITDA and Adjusted EBITDA are non-GAAP financial measures. Ivanhoe believes that Kamoakakula's EBITDA is a valuable indicator of the mine's ability to generate liquidity by producing operating cash flow to fund its working capital needs, service debt obligations, fund capital expenditures and distribute cash to its shareholders. EBITDA and Adjusted EBITDA are also frequently used by investors and analysts for valuation purposes. Kamoakakula's EBITDA and the EBITDA and Adjusted EBITDA for the Company are intended to provide additional information to investors and analysts and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared per IFRS. EBITDA and Adjusted EBITDA exclude the impact of cash cost of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA and Adjusted EBITDA differently.

The EBITDA margin is an indicator of Kamoakakula's overall health and denotes its profitability, which is calculated by dividing EBITDA by revenue. The EBITDA margin is intended to provide additional information to investors and analysts, does not have any standardized definition under IFRS, and should not be considered in isolation, or as a substitute, for measures of performance prepared per IFRS.

Reconciliation of profit after tax to Kamoakakula's EBITDA:

	Three months ended	
	March 31,	
	2024	2023
	\$'000	\$'000
Profit after taxes	133,160	211,651
Current and deferred tax expense	74,631	116,090
Finance costs	73,716	88,673
Depreciation	62,276	41,084
Other taxes	21,135	–
Unrealized foreign exchange loss ⁽¹⁾	4,067	4,889
Finance income	(4,092)	(5,076)
EBITDA	364,893	457,311

Figures in the above table are for the Kamoakakula joint venture on a 100% basis.

- (1) Unrealized foreign exchange losses have been excluded from EBITDA as the Company believes that including the unrealized foreign exchange losses does not give a useful indication of Kamoakakula's overall health and profitability.

Reconciliation of profit after tax to Ivanhoe's EBITDA and adjusted EBITDA:

	Three months ended	
	March 31,	
	2024	2023
	\$'000	\$'000
(Loss) profit after taxes	(69,410)	82,480
Finance income	(62,457)	(57,826)
Current and deferred tax recovery	(3,159)	(881)
Finance costs	8,944	10,465
Unrealized foreign exchange loss ⁽¹⁾	6,115	1,291
Depreciation	758	476
EBITDA	(119,209)	36,005
Share of profit from joint venture net of tax	(45,165)	(82,659)
Company's share of EBITDA from Kamoia-Kakula joint venture ⁽²⁾	144,164	180,796
Loss on fair valuation of embedded derivative liability	139,271	30,900
Non-cash share based payments	7,340	6,538
Adjusted EBITDA	126,401	171,580

⁽¹⁾ Unrealized foreign exchange losses have been excluded from EBITDA as the Company believes that including the unrealized foreign exchange gains and losses does not give a useful indication of the Company's overall health and profitability.

⁽²⁾ The Company's attributable share of EBITDA from the Kamoia-Kakula joint venture is calculated using the Company's effective shareholding in Kamoia Copper SA (39.6%), Ivanhoe Mines Energy DRC SARL (49.5%), Kamoia Holding Limited (49.5%) and Kamoia Services (Pty) Ltd (49.5%).

Normalized profit after tax and normalized profit per share are non-GAAP financial measures. Normalized profit after tax and normalized profit per share for the company is intended to provide additional information to investors and analysts and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared per IFRS. Other companies may calculate normalized profit after tax and normalized profit per share differently.

Below is a table reconciling the Company's profit after taxes to the Company's normalized profit after taxes. Normalized profit after taxes excludes the loss on fair valuation of the embedded derivative liability.

	Three months ended	
	March 31,	
	2024	2023
	\$'000	\$'000
Loss (profit) after taxes	(69,410)	82,480
Loss on fair valuation of embedded derivative liability	139,271	30,900
Normalized profit after taxes	69,861	113,380

Below is a table reconciling the Company's basic profit per share to the company's normalized profit per share. Normalized profit per share excludes the loss on fair valuation of the embedded derivative liability.

	Three months ended March 31,	
	2024	2023
	\$'000	\$'000
Loss (profit) attributable to the owners of the Company	(65,552)	86,637
Loss on fair valuation of embedded derivative liability	139,271	30,900
Normalized profit attributable to owners of the Company	73,719	117,537
Weighted average number of basic shares outstanding	1,269,340,506	1,217,351,475
Basic (loss) profit per share	(0.05)	0.07
Normalized profit per share	0.06	0.10

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements for the periods under review.

TRANSACTIONS WITH RELATED PARTIES

The following tables summarize related party income earned and expenses incurred by the Company, primarily on a cost-recovery basis, with companies related by way of directors or significant shareholders in common. The tables summarize the transactions with related parties and the types of income earned and expenditures incurred with related parties. Amounts in brackets denote expenses.

	Three months ended	
	March 31,	
	2024	2023
	\$'000	\$'000
Kamoa Holding Limited (a)	55,391	47,592
Kamoa Services (Pty) Ltd. (b)	1,222	1,151
Kamoa Copper SA (c)	333	287
Ivanhoe Mines Energy DRC SARL (d)	75	48
I-Pulse Inc. (e)	40	–
Ivanhoe Electric Inc. (f)	1	5
Ivanhoe Capital Aviation Ltd. (g)	(1,125)	(1,125)
Ivanhoe Capital Services Ltd. (h)	(111)	(95)
Citic Metal Africa Investments Limited (i)	(53)	(53)
Global Mining Management Corporation (j)	(52)	(68)
High Power Exploration Inc. (k)	–	2,307
	55,721	50,049
Finance income	55,391	49,899
Intergroup recharges and cost recovery	1,604	1,461
Travel	(1,087)	(1,122)
Salaries and benefits	(130)	(102)
Directors fees	(53)	(53)
Office and administration	(4)	(17)
Consulting	–	(17)
	55,721	50,049

The transactions summarized above were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at March 31, 2024, trade and other payables included \$0.3 million (December 31, 2023: \$0.3 million) with regard to amounts due to parties related by way of directors, officers or shareholders in common. These amounts are unsecured and non-interest-bearing.

Amounts included in other receivables due from parties related by way of directors, officers or shareholders in common as at March 31, 2024, amounted to \$10 million (December 31, 2023: \$10 million). Of this, \$9 million is related to receivables from the joint venture (December 31, 2023: \$9.8 million).

The directors of the Company are considered to be related parties.

- (a) Kamoa Holding Limited (“Kamoa Holding”) is a company registered in Barbados. The Company has an effective 49.5% ownership in Kamoa Holding. The Company earns interest on the loans advanced to Kamoa Holding.

- (b) Kamoas Services (Pty) Ltd. (“Kamoas Services”) is a company registered in South Africa. The Company has an effective 49.5% ownership in Kamoas Services. The Company provides administration, accounting and other services to Kamoas Services on a cost-recovery basis.
- (c) Kamoas Copper SA (“Kamoas Copper”) is a company incorporated in the DRC. The Company has an effective 39.6% ownership in Kamoas Copper. The Company provides administration, accounting and other services to Kamoas Copper on a cost-recovery basis.
- (d) Ivanhoe Mines Energy DRC Sarl (“Energy”) is a company incorporated in the DRC. The Company has an effective 49.5% ownership in Energy. The Company provides administration, accounting and other services to Energy on a cost-recovery basis.
- (e) I-Pulse Inc. (“I-Pulse”) is a private company incorporated in the United States of America. The Company’s Executive Co-Chairman is also the Chairman of I-Pulse.
- (f) Ivanhoe Electric Inc. (“Ivanhoe Electric”) is a company incorporated under the laws of Delaware, USA. A director of the Company is a director and member of executive management of Ivanhoe Electric. The Company provides services to Ivanhoe Electric on a cost-recovery basis.
- (g) Ivanhoe Capital Aviation Ltd. (“Aviation”) is a private company owned indirectly by a director of the Company. Aviation operates an aircraft for which the Company contributes toward the running costs.
- (h) Ivanhoe Capital Services Ltd. (“Services”) is a private company owned indirectly by a director of the Company. Services provides for salaries administration and other services to the Company in Singapore and Beijing on a cost-recovery basis.
- (i) Global Mining Management Corporation (“Global”) is a private company based in Vancouver, Canada. The Company and a director of the Company hold an indirect equity interest in Global. Global provides administration, accounting and other services to the Company on a cost-recovery basis.
- (j) Citic Metal Africa Investments Limited (“Citic Metal Africa”) is a private company incorporated in Hong Kong. Citic Metal Africa is a shareholder in the Company and nominates two directors who serve on the Company’s Board of Directors.
- (k) High Power Exploration Inc. (“HPX”) is a private company incorporated under the laws of Delaware, USA. A director of the Company is a director and member of executive management of HPX.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are presented in Note 2 to the consolidated financial statements for the year ended December 31, 2023. The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period presented and reported amounts of expenses during said reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates that, by their nature, are uncertain. Such estimates have a pervasive effect on the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, include, but are not limited to, the following:

Recoverability of assets

Property, plant and equipment, including capitalized development costs and finite-lived intangible assets are assessed at each reporting period to determine whether there is any indication that those assets have suffered an impairment loss.

In assessing whether an impairment is required, the carrying value of the asset or cash-generating unit ("CGU") is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal and value in use. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss.

The Company assesses whether an impairment is required on loans receivables. A range of cash flow scenarios are considered, taking into account forward-looking information which may impact recoverability of loan receivables.

Given the nature of the Company's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, the fair value less costs of disposal for each CGU is estimated based on discounted future estimated cash flows that are expected to be generated from the continued use of the CGUs. They are estimated using market consensus-based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, including any expansion projects, and their eventual disposal, based on the CGU development plans and latest technical reports. These cash flows were discounted using a discount rate that reflected current market assessments of the time value of money and the risks specific to the CGU.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is impaired to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income. The Company has concluded that there is no impairment required to any of its projects.

Determination of functional currency

The Company has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and determined that the Company's functional currency is the U.S. dollar. The Company's subsidiaries have a variety of functional currencies that include, but are not limited to, U.S. dollar ("USD"), South African Rand ("ZAR") and Canadian dollar ("C\$").

Technical feasibility and commercial viability of projects

In determining whether an exploration and evaluation property is technically feasible and commercially viable, the Company considers several criteria, including:

- a technical analysis of the basic geology of the project;
- a mine plan for accessing and exploiting the ore body;
- a process flow sheet for processing the ore generated from mining;
- projections as to the capital cost of constructing the project;
- projections as to the cost of operating the project in accordance with the mine plan;
- projections as to revenues from the concentrate or other mineral product to be generated from operations in accordance with the mine plan; and
- an economic analysis of the project based on the projected capital and operating costs and production revenues.

Classification of Kamoa Holding Limited as a joint venture

Kamoa Holding Limited ("Kamoa Holding") is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Kamoa Holding Limited is classified as a joint venture of the Company.

Determination of inputs into lease accounting

Lease payments should be discounted using the interest rate implicit in the lease unless that rate cannot be readily determined, in which case the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The Company has used the risk-free interest rate adjusted for credit risk specific to the lease.

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Provisionally-priced revenue and remeasurement of contract receivables

Sales in the Kamoa Holding Limited joint venture are provisionally priced at the average market price on the date that the products are delivered to the buyers at the Kamoa-Kakula Mine concentrate warehouse or the demarcated holding area at the Lualaba Copper Smelter premises. Revenue from the contract receivables is recognized for all the sales during the period at the average market price for the month in which the sales occurred. Revenue from contract receivables is remeasured with reference to the forward market price at each reporting date and the remeasurement of contract receivables is recognized as revenue in the statement of comprehensive income of the Kamoa Holding Limited joint venture.

Valuation of the embedded derivative liability

The Company has used key inputs and estimates to determine the fair value of the embedded derivative liability at initial recognition and period end date.

Deferred revenue

The advance payments received under the stream financing agreements have been accounted for as contract liabilities within the scope of IFRS 15. Under the terms of the agreements, settlement of the contracts will be executed via the delivery of credits to the purchasers. The credits to be delivered are directly linked to the metal contained in concentrate produced at the Platreef mine. The contracts are therefore not financial instruments as the contracts will not be settled in cash or another financial instrument. Performance obligations under the contracts will be satisfied through production at the Platreef mine and revenue will be recognized over the duration of the contracts. As the contracts are long-term in nature and a portion of the financing was received at the inception of the contracts, it has been determined that the contracts contain a significant financing component under IFRS 15. The current portion of deferred revenue is determined to be the cashflow owed to the buyer expected within the next twelve months following the end of the current financial year.

Deferred tax

Significant judgment is required in determining the deferred tax asset related to the Platreef and Kipushi projects. This includes the probability that there will be sufficient taxable income in the future against which the deferred tax can be utilized. The Company considers the recoverability of the deferred tax asset annually and has deemed the balance to be recoverable at the end of the current financial year. With the agreement of the development plan for the Kipushi Project by its shareholders and the approval of the development budget consistent with the feasibility study, the Company considers it probable that future taxable profit will be available, against which the unused tax losses and unused tax credits can be utilized. As a result, the Company recognized the previously unrecognized deferred tax asset of the Kipushi Project in June 2022.

Provisions for tax claims

From time to time, the Company becomes subject to claims or assessments made by tax or other authorities in the ordinary course of its business. Such claims may be made against the Company, its subsidiaries and affiliates, or its joint ventures. Given the complexity, scope and multijurisdictional nature of the Company's business, such claims may arise in several jurisdictions and may involve complex legal, tax or accounting matters. Management assesses the Company's liabilities and contingencies for all tax years open to claims or assessment based upon the latest information available. The Company accrues for such claims, or makes a provision, in its financial statements, when a liability resulting from the claim is both probable and the amount can be reasonably estimated. In order to assess such likelihood management reviews claims with the benefit of internal and external legal advice where appropriate. The joint venture is currently subject to several such claims, all of which have been determined by management, with the benefit of legal advice, to be without merit and justification and therefore not probable that a liability would arise therefrom. Where these estimated liabilities are determined as probable, management has determined that such liability would not have a material effect on the consolidated financial statements of the Company. Such determinations are based on current information and advice, which is subject to change based on changed facts or circumstances. Accordingly, management may re-assess any prior determination regarding the likelihood of a probable liability at any time.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Newly adopted accounting standards

The following standards became effective for annual periods beginning on or after January 1, 2024, with earlier application permitted. The Company adopted these standards in the current period and they did not have a material impact on its financial statements unless specifically mentioned below.

- Amendment to IFRS 16 – Leases on sale and leaseback. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- Amendment to IAS 7 and IFRS 7 - Supplier finance. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- Amendment to IAS 1 – Non-current liabilities with covenants and Amendment to IAS 1 - Classification of Liabilities as Current or Non-current.

The adoption of the amendments to IAS 1 has a material effect on the Company's financial statements, particularly impacting the classification of the host liability and embedded derivative liability associated with the convertible notes.

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. Furthermore, the amendments clarify that a conversion option does not affect the Company's classification of the liability, but only if the option meets the fixed-for-fixed criteria and is classified and recognized as a separate equity component in accordance with IAS 32, Financial Instruments: Presentation. If a conversion option in a loan agreement does not satisfy the fixed-for-fixed criteria, the entity would classify the liability as current.

The conversion feature included in the Company's convertible notes fails the 'fixed for fixed' criteria and is therefore not classified as an equity instrument. Although the terms of the convertible notes allow for settlement in the Company's own equity instruments, that alternative is not classified as an equity instrument, the terms of the convertible feature are taken into account in the classification of the liability. The convertible senior notes issued by the Company can be called by the holder at any time in the next 12 months, barring the conditions disclosed in Note 15 of the financial statements are met.

The impact of the adoption of the amendments to IAS 1 on the Company's consolidated statements of financial position as at December 31, 2023 and January 1, 2023, is disclosed in Note 3 of the financial statements.

Accounting standards issued but not yet effective

The following new standards, amendments to standards and interpretations have been issued but are not effective during the three months ended March 31, 2024. The Company has not yet adopted these new and amended standards.

- Amendment to IAS 21 - Lack of Exchangeability. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The Company has considered the amendment and assessed that it will have no material impact on adoption.

(i) Effective for annual periods beginning on or after January 1, 2025

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value of financial instruments

The Company's financial assets and financial liabilities are categorized as follows:

	Level	March 31, 2024 \$'000	December 31, 2023 \$'000
Financial assets			
<i>Financial assets at fair value through profit or loss</i>			
Investment in I-Pulse Inc.	Level 3	79,360	79,360
Investment in Reenergy Ltd.	Level 1	2,793	4,173
Investment in unlisted entity	Level 1	655	655
Investment in other listed entities	Level 3	451	277
<i>Amortized cost</i>			
Loan advanced to joint venture	Level 3	1,787,677	1,732,286
Cash and cash equivalents		411,133	574,294
Loans receivable	Level 3	46,612	46,017
Promissory note receivable	Level 3	26,800	26,800
Other receivables		24,712	16,574
Financial liabilities			
<i>Financial liabilities at fair value through profit or loss</i>			
Convertible notes - embedded derivative liability	Level 3	445,832	306,561
<i>Amortized cost</i>			
Convertible notes - host liability	Level 3	507,644	495,970
Borrowings	Level 3	140,345	140,011
Trade and other payables		99,625	103,076

IFRS 13 - "Fair value measurement", requires an explanation about how fair value is determined for assets and liabilities measured in the financial statements at fair value and establishes a hierarchy into which these assets and liabilities must be grouped based on whether inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions. The two types of inputs create the following fair value hierarchy:

- Level 1: observable inputs such as quoted prices in active markets;
- Level 2: inputs, other than the quoted market prices in active markets, which are observable, either directly and/or indirectly; and
- Level 3: unobservable inputs for the asset or liability in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Finance income

The Company's finance income is summarized as follows:

	Three months ended	
	March 31,	
	2024	2023
	\$'000	\$'000
Interest on loan to joint venture	55,391	47,592
Interest on bank balances	6,471	7,299
Interest on long-term loan receivable - Social Development Loan	594	623
Other	1	4
Interest on long-term loan receivable - HPX	–	2,308
	62,457	57,826

The interest from the loan to the joint venture is interest earned from the Kamoia Holding joint venture on shareholder loans advanced by the Company where each shareholder is required to fund Kamoia Holding in an amount equivalent to its proportionate shareholding interest.

Financial risk management objectives and policies

The risks associated with the Company's financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Foreign exchange risk

The Company incurs certain of its expenses in currencies other than the U.S. dollar. The Company also has foreign currency-denominated monetary assets and liabilities. The Company's key exposure to foreign exchange risk arises from the deferred revenue, which is denominated in Rand and the convertible notes, which are impacted by the Canadian Dollar when the prevailing share price is converted into Dollars. As such, the Company is subject to foreign exchange risk as a result of fluctuations in exchange rates. The Company enters into derivative instruments to manage foreign exchange exposure as deemed appropriate.

The carrying amount of the Company's foreign currency-denominated monetary assets and liabilities at the respective statement of financial position dates are as follows:

	March 31, December 31,	
	2024	2023
	\$'000	\$'000
Assets		
South African rand	110,034	106,202
Canadian dollar	198,688	223,621
British pounds	8,496	7,548
Australian dollar	362	249
Liabilities		
South African rand	(38,980)	(41,913)
British pounds	(8,385)	(7,807)
Canadian dollar	(78)	(541)
Australian dollar	(87)	–

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase or decrease in the U.S. dollar against the foreign currencies presented. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items not denominated in the functional currency of the Company or the relevant subsidiary and adjusts their translation at the end of the period for a 5% change in foreign currency rates. A positive number indicates a decrease in loss for the year when the foreign currencies strengthen against the U.S. dollar. The opposite number will result if the foreign currencies depreciate against the U.S. dollar.

	Three months ended	
	March 31,	
	2024	2023
	\$'000	\$'000
Canadian dollar	9,930	244
Australian dollar	14	45
South African rand	(381)	(303)
British pounds	(23)	(2)

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with the loan to the joint venture, promissory note receivable, long-term loans receivable, other receivables and cash and cash equivalents.

The Company reviews the recoverable amount of its financial assets at each statement of financial position date to ensure that adequate provision is made for expected credit losses on a timely basis. Current and future macroeconomic factors, as well as relevant interest rates are considered as inputs into the provision calculation.

The Company classifies its financial assets at amortized cost in categories that reflect their credit risk as follows:

- Performing financial assets – Financial assets with a low risk of counterparty default. A 12-month expected credit losses are calculated for these financial assets.
- Underperforming financial assets – Financial assets with a significant increase in credit risk. Lifetime expected credit losses are calculated for these financial assets.
- Non-performing financial assets – Financial assets that are in default. Lifetime expected credit losses are calculated for these financial assets.
- Written off financial assets – Financial assets where the principal and/or interest will not be recovered, based on observable data. These financial assets are written off through profit or loss to the extent of the expected credit loss.

All of the Company's financial assets are deemed to be performing financial assets based on the above categorization. As such the general approach was applied to the calculate the 12-month expected credit losses. There were no movements between the categorization during the current and comparative reporting periods as there has not been an increase in credit risk associated with these financial assets.

A significant increase in credit risk would include:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- An actual or expected significant change in the operating results of the borrower.
- Significant increases in credit risk on other financial instruments of the same borrower.
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations.

- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring.

None of the Company's financial assets are deemed to be in default, which is defined as the structural failure of a counterparty to perform under an agreement with the Company.

For all financial assets measured at amortized cost, the Company calculates the expected credit loss based on contractual payment terms of the asset. The exposure to credit risk is influenced by the individual characteristics and the long and short-term nature of the counterparty.

The Company assesses whether an impairment is required on loan receivables. A range of cash flow scenarios are considered, taking into account forward-looking information which may impact recoverability of loan receivables.

The loan advanced to the joint venture will be repaid as and when there is residual cash flow in Kamo Holding. The expected credit loss is considered not material to the Company.

The promissory note receivable will be repaid using proceeds from the sale of Crystal River's 1% stake in Kamo Holding. The expected credit loss is considered not material to the Company.

Repayment of the long-term loan receivable from Gécamines will be made by offsetting the loan against future royalties and dividends payable to Gécamines which arise from future profits to be earned at Kipushi.

The credit risk on cash and cash equivalents is limited because the cash and cash equivalents are composed of deposits with major banks that have investment-grade credit ratings assigned by international credit ratings agencies and have low risk of default. Credit risk is managed through the application of funding approvals, liquidity analysis and monitoring procedures. The Company's treasury function provides credit risk management for the group-wide exposure in respect of a diversified banking portfolio. These are evaluated regularly for financial robustness, especially within the context of the current global economic environment as well as the jurisdictions within which the Company operates.

The majority of the Group's cash balance is held in Canadian and South African bank accounts.

The Company continues to monitor its credit risk and assess expected credit losses. The identified impairment loss in 2023 is considered not material to the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include the convertible notes, the loans advanced to the joint venture and borrowings.

The Company measures the embedded derivative liability portion of the convertible notes at fair value at each reporting date, recognizing changes in the fair value in the statements of comprehensive income. This requirement to "mark-to-market" the derivative features could significantly affect the results in the statement of comprehensive income. If the Company's share price had been C\$1.00 higher than it was on March 31, 2024, the fair value of the embedded derivative liability would have increased by \$53 million, which would have resulted in the Company recording a loss on the fair valuation of the embedded derivative liability of \$192 million instead of the loss of \$139 million. If the Company's share price had been C\$1.00 lower than it was on March 31, 2024, the fair value of the embedded derivative liability would have decreased by \$51 million, which would have resulted in the Company recording a loss on the fair valuation of the embedded derivative liability of \$88 million instead of the loss of \$139 million.

Interest rate risk

The Company's interest rate risk arises mainly from long-term borrowings, the long-term loan receivable, the loans advanced to the joint venture. The Company's main exposure to interest rate risk arises from the fact that the Company earns and incurs interest on interest rates linked to Term SOFR. If interest rates (including applicable Term SOFR rates) had been 50 basis points higher or lower and all other variables were held constant the Company's profit for the period ended March 31, 2024, would have increased or decreased by \$11 million (March 31, 2023: \$10 million).

Liquidity risk

In the management of its liquidity risk, the Company maintains a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position to maintain adequate sources of funding to finance the Company's projects and operations, including its commitments.

The following table details the Company's expected remaining contractual maturities for its financial liabilities. The table is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to satisfy the liabilities.

	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total undiscounted cash flows
	\$'000	\$'000	\$'000	\$'000	\$'000
As at March 31, 2024					
Convertible notes	14,383	596,535	–	–	610,918
Trade and other payables	89,596	–	–	–	89,596
Rawbank loan facility	80,552	–	–	–	80,552
ITC loan	–	–	39,529	–	39,529
Aircraft financing facility	4,534	13,604	1,512	–	19,650
Lease liability	687	2,365	1,838	6,359	11,249
Loan from Citi bank	72	4,001	–	–	4,073
As at December 31, 2023					
Trade and other payables	14,383	596,535	–	–	610,918
Trade payables	96,936	–	–	–	96,936
Rawbank loan facility	80,552	–	–	–	80,552
ITC loan	–	–	38,405	–	38,405
Aircraft financing facility	4,534	13,604	2,645	–	20,783
Lease liability	664	2,460	1,814	6,473	11,411
Loan from Citi bank	262	3,845	–	–	4,107

Trade and other payables in the above table exclude payroll tax, other statutory liabilities and indirect taxes payable.

DESCRIPTION OF CAPITAL STOCK

As at April 26, 2024, the Company's capital structure consists of an unlimited number of Class A common shares without par value (the "Class A Shares"). At this date 1,269,698,059 Class A shares were issued and outstanding.

The Company granted 1,292,265 options in 2023 and 1,152,161 options in 2024 to date. As at April 26, 2024, 13,826,943 options were outstanding issued in terms of the Equity Incentive Plan exercisable into 13,826,943 Class A Shares.

The Company granted 908,315 restricted share units (RSUs) in 2024 to date and 658,031 RSUs in 2023 per the Company's Share Unit Award Plan. As at April 26, 2024, there were 3,269,050 RSUs which may vest into 3,269,050 Class A shares.

The Company granted 451,117 performance share units (PSUs) in 2024 to date and 438,163 PSUs in 2023 per the Company's Share Unit Award Plan. As at April 26, 2024, there were 1,241,990 PSUs which may vest into 1,241,990 Class A shares.

The Company granted 145,257 deferred share units (DSUs) in 2024 to date and 221,764 DSUs in 2023 per the Company's Deferred Share Unit Plan. As at April 26, 2024, there were 635,544 DSUs which may vest into 635,544 Class A shares.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design and operation of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR) in order to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's President, in the capacity of Chief Executive Officer (CEO), and Chief Financial Officer (CFO) have each evaluated the design and effectiveness of the Company's DC&P and ICFR as of March 31, 2024, and, in accordance with the requirements established under National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, the President and CFO have concluded that these controls and procedures have been designed to provide reasonable assurance that material information relating to the Company is made known to them by others within the Company and that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

The Company's President and CFO have used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the design of the Company's ICFR as of March 31, 2024, and have concluded that these controls and procedures have been designed effectively to provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner. Management of the Company was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means design and operation of controls cannot provide absolute assurance that all control issues and instances of fraud will be detected.

During the three months ended March 31, 2024, there were no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISK FACTORS

The Company has summarized its foreign exchange risk, credit risk, interest rate risk and liquidity risk under the "Financial risk management objectives and policies" sub-heading under the "Financial instruments and other instruments" section in this MD&A. Additional risks and uncertainties are discussed in the Company's Annual Information Form filed with Canadian provincial regulatory authorities and available at www.sedarplus.ca.

DISCLOSURE OF TECHNICAL INFORMATION

Disclosures of a scientific or technical nature in this MD&A regarding the Kamo-a-Kakula Copper Complex, the Platreef Project and the Kipushi Project have been reviewed and approved by Steve Amos, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of National Instrument 43-101 (NI 43-101). Mr. Amos is not considered independent under NI 43-101 as he is the Executive Vice President, Projects, at Ivanhoe Mines. Mr. Amos has verified the technical data related to the foregoing disclosed in this MD&A.

Disclosures of a scientific or technical nature regarding the Western Foreland Exploration Project in this MD&A have been reviewed and approved by Tim Williams, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of NI 43-101. Mr. Williams is not considered independent under NI 43-101 as he is the Vice President, Geosciences, at Ivanhoe Mines. Mr. Williams has verified the technical data regarding the Western Foreland Exploration Project disclosed in this MD&A.

Ivanhoe has prepared an independent, NI 43-101-compliant technical report for the Kamo-a-Kakula Project, the Platreef Project and the Kipushi Project, each of which is available on the Company's website and under the Company's SEDAR+ profile at www.sedarplus.ca

- Kamo-a-Kakula Integrated Development Plan 2023 Technical Report dated March 6, 2023, prepared by OreWin Pty Ltd.; China Nerin Engineering Co. Ltd.; DRA Global; Epoch Resources; Golder Associates Africa; Metso Outotec Oyj; Paterson and Cooke; SRK Consulting Ltd.; and The MSA Group.
- The Kipushi 2022 Feasibility Study dated February 14, 2022, prepared by OreWin Pty Ltd., MSA Group (Pty) Ltd., SRK Consulting (South Africa) (Pty) Ltd, and METC Engineering.
- The Platreef 2022 Feasibility Study dated February 28, 2022, prepared by OreWin Pty Ltd., Mine Technical Services, SRK Consulting Inc., DRA Projects (Pty) Ltd and Golder Associates Africa.

These technical reports include relevant information regarding the effective dates and the assumptions, parameters and methods of the mineral resource estimates on the Platreef Project, the Kipushi Project and the Kamo-a-Kakula Copper Complex cited in this MD&A, as well as information regarding data verification, exploration procedures and other matters relevant to the scientific and technical disclosure contained in this MD&A in respect of the Platreef Project, Kipushi Project and Kamo-a-Kakula Copper Complex.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities laws. Such statements and information involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, its projects, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified using words such as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “scheduled”, “forecast”, “predict” and other similar terminology, or state that certain actions, events, or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. These statements reflect the Company’s current expectations regarding future events, performance and results and speak only as of the date of this MD&A.

Such statements include without limitation, the timing and results of: (i) statements that Kamoakakula's annual production guidance is maintained at between 440,000 to 490,000 tonnes of copper in concentrate for 2024; (ii) statements that the Phase 3 concentrator is tracking ahead of schedule with completion now expected next month in May, two full operating quarters ahead of guidance; (iii) statements that smelter construction is 80% complete and on target for completion at the end of 2024; (iv) statements that Kamoakakula continues to work closely with the DRC's state owned power company, La Société Nationale d'Electricité (SNEL), to deliver solutions for the identified causes of the instability experienced across the southern DRC's grid infrastructure since late 2022; (v) statements that the refurbishment of Turbine #5 at Inga II dam is on-schedule to be completed in the fourth quarter of 2024; (vi) statements that the additional funding provided by Ivanhoe Mines Energy to SNEL will be repaid via a 40% discount on the tariff of grid energy consumed by Kamoakakula; (vii) statements that the additional funding of up to \$200 million is assigned specifically for grid infrastructure upgrades, such as an increase in grid capacity between the Inga II dam and Kolwezi, a new harmonic filter at the Inga Converter Station, as well as a new static compensator at the Kolwezi Converter Station; (viii) statements that in addition, various smaller initiatives have been identified to strengthen the transmission capability and improve the stability of the southern grid, which includes the restringing of powerlines in the southern grid, as well as repairs to the direct current (DC) infrastructure; (ix) statements that the funding will also be used to install preventative measures to avoid future blockages of the Inga dam intakes; (x) statements that mobilization of resources is well underway, with project delivery expected to be complete by mid-2025; (xi) statements that Ivanhoe Mines Energy is working with SNEL to put in place maintenance contracts to maintain key generation capacity and transmission infrastructure; (xii) statements that Kamoakakula's engineering team is currently expanding the on-site backup generation capacity to ensure there is on-site redundancy for the current Phase 1 and 2 operations, as well as future Phase 3 operations; (xiii) statements that on-site backup-power generation capacity is scheduled to increase, via a phased roll-out from the current 58 MW to a total of over 200 MW in time for the completion of the direct-to-blister copper smelter in Q4 2024; (xiv) statements that a further 62 MW of additional generator capacity is expected to be installed by the end of July 2024 which will be sufficient to power both Phase 1 and 2 on a stand-alone basis if required; (xv) statements that by year-end, total on-site backup power generation capacity will have reached over 200 MW, sufficient to run both the mines and the concentrators – including Phase 3 (excluding the smelter); (xvi) statements that in mid-April Kamoakakula secured an additional 35 MW of power to be supplied via the Zambian interconnector from May 2024, subject to capacity availability from its adjoining Namibian, Botswanan, and Mozambique grids and that by the end of 2024, Kamoakakula is targeting up to 100 MW to be supplied via the Zambian interconnector; (xvii) statements that Kamoakakula's ongoing Phase 3 concentrator is expected to be complete in May 2024, significantly ahead of the original schedule; (xviii) statements that the process design of the Phase 3 concentrator is very similar to that of the Phase 1 and 2 concentrators, but 30% larger in capacity; (xix) statements that following the commissioning of Phase 3, Kamoakakula will have a total design processing capacity of 14.2 Mtpa; (xx) statements that the completion of Phase 3 is expected to increase annualized copper production to over 600,000 tonnes per year over the next ten years, positioning Kamoakakula as the world's third-largest copper mining complex, and the largest copper mine on the African continent; (xxi) statements that Kamoakakula's Phase 3 expansion, consists of two new underground mines called Kamoakakula 1 and Kamoakakula 2, as well as the existing Kansoko mine; (xxii) statements that construction of the twin declines to the Kamoakakula 1 and Kamoakakula 2 underground mines and excavation to access the Phase 3 mining areas is advancing well for Q2 production; (xxiii) statements that copper concentrate produced from the Phase 3 concentrator will be partially sold to generate cash flow, and partially stockpiled in anticipation of the smelter commissioning scheduled for the end of 2024; (xxiv) statements that construction of the direct-to-blister copper smelter project is 80% complete and on target for completion by the end of 2024; (xxv) statements that the Phase 3 expansion also includes the construction of Africa's largest smelter, which will have a capacity of 500,000 tonnes of >99%-pure blister-anode copper anodes per annum; (xxvi) statements that the smelter at Kamoakakula will incorporate leading-edge technology supplied by Metso Finland and will meet the world-leading IFC emissions standards; (xxvii) statements that the remaining equipment for the smelter project will be delivered in the next three months; (xxviii) statements that the smelter will have a processing capacity of approximately 1.2 Mtpa of dry concentrate feed and is designed to run on a blend of concentrate produced from the Kakula (Phase 1 and 2) and Kamoakakula (Phase 3 and planned Phase 4) concentrators; (xxx) statements that under the Kamoakakula 2023 Integrated Development Plan, the smelter is projected to accommodate approximately 80% of Kamoakakula's total concentrate production; (xxxi) statements that Kamoakakula will continue to toll-treat concentrates under a 10-year agreement with the LCS, located approximately 50 kilometres from

Kamoa-Kakula, near the town of Kolwezi and that deliveries to LCS are expected to account for approximately 150,000 tonnes of copper concentrate annually; (xxxii) statements that as a by-product, the smelter at Kamoa-Kakula will also produce approximately 700,000 tonnes per year of high-strength sulphuric acid, and that domestic acid demand is expected to increase to over 7 million tonnes in the short to medium term; (xxxiii) statements that the on-site smelter will offer transformative financial benefits for the Kamoa-Kakula Copper Complex, most notable being a material reduction in logistics costs, and to a lesser extent reduced concentrate treatment charges and local taxes, as well as revenue from acid sales; (xxxiv) statements that smelter investment will reduce Kamoa-Kakula carbon emissions per unit of refined copper (Scope 1, 2 and 3) by 46%; (xxxv) statements that following the completion of the Phase 3 expansion and the smelter, the emissions intensity of Kamoa-Kakula on a Scope 1, 2 and 3 basis is estimated to almost halve to 1.31 t CO₂-e / t Cu; (xxxvi) statements that basic engineering for 'Project 95' is underway and that it was launched to increase Kamoa-Kakula's copper recoveries by 95% by liberating copper from the tailings stream; (xxxvii) statements that the refurbishment of Turbine #5 at the Inga II hydroelectric facility is approximately 62% complete and advancing on-schedule, and well within budget, to generate 178 MW of hydroelectric power for the DRC grid in Q1 2025; (xxxviii) statements regarding Kamoa-Kakula's 2024 guidance including contained copper in concentrate of 440,000 to 490,000 tonnes and cash cost (C1) of \$1.50 to \$1.70 per lb; (xxxix) statements that the copper in concentrate produced by the Phase 3 concentrator is expected to have a higher cash cost when compared to Phase 1 and Phase 2 due to the lower average copper grade expected from the Kamoa 1 and Kamoa 2 mines feeding the Phase 3 concentrator; (xl) statements that completion of the on-site smelter is expected to drive a decrease in average cash cost over the first five years post-completion (from 2025) by approximately 20%; (xli) statements that Platreef's Phase 1 concentrator is on schedule for cold commissioning in Q3 2024; (xlii) statements that Phase 2 expansion at Platreef will be accelerated by re-purposing ventilation Shaft #3 for hoisting and that Shaft #3 will generate additional hoisting capacity of approximately 4 Mtpa, bringing total hoisting capacity to approximately 5 Mtpa; (xliii) statements that reaming of Shaft #3 is expected to be completed in the second quarter of 2024 and that once equipped, Shaft #3 is expected to be ready for hoisting in the fourth quarter of 2025, well ahead of the completion of the much larger Shaft #2; (xliv) statements that once reaming of Shaft #4 is complete and the ventilation fans are installed, the shaft is expected to be operational during the third quarter of 2025; (xlv) statements that the updated independent feasibility study for the Phase 1 and Phase 2 expansion will be completed and published in the second half of 2024; (xlvi) statements that the new Phase 3 expansion is expected to consist of two additional 3.3-Mtpa concentrator modules and is expected to be located adjacent to the Phase 1 and 2 concentrators; (xlvii) statements that Phase 3 is expected to rank Platreef as one of the world's largest and lowest-cost platinum-group metal, nickel, copper and gold producers; (xlviii) statements that the 10-Mtpa concentrator capacity of the Phase 3 expansion will be 12.5 times greater than the processing capacity of the optimized Phase 2 expansion; (xlix) statements that the production winder, as well as the man and material winder, are expected to be delivered to site early in the third quarter of 2024; (l) statements that the Shaft #2 sinking contract is currently out for tender and planned to be placed later this year, once the reaming of the shaft to an initial diameter of 3.1 metres is complete; (li) statements that the offtake agreement with Sibanye-Stillwater is for eight years from first production of Phase 2 and is for an initial volume of 60,000 tonnes of concentrate per annum, which is expected to represent between one-third and on-half of the re-scoped Phase 2 volume and that separately, Ivanplats and Sibanye-Stillwater are exploring the possibility of increasing the annual volume to 100,000 tonnes or more; (lii) statements that cold commissioning activities for the Phase 1 concentrator are expected to continue as planned in Q3 2024; (liii) statements that hot commissioning and ramp-up of production are now planned to be deferred until mid-2025; (liv) statements that the Kipushi concentrator is ahead of schedule for first production in Q2 2024, with the overall project approximately 90% complete; (lv) statements that the Kipushi concentrator is expected to produce more than 250,000 tonnes of zinc contained in concentrate over the first five years of production; (lvi) statements that construction of the new 800,000-tonne-per-annum concentrator facility at Kipushi is approximately 90% complete and that it is expected to produce more than 250,000 tonnes of zinc contained in concentrate over the first five years of production; (lvii) statements that the tailings storage facility is scheduled for commissioning in Q2 2024, ahead of the concentrator commissioning; (lviii) statements that in line with the 2022 Kipushi Feasibility Study, mining will focus on the zinc-rich Big Zinc and Southern Zinc zones, with an estimated 11.8 million tonnes of Measured and Indicated Mineral Resources grading 35.3% zinc; (lix) statements that the underground mining and development are fully mechanized, highly efficient and designed to enable a quick ramp-up to a steady state of 800,000 tonnes per annum; (lx) statements that the mining method for the Big Zinc orebody will be transverse sublevel open stoping in a primary and secondary sequence and that the void of the

mined-out stopes will be filled with cemented aggregate to maximize the extraction of the ultra-high-grade ore; (Ixi) statements that Kipushi's operations will be supplied with hydroelectric power from the DRC's state-owned electricity company, SNEL; (Ixii) statements that Scope 1+2 annual GHG emissions from the Kipushi mine are forecast to be 0.06 tonnes of carbon dioxide equivalent per tonne of zinc produced (t CO₂-e/ t Zn); (Ixiii) statements that a passive seismic program is scheduled for Q2 2024 at both Kitoko and the Lupemba area; (Ixiii) statements that the drilling program at the Mokopane Feeder Exploration Project will commence in Q2 2024 and will consist of 4,000 metres of diamond core drilling, split over two or three drill holes depending on drilling results; (Ixiv) statements that the Kamoakakula's Phase 1 and 2 operations are anticipated to generate significant operating cash flow and are expected to, together with joint venture level financing facilities, be sufficient to fund Phase 3 capital cost requirements at current copper prices.

As well, all of the results of the feasibility study for the Kakula copper mine, the Kamoakakula 2023 IDP, the Platreef 2022 feasibility study, and the Kipushi 2022 feasibility study constitute forward-looking statements or information and include future estimates of internal rates of return, net present value, future production, estimates of cash cost, proposed mining plans and methods, mine life estimates, cash flow forecasts, metal recoveries, estimates of capital and operating costs and the size and timing of phased development of the projects.

Furthermore, concerning this specific forward-looking information concerning the operation and development of the Kamoakakula Copper Complex, Platreef and Kipushi projects, and the exploration of the Western Forelands Exploration Project and the Mokopane Feeder Exploration Project, the company has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include: (i) the adequacy of infrastructure; (ii) geological characteristics; (iii) metallurgical characteristics of the mineralization; (iv) the ability to develop adequate processing capacity; (v) the price of copper, nickel, zinc, platinum, palladium, rhodium and gold; (vi) the availability of equipment and facilities necessary to complete development and exploration; (vii) the cost of consumables and mining and processing equipment; (viii) unforeseen technological and engineering problems; (ix) accidents or acts of sabotage or terrorism; (x) currency fluctuations; (xi) changes in regulations; (xii) the compliance by joint venture partners with terms of agreements; (xiii) the availability and productivity of skilled labour; (xiv) the regulation of the mining industry by various governmental agencies; (xv) the ability to raise sufficient capital to develop such projects; (xvi) changes in project scope or design; (xvii) recoveries, mining rates and grade; (xviii) political factors; (xviii) water inflow into the mine and its potential effect on mining operations, and (xix) the consistency and availability of electric power.

This MD&A also contains references to estimates of Mineral Resources and Mineral Reserves. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Estimates of Mineral Reserves provide more certainty however still involve similar subjective judgments. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation (including estimated future production from the Company's projects, the anticipated tonnages and grades that will be mined and the estimated level of recovery that will be realized), which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that ultimately may prove to be inaccurate. Mineral Resource or Mineral Reserve estimates may have to be re-estimated based on: (i) fluctuations in copper, nickel, zinc, platinum group elements (PGE), gold or other mineral prices; (ii) results of drilling; (iii) metallurgical testing and other studies; (iv) proposed mining operations, including dilution; (v) the evaluation of mine plans after the date of any estimates and/or changes in mine plans; (vi) the possible failure to receive required permits, approvals and licences; and (vii) changes in law or regulation.

Forward-looking statements and information involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indicators of whether such results will be achieved. Many factors could cause actual results to differ materially from the results discussed in the forward-looking statements or information, including, however not limited to, the factors discussed above and under the “Risk Factors”, and elsewhere in this MD&A, as well as unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts with the Company to perform as agreed; social or labour unrest; changes in commodity prices; and the failure of exploration programs or studies to deliver anticipated results or results that would justify and support continued exploration, studies, development or operations.

Although the forward-looking statements contained in this MD&A are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this MD&A.

The Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of the factors outlined in the “Risk Factors” section beginning on page 56 and elsewhere in this MD&A.

ADDITIONAL INFORMATION

Additional information regarding the Company, including the Company’s Annual Information Form, is available on SEDAR+ at www.sedarplus.ca.