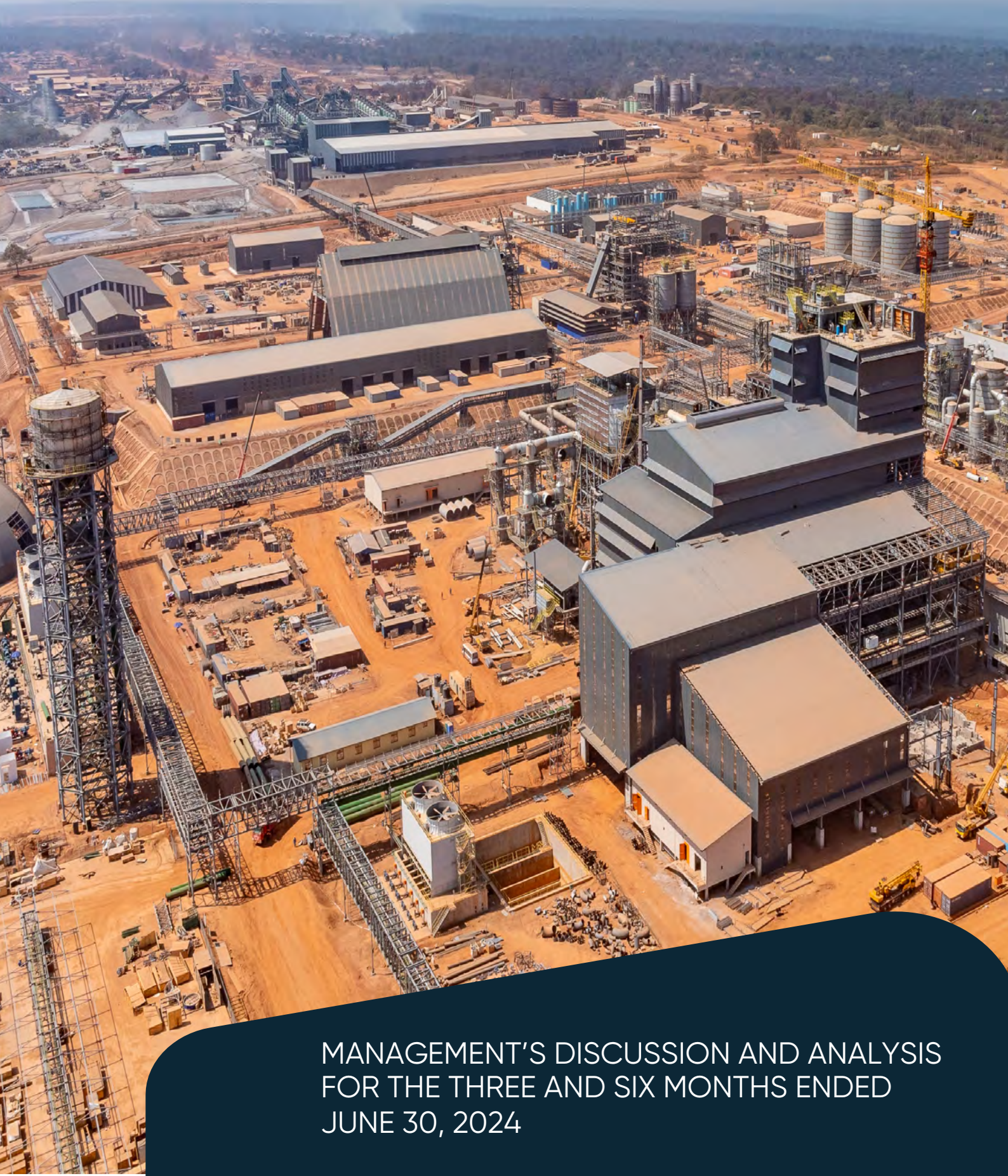


# IVANHOE MINES

Dated July 30, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED  
JUNE 30, 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 and six months ended June 30, 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 IFRS Accounting Standards. 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 July 30, 2024. Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://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 43. 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.

## SECOND QUARTER HIGHLIGHTS

- 100,812 tonnes of copper in concentrate was produced at the Kamoakakula Copper Complex ("Kamoakakula") for Q2 2024, compared with 86,203 tonnes in Q1 2024 and 103,786 tonnes in Q2 2023.
- Kamoakakula sold 95,900 tonnes of payable copper during Q2 2024, recognizing revenue of \$817 million, an operating profit of \$463 million and quarterly EBITDA of \$547 million.
- Kamoakakula's cost of sales per pound (lb.) of payable copper sold was \$1.53/lb. for Q2 2024 compared with \$1.50/lb. and \$1.24/lb. in Q1 2024 and Q2 2023, respectively. Cash cost (C1) per pound of payable copper produced in Q2 2024 totaled \$1.52/lb., which is at the lower end of the guidance range of \$1.50 to \$1.70/lb., compared with \$1.57/lb. and \$1.41/lb. achieved in Q1 2024 and Q2 2023, respectively.
- Ivanhoe Mines' Adjusted EBITDA was \$203 million for Q2 2024, compared with \$172 million for the same period in 2023 which includes an attributable share of EBITDA from Kamoakakula.
- Ivanhoe Mines recorded a profit of \$67 million for Q2 2024 compared with a profit of \$87 million for Q2 2023. Ivanhoe Mines' normalized profit for Q2 2024 was \$115 million, compared with a normalized profit of \$114 million for Q2 2023. Normalized profit for the quarter excludes the non-cash loss on the fair valuation of the embedded derivative component of the \$575 million convertible bond as well as the non-cash finance costs as a result of the early redemption of the convertible notes.
- Ivanhoe Mines has a strong balance sheet with cash and cash equivalents of \$246 million on hand as at June 30, 2024, and expects that at current copper prices, cash flow generated from Kamoakakula's Phase 1 and Phase 2 operations, as well as project-level financing facilities, will be sufficient to fund the remaining capital cost requirements for the Phase 3 expansion.

## 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 1,808 km<sup>2</sup> and located in close proximity to the Kamo-Kakula Copper Complex, the majority of which are 80%-100%-owned, as well as 247 km<sup>2</sup> 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 Kamoa-Kakula Copper Complex is operated as the Kamoa Holding joint venture between Ivanhoe Mines and Zijin Mining. The project is approximately 25 kilometres southwest of the town of Kolwezi and about 270 kilometres west of Lubumbashi. Kamoa-Kakula's Phase 1 concentrator began producing copper in May 2021. The Phase 2 concentrator, completed in April 2022, doubled nameplate production capacity to 400,000 tonnes of copper per annum. A debottlenecking program, completed 10 months later in February 2023, further increased copper production capacity to 450,000 tonnes per annum. The Phase 3 concentrator completed in June 2024 increased copper production capacity to over 600,000 tonnes per annum, ranking the Kamoa-Kakula Copper Complex as the world's third-largest copper mining operation by international mining consultant Wood Mackenzie.

Ivanhoe sold a 49.5% share interest in Kamoa Holding Limited (Kamoa Holding) to Zijin Mining and a 1% share interest in Kamoa Holding to privately owned Crystal River in December 2015. Kamoa Holding holds an 80% interest in the project. Ivanhoe and Zijin Mining each hold an indirect 39.6% interest in Kamoa-Kakula, Crystal River holds an indirect 0.8% interest, and the DRC government holds a direct 20% interest. Kamoa-Kakula's full-time employee workforce is approximately 5,500 and is over 90% Congolese.

**Photo: Improved grid stability experienced during the quarter had a notable improvement on operations, with Kamoa-Kakula's Phase 1 and 2 concentrators milling 2.3 million tonnes of ore at an average feed grade of 5.04% copper.**



## Kamoa-Kakula summary of operating and financial data

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Ore tonnes milled (000's tonnes)	2,381 <sup>(1)</sup>	2,061	2,133	2,236	2,244
Copper ore grade processed (%)	4.91% <sup>(1)</sup>	4.80%	4.95%	5.37%	5.21%
Copper recovery (%)	86.7% <sup>(1)</sup>	87.4%	87.9%	87.2%	87.2%
Copper in concentrate produced (tonnes)	100,812	86,203	92,215	103,947	103,786
Payable copper sold (tonnes)	95,900	85,155	90,967	96,509	101,526
Cost of sales per pound (\$ per lb.)	1.53	1.50	1.50	1.34	1.24
Cash cost (C1) (\$ per lb.)	1.52	1.57	1.53	1.46	1.41
Realized copper price (\$ per lb.)	4.34	3.82	3.71	3.84	3.79
Sales revenue before remeasurement (\$'000)	813,817	612,496	625,983	681,821	729,924
Remeasurement of contract receivables (\$'000)	3,256	5,824	(8,365)	13,014	(27,542)
Sales revenue after remeasurement (\$'000)	817,073	618,320	617,618	694,835	702,382
EBITDA (\$'000)	547,257	364,893	343,899	423,211	456,628
EBITDA margin (% of sales revenue)	67%	59%	56%	61%	65%

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 43.

<sup>(1)</sup> Blended figures across the Phase 1, 2 and 3 concentrators, following the commencement of Phase 3 concentrator in June 2024. Excluding Phase 3, the Phase 1 and 2 concentrators milled 2,288,000 tonnes of ore at an average feed grade of 5.04% with an average recovery of 86.9%. No concentrate produced by the Phase 3 concentrator was sold during the quarter.

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

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Mining (\$ per lb.)	0.45	0.44	0.38	0.41	0.39
Processing (\$ per lb.)	0.21	0.23	0.24	0.20	0.19
Logistics charges (delivered to China) (\$ per lb.)	0.48	0.50	0.50	0.46	0.45
TC, RC, smelter charges (\$ per lb.)	0.25	0.25	0.26	0.25	0.25
General & Administrative (\$ per lb.)	0.13	0.15	0.15	0.14	0.13
<b>Cash cost (C1) per pound of payable copper produced (\$ per lb.)</b>	<b>1.52</b>	<b>1.57</b>	<b>1.53</b>	<b>1.46</b>	<b>1.41</b>

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.

***Kamoa-Kakula Phase 1,2 and 3 operations produced 100,812 tonnes of copper in concentrate in Q2 2024***

Kamoa-Kakula produced 100,812 tonnes of copper in concentrate in the second quarter of 2024. This includes 99,712 tonnes from the Phase 1 and 2 concentrator and 1,100 tonnes of copper from the Phase 3 concentrator.

Kamoa-Kakula's Phase 1 and 2 concentrators milled approximately 2.3 million tonnes of ore during the second quarter at an average feed grade of 5.04% copper. Copper flotation recoveries for the quarter averaged 87%.

Kamoa-Kakula's Phase 3 concentrator was completed up to two quarters ahead of the originally announced schedule and produced its first batch of concentrate on June 10, 2024. The Phase 3 concentrator is undergoing ramp-up to steady-state production, which is expected in August, taking the production capacity of the Kamoa-Kakula Copper Complex to over 600,000 tonnes per annum. Ramp-up activities are progressing as planned and therefore, annual production guidance for Kamoa-Kakula is maintained at between 440,000 and 490,000 tonnes of copper in concentrate for 2024.

As of June 30, 2024, a total of 4.82 million tonnes of ore at an average grade of 3.26% copper is stored in multiple surface run-of-mine (ROM) stockpiles across the Kamoa-Kakula Copper Complex. This includes 2.31 million tonnes of ore at an average feed grade of 3.72% at Kakula and 2.51 million tonnes of ore at an average grade of 2.85% at Kamoa and Kansoko. The stockpiled ore, from the Kamoa and Kansoko mines, contains over 70,000 tonnes of copper and is being used for the ramp-up of the new Phase 3 concentrator.

After the quarter ended, on July 28, the combined Phase 1, 2, and 3 operations achieved a daily production record of 1,614 tonnes of copper in concentrate. The record included 306 tonnes of copper from the Phase 3 concentrator, which milled a record 16,703 tonnes of ore over the 24 hours. The Phase 3 milling record was approximately 19% above the nameplate processing capacity of 5 million tonnes per annum.

Kamoa 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 instability experienced across the southern DRC's grid infrastructure since late 2022. The project work, which is budgeted at up to \$200 million and funded by Kamoa Holding, commenced in March 2024 and is expected to be completed in H2 2025. The funding is assigned to increasing transmission capacity and improving the reliability of the grid.

The project work consists of 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, and repairs to the direct current (DC) infrastructure. 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.

**Photo: Kamo-Kakula's Phase 3 concentrator was completed up to two quarters ahead of the originally announced schedule and is expected to complete ramp-up to steady state in August 2024. Phase 3 will boost total annual production to over 600,000 tonnes of copper.**



***Imported power via Zambia Interconnector increased to 65 MW, significantly improving grid stability and Kamo-Kakula's copper production***

During the second quarter, grid-supplied power to Kamo-Kakula was supplemented by 55 MW of imported power from Zambia and Mozambique via the Zambian interconnector. Kamo-Kakula's executive team is targeting that imported power will increase by up to a further 20 MW by the end of the third quarter. Imported power as at July 30 has increased to 65 MW. Subject to capacity availability in the first half of 2025, imported power is then expected to increase to 100 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.

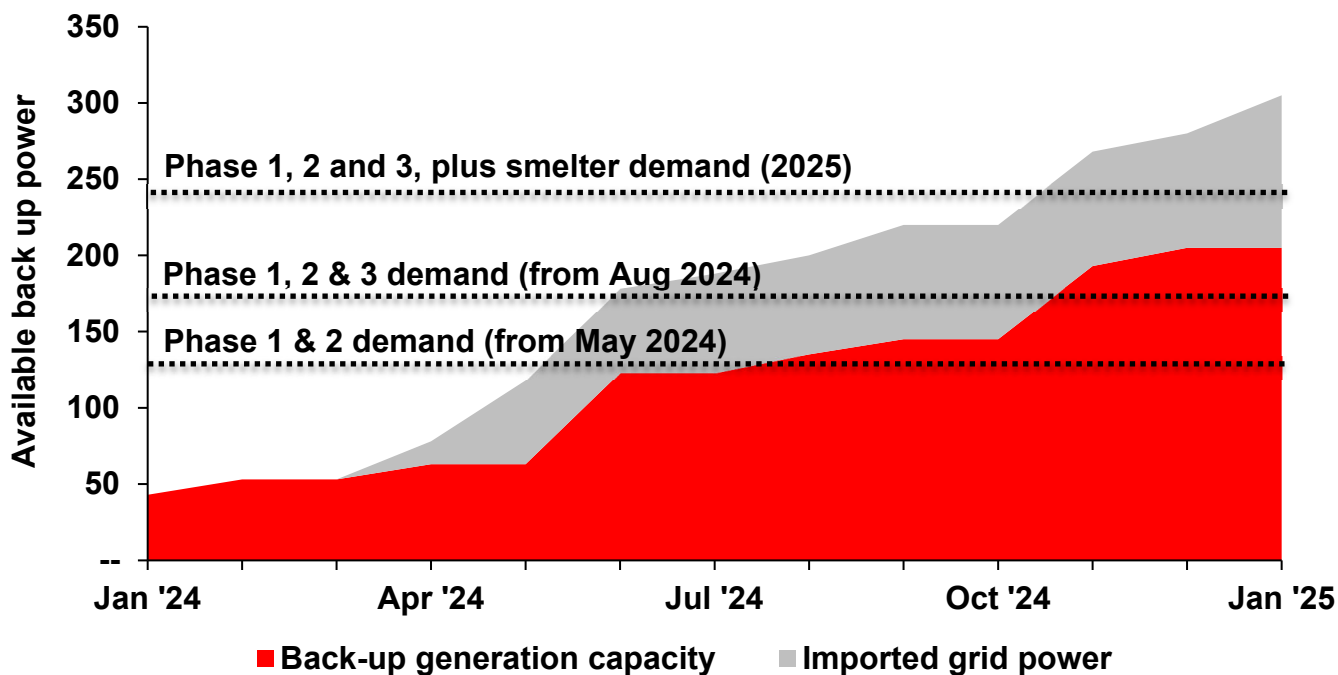
Kamo Copper's engineering team is currently expanding its on-site backup generation capacity to ensure there is on-site redundancy for the current Phase 1, 2 and 3 operations.

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 early 2025, as shown in Figure 1. 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.

An additional 72 MW of new generators were delivered to site in July, increasing the on-site generation capacity to 135 MW. Installation of the new generators is complete, with commissioning expected to be completed in early August.

As shown in Figure 1, Phase 3's power requirement will be 45 MW once fully ramped up to steady state from August 2024. In addition, the smelter will require a further 75 MW of power once fully ramped up to steady state.

**Figure 1. Kamo-Kakula’s power demand profile versus the projected phased rollout of on-site, back-up generation capacity and imported grid power, supplementing existing domestically-supplied power by SNEL (MW).**



***Construction of the Phase 3 concentrator plant and associated infrastructure complete, with production ramp-up underway***

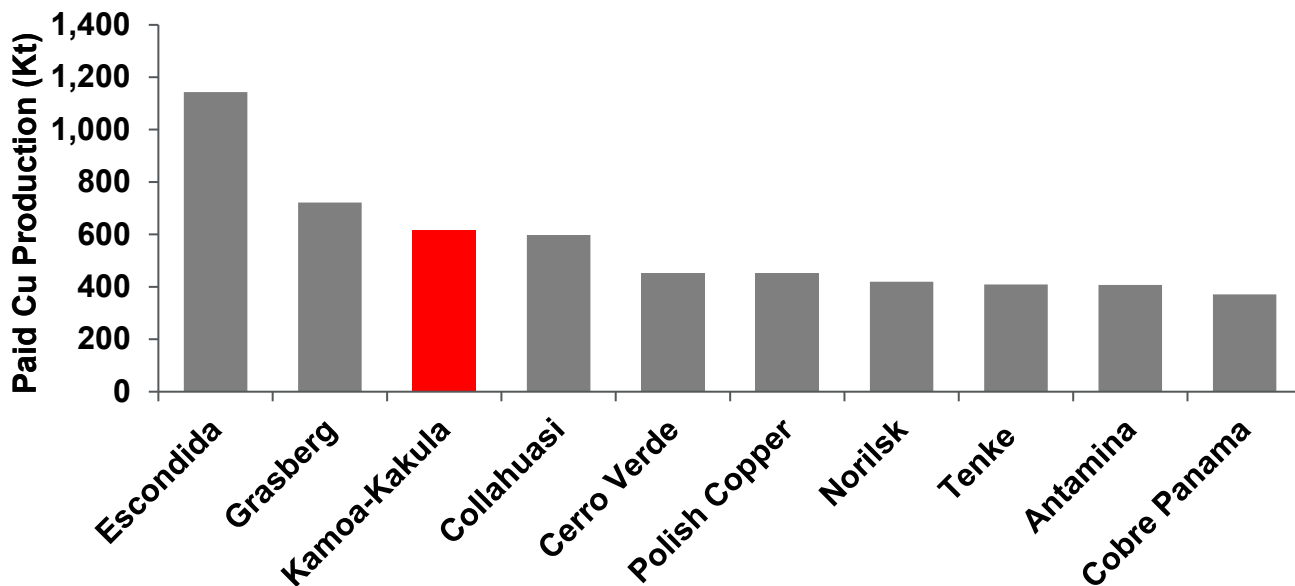
First ore to Kamo-Kakula’s Phase 3 concentrator was achieved on May 26, 2024, up to two quarters ahead of the originally announced schedule, with first concentrate reported on June 10, 2024. The new 5-Mtpa Phase 3 concentrator is located adjacent to the Kamo-Kakula underground mines, approximately 10 kilometres north of the Phase 1 and 2 concentrators located above the Kakula underground mine. Since June 10, 2024, the Phase 3 concentrator has produced 1,100 tonnes of copper in concentrate.

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.

Ramp-up to steady state production of the Phase 3 concentrator is expected in August, following the commissioning of the fine-grinding equipment. Once complete, Kamo-Kakula will have a total processing capacity of 14.2 Mtpa, producing over 600,000 tonnes of copper per annum. This positions Kamo-Kakula as the world’s third-largest copper mining complex, and the largest copper mine on the African continent as shown in Figure 2.



**Figure 2. World's top 10 copper mining operations estimated for 2025, by paid copper production per annum (kt)**



Source: Wood Mackenzie, 2024 (based on public disclosure and the Kamo-Kakula Phase 3 annualized production estimate of approx. 600,000 tonnes of copper). (The Kamo-Kakula data has not been reviewed by Wood Mackenzie).

Kamo-Kakula's Phase 3 expansion consists of two new underground mines called Kamo 1 and Kamo 2, as well as the existing Kansoko Mine. The Kamo 1 and Kamo 2 mines share a single box cut with a twin service-and-conveyor decline.

Sale of copper concentrates produced by the Phase 3 concentrator commenced post-quarter end, with the concentrate domestically smelted at the nearby Lualaba Copper Smelter in Kolwezi. In the fourth quarter, a portion of the Phase 3 concentrate will start to be stockpiled on-site in anticipation for the smelter heat-up, which is expected in early 2025.

**Photo: Kamo-Kakula's Phase 3 concentrate storage warehouse. The Phase 3 concentrator has produced 1,100 tonnes of copper in concentrate between June 10, 2024, and quarter end.**



**Photo: Lorraine Nkulu Ngoie, Control Room Supervisor, at work at the Kamo-Kakula Phase 3 concentrator control room**



**Photo: The Phase 3 concentrator run-of-mine stockpile. As of June 30, 2024, a total of 2.51 million tonnes of ore at an average grade of 2.85%, containing over 70,000 tonnes of copper, was stored in stockpiles near the Phase 3 concentrator.**



***Project completion of the direct-to-blister copper smelter project is over 85% complete and on schedule for construction 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 over 85% complete and is on schedule for construction completion by the end of 2024, furnace heat up is expected to start in Q1 2025. Of a total of approximately 73,000 tonnes of equipment and materials, 60,000 tonnes have been delivered to site with an additional 13,000 tonnes en route. The remaining equipment will be delivered in the next two months. Civil construction and structural erection are nearing completion with installation of mechanical equipment and piping well advanced. Over 100 km of cooling water piping has already been installed around the direct to blister furnace. In June, a milestone was achieved with the start of refractory installation for the electric slag cleaning furnace. Electrical installation has commenced in all areas. Some early commissioning activities are due to start in August.

Recruitment and training of the 950-strong operational team is well advanced with all management and technical personnel on-boarded. Procurement of maintenance spares and start-up consumables is also well advanced.

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.

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.

The on-site smelter will offer transformative financial benefits for the Kamoia-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 Kamoia-Kakula's total cash cost (C1) during 2024 to date, 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%.

**Photo: Construction of Kamoakakula's direct-to-blister smelter furnace is progressing on schedule for construction completion by the end of 2024. Once complete, it will be Africa's largest smelter.**



**Photo: Aerial view of the Smelter construction site at dusk**



**Refurbishment of hydropower at Inga II approximately 70% complete, now on track for Q1 2025 completion**

The refurbishment of Turbine #5 at the Inga II hydroelectric facility is approximately 70% complete and advancing within budget to generate 178 MW of hydroelectric power for the DRC grid from Q1 2025. Due to the late delivery in the first quarter of the turbine runner and shaft, wet commissioning and synchronization to the grid are now expected to take place in mid Q1 2025. All critical-path equipment packages have now been delivered to the site, with all contractors fully mobilized and assembly work underway.

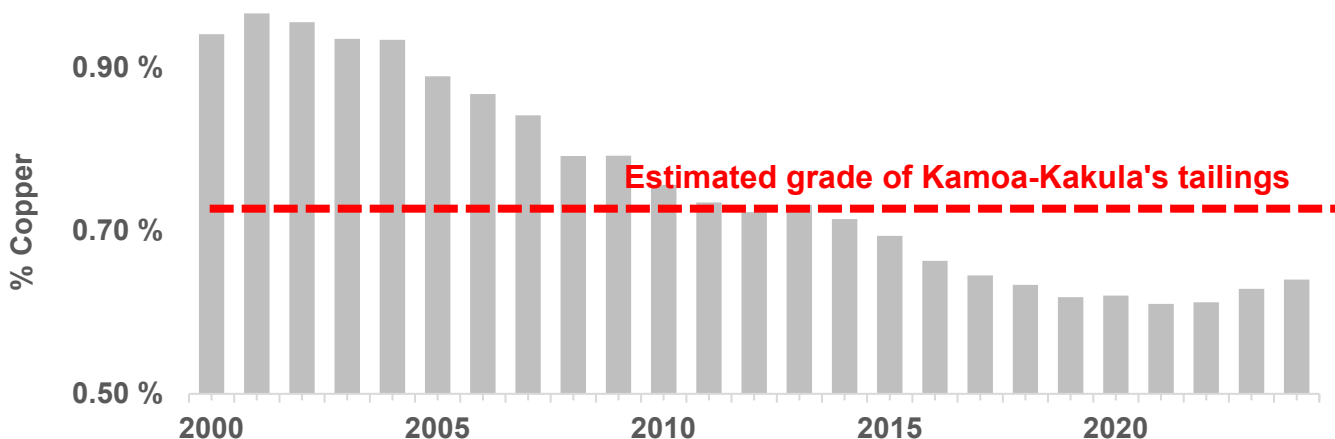
**ProMarks and Trafigura sign MOU with the Angolan government to build a 2,000 MW high-voltage ‘interconnector’ to supply hydro-powered electricity in DRC and Zambia**

On July 4, 2024, Trafigura Group of Geneva, Switzerland and ProMarks of Luanda, Angola signed a Memorandum of Understanding (MOU) with the Government of Angola to study the technical and economic viability of building a 2,000 MW high-voltage electricity “interconnector” (a high-voltage direct current transmission line) to export surplus green electricity to the DRC Copperbelt and Zambia. The project enables electricity generated by hydroelectric dams located in the north of Angola to be connected to the Southern Africa Power Pool, via the DRC. A joint venture will be formed between ProMarks and Trafigura to develop, finance, construct and operate the electricity “interconnector”. The project is intended to be financed through a combination of equity capital and third-party debt. Planning, approvals and construction would take around four years after the final investment decision is made. See link to the full press release made by Trafigura: <https://www.trafigura.com/news-and-insights/press-releases/2024/promarks-and-trafigura-sign-mou-with-the-angolan-government/>

**Basic engineering for ‘Project 95’ complete, aiming to increase the Kakula concentrators’ copper recoveries to 95%**

Project 95 is an initiative targeting an increase in copper recoveries from current Phase 1 and 2 concentrator recovery rate of approximately 87% to a target of 95%. There are over 20 million tonnes of tailings in the tailings storage facility at an estimated grade of over 0.75% copper. For comparison, the average head grade of the copper mines globally was approximately 0.63% copper in 2023, according to Bank of Montreal (BMO) research, see Figure 3. Following the full ramp-up of the Phase 3 concentrator, the quantity of tailings is expected to grow at approximately 13 million tonnes per annum, less the tailings used for backfill underground.

**Figure 3. Global average copper head grade since 2000, compared with the estimated copper grade of Kamo-Kakula’s tailings as at June 30, 2024.**  
Source: BMO Research, Wood Mackenzie



Ivanhoe started investigating the improvement in copper recovery rates from Kamo-a-Kakula's Phase 1 and 2 concentrators in 2022. Kamo-a-Copper's process engineering team, together with several internationally-recognized, external metallurgy specialists, investigated 13 separate technologies for the most efficient method to liberate the unrecovered copper. The workstreams consisted of many conventional, as well as proprietary technologies. The chosen technology for the project was based on several factors, including a proven track record and the ready availability of off-the-shelf equipment.

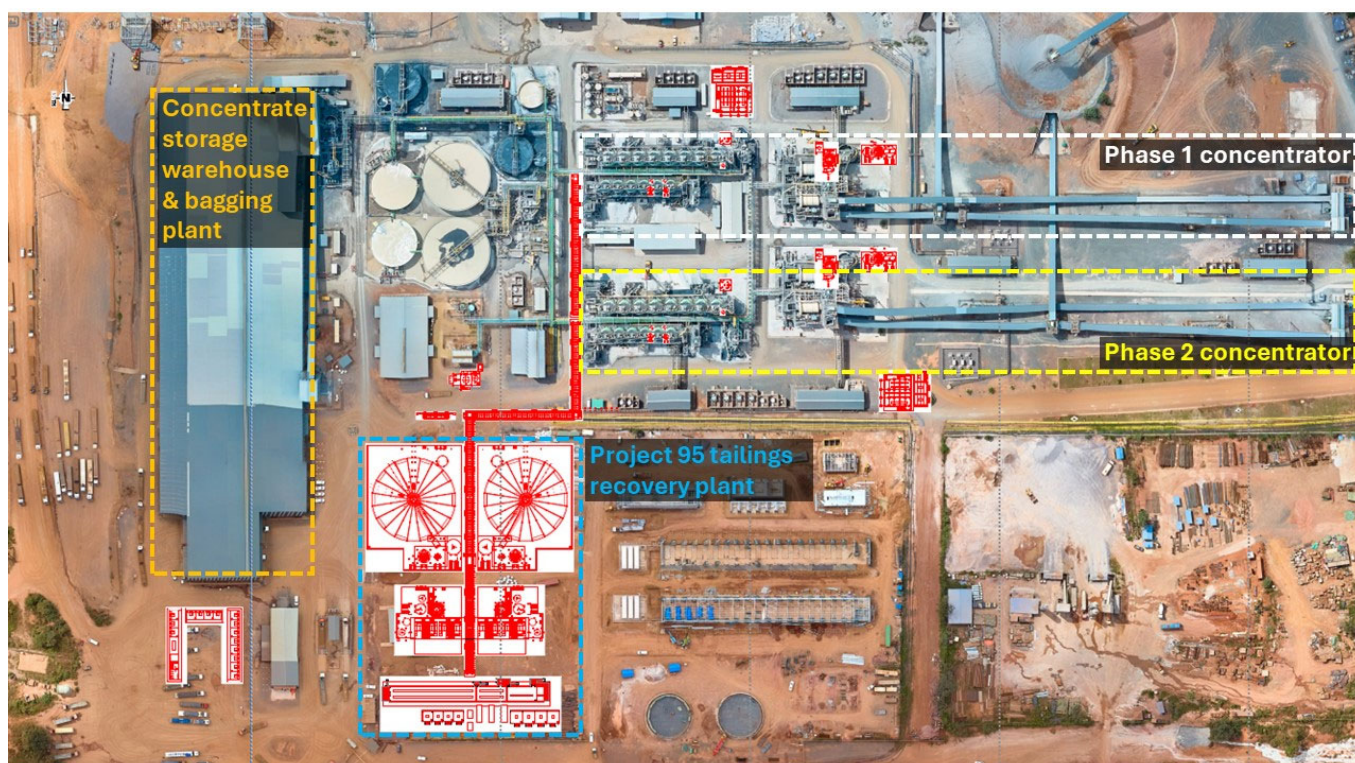
On July 27, 2023, the company announced highly promising preliminary testwork using conventional fine-grinding technology of the concentrator tailings stream, followed by flotation, thickening, and filtration. The initial preliminary results indicated that with a feed grade of less than 1% copper, approximately 65% of the contained copper in the tailings stream could be recovered, thereby increasing the overall recovery rates to 95%.

**Delivery of Project 95 to take 18 months from final investment decision**

DRA Global of Johannesburg , South Africa was appointed to conduct basic engineering on Project 95, using the chosen conventional fine-grinding technology as well as a few additional process improvements. Project 95 scope of work consists of modifications to the Phase 1 and 2 concentrators, as well as the construction of the second storage cell in the tailings storage facility to separate the new tailings stream. A summary of the results is included in Table 1 below.

The modifications to the existing Phase 1 and 2 concentrators consist of a new coarse-fine cyclone bank, flash flotation cells, coarse rougher tailings tank, additional feed tanks to the rougher scavenger and cleaner scavenger flotation cells, and new cleaner flotation cells. In addition, a new regrind milling plant adjacent to the Phase 1 and Phase 2 concentrator plants will be constructed, with high-intensity grinding (HIG) mills, rougher tailings cyclones, and slime thickeners.

**Photo: Infrastructure site plan of Phase 1 and 2 concentrators, showing new Project 95 equipment to be installed in red**



Following the completion of Project 95, the copper grade of the tailings stream from the Phase 1 and 2 concentrators will be significantly reduced to 0.2% copper. To avoid sterilizing the higher-grade tailings currently in Cell 1, tailings from Project 95 will be placed into a separate cell within the tailings storage facility, Cell 2. The construction of Cell 2, originally intended to take place during the Phase 4 expansion, will be brought forward to separate the existing high-grade tailings from the new lower-grade tailings produced by Project 95. The construction of Cell 2 is expected to cost \$ 102 million and be constructed in parallel with the Project 95 concentrator modifications and also take approximately 18 months. Geotechnical work has already commenced on Cell 2, which will be a downstream-tailings design and comply with the Global Industry Standard on Tailings Management (GISTM).

The retreatment of the high-grade tailings in Cell 1 to recover the copper, will then take place at the start of the Phase 4 expansion. More information on the Phase 4 expansion and the Phase 3 debottlenecking program will be included in an updated Integrated Development Plan, which is expected to be completed by the end of the year. Improving the recovery of the Phase 3 concentrator will take place as part of a Phase 3 debottlenecking program, a study that is expected to commence once the Phase 3 concentrator has reached steady state production.

***Project 95 to unlock 27,000 tonnes per annum of additional copper growth for a capital investment of \$198 million, delivering a capital intensity of \$7,333/tonne***

Project 95 consists of \$198 million in modifications to the Phase 1 and 2 concentrator plants. It is expected that Project 95 will increase Phase 1 and 2 concentrator's average annual copper production by 27,000 tonnes of copper per annum. At a capital intensity of \$7,333 per tonne of copper produced, it is substantially lower than that of the copper industry average. For context, according to recent BofA Securities research, dated July 12, 2024, the average capital intensity for greenfield copper projects and brownfield expansions is \$20,000 per tonne and \$17,500 per tonne, respectively.

Project 95's incremental operating costs are estimated to be approximately \$4/t milled.

Delivery of Project 95 will take approximately 18 months from the point of final investment decision and the appointment of the engineering, procurement, and construction management (EPCM) contractor. Tendering of the EPCM contractor has already commenced, along with the procurement of long-lead order equipment items. Geotechnical engineering has also already commenced on Cell 2.

***New in-country financing facilities to assist Kamoakakula with funding future expansions, including Project 95***

In the first half of 2024, Kamoakakula Copper closed a term facility of \$400 million of financing with ABSA of Johannesburg, South Africa, Africa Finance Corporation (AFC) of Lagos, Nigeria, Rawbank of Kinshasa, DRC, and FirstBank of Lagos, Nigeria. The new funding facilities will be used to fund both the Phase 3 expansion of Kamoakakula, as well as future growth, such as Project 95, and working capital. This brings total Kamoakakula joint-venture in-country term loans and working capital facilities to \$800 million, at attractive interest rates of less than 8%.

## COPPER PRODUCTION AND CASH COST GUIDANCE FOR 2024

### Kamoa-Kakula 2024 Guidance

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<b>Contained copper in concentrate (tonnes)</b>	<b>440,000 to 490,000</b>
<b>Cash cost (C1) (\$ per pound)</b>	<b>1.50 to 1.70</b>

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 ramp up of the Phase 3 concentrator, the reliability of the DRC grid power supply and the availability of back-up generation capacity, among other variables. The Kamoa-Kakula joint venture produced a total of 100,812 tonnes of copper in concentrate for the three months ended June 30, 2024, and 187,015 tonnes of copper for the first six months of 2024.

Cash cost (C1) per pound of payable copper amounted to \$1.52/lb. for the three months ended June 30, 2024 and \$1.54/lb. for the six months ended June 30, 2024. Cash cost guidance is based on assumptions including copper ore grade processed, the ramp up of the Phase 3 concentrator, reliability of DRC grid power supply, the availability and cost of alternative sources of electricity supply and prevailing logistics rates among other variables.

Cash cost guidance is impacted by the timing of the ramp up of Kamoa-Kakula's Phase 3 concentrator. Copper in concentrate produced by the Phase 3 concentrator is expected to have a higher cash cost, compared with that of the Phase 1 and Phase 2 concentrators. This is primarily due to the lower copper grade of the Kamoa 1 and Kamoa 2 underground mines that feed the Phase 3 concentrator, compared with the higher-grade Kakula Mine that feeds the Phase 1 and Phase 2 concentrators. Completion of the on-site smelter construction, which is on target for construction completion by the end of 2024, is expected to drive a decrease in average cash cost (C1) over the first five years post-completion and ramp-up 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 Kamao-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. As per the updated joint venture agreement signed in late 2023, Gécamines' ownership is set to increase to 38% upon completion of outstanding conditions precedent.

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.

**Photo: The Kipushi team commemorates the initial ore feed into the new concentrator on May 31, 2024, followed by the production of first concentrate on June 14, 2024.**

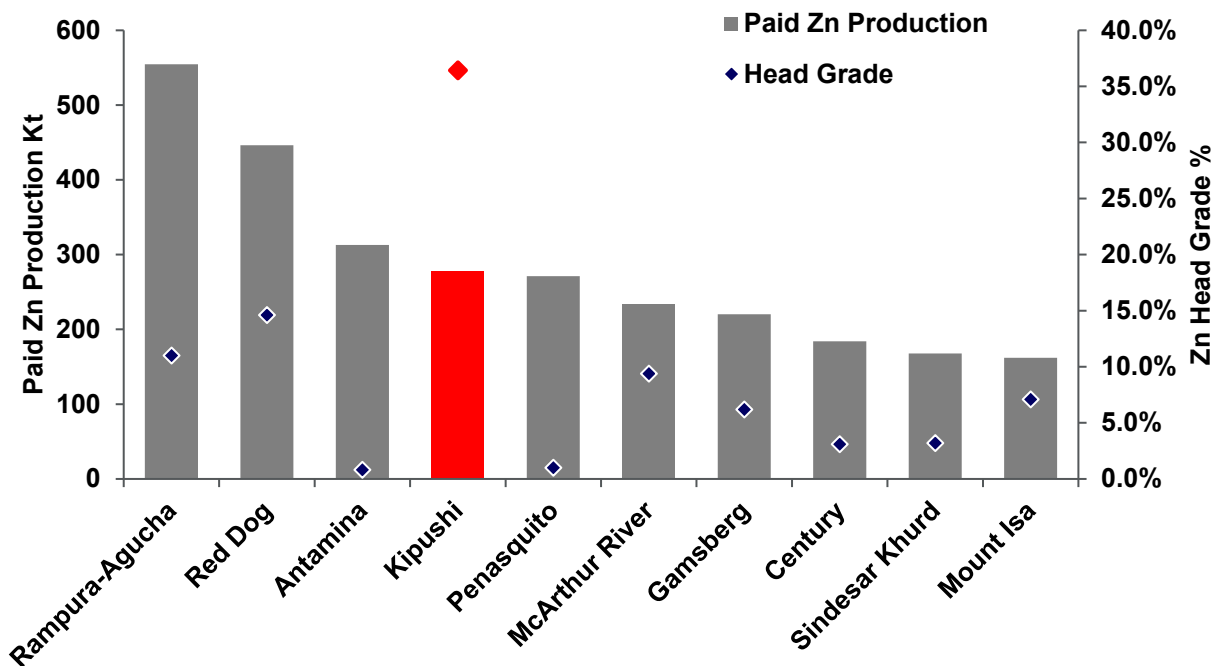


Kipushi's high-grade zinc concentrate assays include significant quantities of germanium and gallium. Germanium is a strategic metal used today in electronic devices, flat-panel display screens, light-emitting diodes, night vision devices, optical fibre, optical lens systems, and solar power arrays. 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.

**Construction of Kipushi concentrator completed ahead of schedule, with first batch of concentrate produced on June 14**

Construction of the new 800,000-tonne-per-annum concentrator facility was completed months ahead of schedule on May 31, 2024, following the first feed of ore. The concentrator process consists of dense media separation (DMS) and a milling and flotation circuit. Design recoveries are targeted to be 96% with a concentrate grade averaging 55% contained zinc. As per the 2022 Kipushi Feasibility study, released on February 14, 2022, over the first five years annualized production is expected to average 278,000 tonnes of zinc in concentrate, positioning Kipushi as the world’s fourth-largest zinc mine and the largest on the African continent. See Figure 4.

**Figure 4. World’s top 10 zinc mines estimated for 2025, by paid zinc production per annum (‘000 tonnes) with head grade (% zinc).**



Source: Wood Mackenzie, 2024, Ivanhoe Mines. Production and grade assumptions for Kipushi are the first five-year average as stated in the 2022 Feasibility Study.

Commissioning of the Kipushi concentrator commenced in early May, with first feed of ore from the surface ROM stockpiles fed through the ball mill during the evening of May 31, 2024. The first batch of concentrate production was achieved on June 14, 2024. Ramp-up to steady-state production is expected in September.

Basic engineering has commenced to increase zinc production, by optimizing and de-bottlenecking the newly constructed Kipushi concentrator. The de-bottlenecking program is targeting a 20% increase in processing capacity to 960,000 tonnes of ore per annum. There is sufficient capacity to also increase mining and hoisting rates to support an upsized concentrator throughput. The de-bottlenecking program is expected to take approximately nine months, based on the availability of long-lead order equipment.

The construction of the down-stream tailings storage facility is complete and commissioned. The tailings storage facility has been designed per Global Industry Standards on Tailings Management (GISTM).

***Off-take agreements for Kipushi concentrate signed, plus \$170 million in financing facilities secured***

Ivanhoe Mines recently established a wholly-owned subsidiary, Ivanhoe Marketing (Pty) Ltd (Ivanhoe Marketing), to manage the in-land logistics across the African continent. Ivanhoe Marketing will be responsible for arranging the transportation of zinc concentrate from mine gate to the point of delivery. Initially, it is expected that approximately 50% of Kipushi's concentrate will be delivered to Europe for smelting on a Cost, Insurance and Freight (CIF) basis, exported via the port of Walvis Bay. The remaining 50% will be a Delivered at Place (DAP) to the port of Durban.

Ivanhoe Marketing has entered into off-take agreements with CITIC and Trafigura for the sale of Kipushi concentrate. To date, off-take agreements for approximately two-thirds of Kipushi's zinc concentrate production over a five-year term have been agreed. The off-take agreements contain standard, international commercial terms, including payables and treatment charges based on the zinc industry's annual benchmark. The 2024 annual treatment charge benchmark is currently \$165 per tonne of concentrate. Given an international shortage of clean zinc concentrates to feed the world's zinc smelters, the current spot rate for zinc treatment charges is significantly lower than the \$165-per-tonne benchmark rate. Off-take agreements for the remaining concentrate are expected to be placed in the coming months.

In addition to the off-take agreements, Trafigura and CITIC Metal have each provided a loan facility to KICO for \$60 million over the term of the off-take contract, at a rate of interest SOFR, plus 6%. Both these loan facilities were drawn in July 2024. A bank facility has also been signed and drawn with domestic lender FirstBank DRC for \$50 million at SOFR plus 4.5%.

***Run-of-mine stockpiles to support ramp-up to steady-state production, with mining rates to increase throughout the second half of 2024***

As of June 30, 2024, a total of approximately 336,000 tonnes of ore at an average grade of 23.4% zinc are stored in surface ROM stockpiles adjacent to the Kipushi concentrator. This includes approximately 150,000 tonnes of "high-grade" ore at an average grade of over 30% zinc. The stockpiled ore, which contains nearly 80,000 tonnes of zinc that is currently trading at approximately \$3,000 per tonne, is now being used for the ongoing hot commissioning and ramp-up of the Kipushi concentrator.

Underground mining rates are expected to significantly increase throughout the second half of the year to match the steady-state processing rate of the Kipushi concentrator. Year-to-date underground mining rates have averaged just over 20,000 tonnes per month, with rates expected to increase to 75,000 tonnes per month, at an average grade of over 40% zinc, by year-end.

**Photo: Graduate Process Engineer, Lebogang Motau, conducting installation inspections at the Kipushi concentrator.**



**Photo: On June 14, 2024, Kipushi produced its first zinc concentrate. Zinc production capacity to average 278,000 tonnes per annum over first five years, making Kipushi the fourth-largest zinc mine globally.**



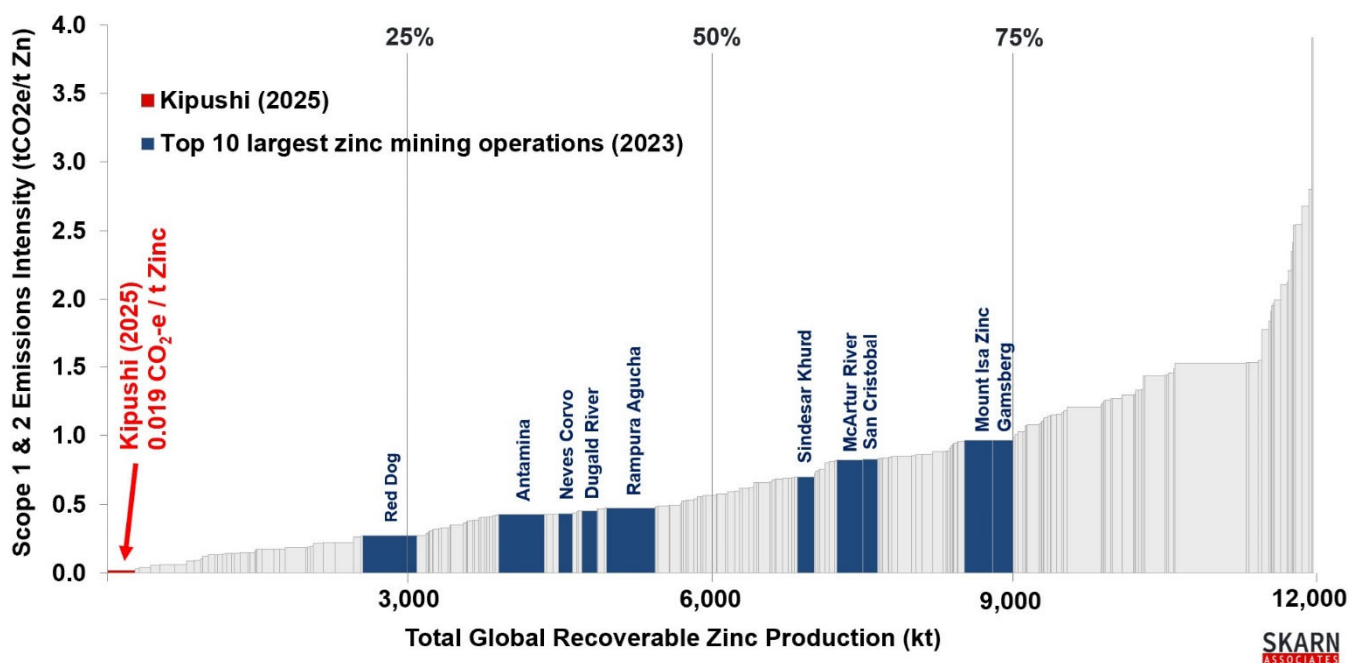
**Updated Greenhouse Gas emissions assessment confirms that Kipushi will be lowest carbon emitter per unit of zinc production in the world**

Kipushi will be the lowest greenhouse gas emitter per tonne of zinc produced. On a Scope 1 and 2 basis (reported from ore to mine gate), Kipushi’s greenhouse gas (GHG) emissions intensity for 2025 is expected to be 0.019 equivalent tonnes of carbon dioxide per tonne of contained zinc produced (t CO<sub>2</sub>-e / t Zn). This comfortably ranks Kipushi near the bottom of the Scope 1 and 2 GHG emissions curve, as shown in Figure 5.

This is partially due to the ultra-high-grade Big Zinc orebody, which has an average head grade of over 36% zinc over the first five years of operation. The Kipushi head grade is more than 6.5 times higher than the average head grade of the top 20 zinc mining operations in 2023. A high head grade means significantly less rock is mined, hauled and milled for the same tonne of zinc produced. The total peak power required by the mining and milling operation is only 23 MW.

The low carbon emissions intensity is also a function of the DRC grid being among the world’s cleanest, with 99.5% of grid power generated from hydroelectricity, according to the U.S. Energy Information Administration.

**Figure 5: 2023 Scope 1 & 2 zinc GHG emissions intensity curve, highlighting Kipushi and the top 10 largest zinc mining operations in 2023.**



Notes: Kipushi and industry peer Scope 1 and 2 GHG emissions data are estimates by Skarn Associates. Estimates include all direct and indirect emissions to produce contained zinc from ore to mine gate. The horizontal width of each bar represents the quantity of each operation’s 2023 zinc production in ‘000 tonnes. 2025 Kipushi production is estimated to be 278,000 tonnes of payable zinc in concentrate, based on the 2022 feasibility study. 2025 zinc production is not forward guidance. It is estimated that operations will emit a total of 5,047 equivalent tonnes of CO<sub>2</sub>, thereby producing 0.019 equivalent tonnes of CO<sub>2</sub> per tonne of zinc produced. Chart sources: Skarn Associates, Ivanhoe Mines.

## ZINC PRODUCTION AND CASH COST GUIDANCE FOR 2024

### Kipushi 2024 Guidance

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**Contained zinc in concentrate (tonnes)**

**100,000 to 140,000**

These figures are on a 100% project basis and metal reported in concentrate is before treatment losses or payability deductions associated with smelter terms. Kipushi's 2024 production guidance is based on several assumptions and estimates, including among other things, assumptions about the timing of ramp-up of the new 800,000-tonne-per-annum Kipushi concentrator. Guidance involves estimates of known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially.

The Company will provide 2024 guidance ranges for C1 cash cost (C1) per pound of payable zinc once ramp-up to steady-state production has been achieved.

## 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: The Platreef Phase 1 project team convened to celebrate the successful commencement of cold commissioning. First concentrate is expected in the second half of 2025.**



**Construction of Phase 1 concentrator completed on-schedule, first ore scheduled for 2025, underground development prioritizing waste development required to accelerate start of Phase 2.**

Construction of Platreef's Phase 1 concentrator was completed on-schedule after the quarter end. Cold commissioning started in July, with water being fed through the concentrator. The concentrator will be placed on care and maintenance until H2 2025, as Shaft #1 prioritizes hoisting waste development required to bring forward the start of Phase 2.

**Photo: Electrician, Mapontsho Ngobeni, conducts testing at the Platreef Phase 1 concentrator**





## ***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 third quarter of 2024. Once equipped, Shaft #3 is expected to be ready for hoisting in the first quarter of 2026, 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 is planned to be completed in the fourth quarter of 2024.

## ***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 Phase 2 Feasibility Study, Ivanhoe also commissioned a preliminary economic assessment (PEA) for an additional expansion, Phase 3, taking the total Platreef processing capacity up to approximately 10 Mtpa. 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.

## ***Construction of Shaft #2 headgear approximately 60% 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 of the sinking winders and related infrastructure is advancing well with the on-boarding of the sinking contractor to commence sinking operations in the first quarter of 2025. 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.

**Photo: Structural steel erection in progress at Shaft 2. The 10-metre diameter Shaft 2, which is required for the Phase 2 expansion, will be the largest hoisting shaft on the African continent.**



## WESTERN FORELAND EXPLORATION PROJECT

Ivanhoe's DRC exploration group is targeting Kamo-a-Kakula-style copper mineralization on its Western Forelands exploration licences. The 21 licences in the Western Foreland cover a combined area of approximately 1,808 square kilometres to the north, south and west of the Kamo-a-Kakula Copper Complex.

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 total area of the land package has been reduced from 2,407 square kilometres due to regulatory reductions as 10 exploration licences matured, coming to the end of their first holding period. 50% of these licences were dropped. Four of the licences are under an earn-in right to increase Ivanhoe ownership by funding ongoing exploration activities.

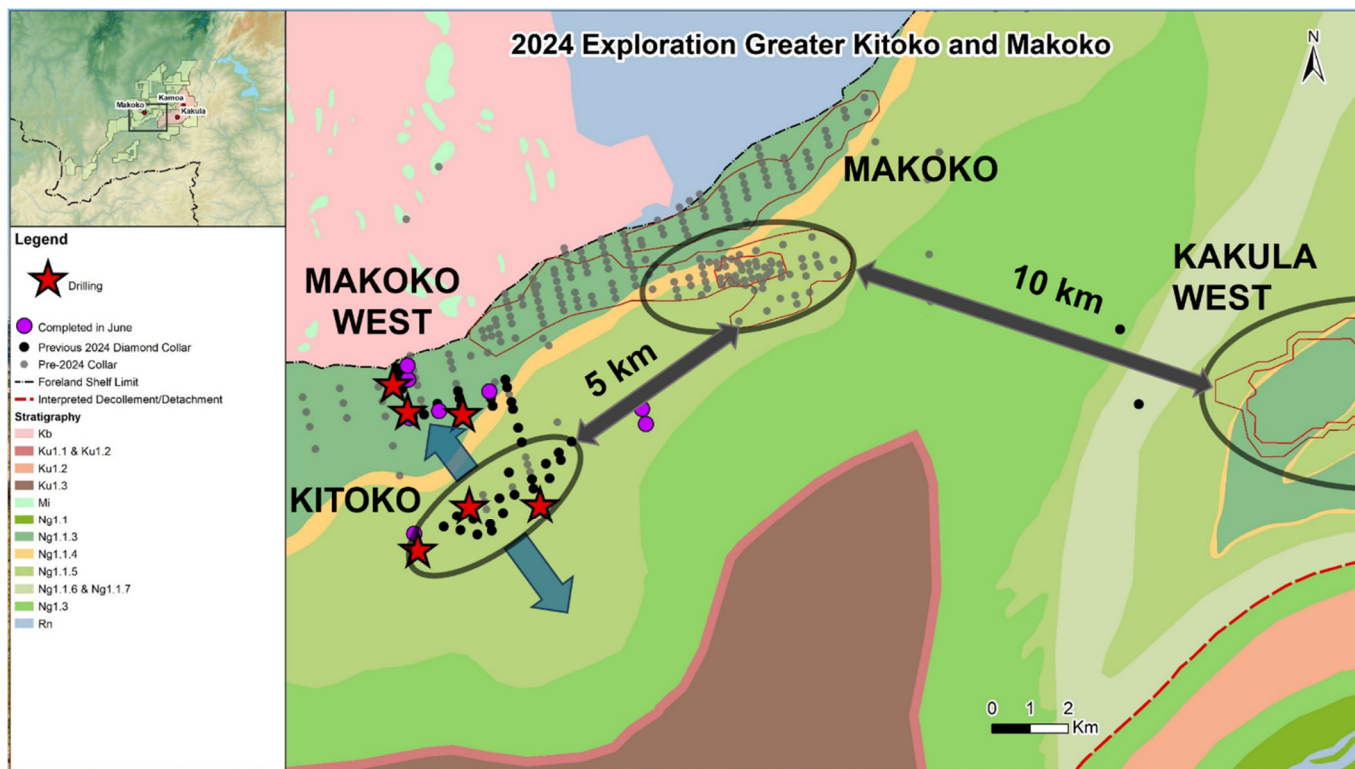
Diamond drilling during the second quarter of 2024 has been focused on Makoko West and Kitoko with one hole drilled in Lubudi. Nine contractor rigs were in operation at quarter end, having completed a total of 20,701 metres of diamond core drilling, over 27 completed holes and two abandoned holes.

Drilling activity at Kitoko continues to define the extent of mineralization and test the extent of the system. Between three and four diamond drill rigs were active on the prospect during the quarter, with nine holes completed. Two holes were abandoned due to broken ground. Kitoko mineralization is now interpreted to occur at the onlap of pyritic layers of Nguba Group diamictites and siltstones with a Kibaran age basement high. The high-grade onlap zones are still open at depth and will be one of the areas targeted to be drilled in the coming months. Step-out drilling continues on 400-metre-sections.

Drilling at Makoko West (southwest of the original Makoko mineral resource declared in 2023) continued during the quarter with up to four rigs in operation. The drilling at Makoko West is targeting the up-dip area of the Kitoko mineralized system. Fifteen holes were completed, with three underway at quarter end.

Exploration activities also started in June, drilling the area between Kitoko and Makoko to characterize the basement architecture in the areas and to test for sub-basins (see Figure 6). The drilling in this untested region will continue for the remainder of the dry season.

**Figure 6. Map showing location of current drilling activities of six out of the nine rigs current drilling in the Western Forelands. Drilling is primarily focused around Makoko West and Kitoko, as well as testing mineralization between the two areas.**



Drilling has also started in the Lubudi region to the south of the Western Forelands. Drilling in this area was not previously focused on the deeper part of the shelf due to a lack of Roan sediments, which before the Kitoko discovery were thought to be essential conditions for high-grade copper mineralization. The Kitoko discovery, however, proved that Roan sediments are not necessarily required and therefore Lubudi is being tested again, only this time at greater depths.

A passive seismic program initially scheduled for the second quarter of 2024 at both Lupemba and Kitoko will now take place in the third quarter. The passive seismic program will test the system’s ability to determine the thickness of Kalahari sand, basement architecture and the location of thick mafic rocks below Nguba sediments. A shallow, air-core drilling program through the Kalahari sand cover, designed to collect samples at the top of the underlying residual soil, commenced in early July. This program is expected to run through the remainder of the dry season.

## 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 Kamoā-Kakula is recognized within the Kamoā Holding joint venture. Ivanhoe did not declare or pay any dividend or distribution in any financial reporting period.

	<b>Three months ended</b>			
	June 30,	March 31,	December 31,	September
	2024	2024	2023	2023
	\$'000	\$'000	\$'000	\$'000
Share of profit from joint venture	89,616	45,165	49,272	69,829
Finance income	62,873	62,457	63,110	56,671
Deferred tax recovery	1,398	3,221	4,201	1,212
Finance costs	(32,871)	(8,944)	(6,741)	(8,752)
(Loss) gain on fair valuation of embedded derivative liability	(20,727)	(139,271)	(39,961)	12,218
General administrative expenditure	(12,345)	(14,001)	(14,947)	(9,841)
Exploration and project evaluation expenditure	(10,589)	(8,901)	(8,637)	(6,264)
Share-based payments	(8,505)	(8,933)	(7,715)	(6,732)
Profit (loss) attributable to:				
Owners of the Company	76,401	(65,552)	27,739	112,510
Non-controlling interests	(9,885)	(3,858)	(1,980)	(4,988)
Total comprehensive income (loss) attributable to:				
Owners of the Company	88,223	(73,648)	37,155	109,681
Non-controlling interest	(8,672)	(4,728)	(1,003)	(5,250)
Basic profit (loss) per share	0.06	(0.05)	0.02	0.09
Diluted profit (loss) per share	0.06	(0.05)	0.02	0.08

	<b>Three months ended</b>			
	June 30,	March 31,	December 31,	September
	2023	2023	2022	2022
	\$'000	\$'000	\$'000	\$'000
Share of profit from joint venture	73,066	82,659	83,324	34,057
Finance income	61,956	57,826	58,477	46,720
Loss on fair valuation of embedded derivative liability	(26,618)	(30,900)	(66,600)	(27,700)
General administrative expenditure	(10,474)	(8,571)	(11,870)	(9,199)
Finance costs	(5,539)	(10,465)	(10,457)	(10,223)
Share-based payments	(7,120)	(7,702)	(7,809)	(7,381)
Exploration and project evaluation expenditure	(4,375)	(3,381)	(3,887)	(4,312)
Deferred tax (expense) recovery	1,965	926	(3,839)	4,252
Profit (loss) attributable to:				
Owners of the Company	92,042	86,637	41,884	26,344
Non-controlling interests	(4,859)	(4,157)	(4,705)	(2,477)
Total comprehensive income (loss) attributable to:				
Owners of the Company	86,588	74,154	53,078	4,588
Non-controlling interest	(5,443)	(5,420)	(3,621)	(4,678)
Basic profit per share	0.08	0.07	0.03	0.02
Diluted profit per share	0.07	0.07	0.03	0.02

## DISCUSSION OF RESULTS OF OPERATIONS

### *Review of the three months ended June 30, 2024 vs. June 30, 2023*

The Company recorded a profit for Q2 2024 of \$67 million compared to a profit of \$87 million for the same period in 2023. The profit for Q2 2023 included a loss on the fair valuation of the embedded derivative financial liability of \$27 million, compared to a loss on the fair valuation of the embedded derivative financial liability of \$21 million in Q2 2024. The total comprehensive income for Q2 2024 was \$80 million compared to \$81 million for Q2 2023. The Company announced the redemption of the convertible notes in Q2 2024 and recorded \$28 million of finance cost in the quarter due to the early redemption.

The Kamoia-Kakula Copper Complex sold 95,900 tonnes of payable copper in Q2 2024 realizing revenue of \$817 million for the Kamoia Holding joint venture, compared to 101,526 tonnes of payable copper sold for revenue of \$702 million for the same period in 2023. The Company recognized income in aggregate of \$148 million from the joint venture in Q2 2024 and \$123 million for the same period in 2023, which can be summarized as follows:

	Three months ended	
	June 30,	
	2024	2023
	\$'000	\$'000
Company's share of profit from joint venture	89,616	73,066
Interest on loan to joint venture	58,123	49,837
<b>Company's income recognized from joint venture</b>	<b>147,739</b>	<b>122,903</b>

The Company's share of profit from the Kamoia Holding joint venture was \$17 million more in Q2 2024 compared to the same period in 2023 and is broken down in the following table:

	Three months ended	
	June 30,	
	2024	2023
	\$'000	\$'000
Revenue from contract receivables	813,817	729,924
Remeasurement of contract receivables	3,256	(27,542)
<b>Revenue</b>	<b>817,073</b>	<b>702,382</b>
Cost of sales	(324,428)	(277,646)
<b>Gross profit</b>	<b>492,645</b>	<b>424,736</b>
General and administrative costs	(26,712)	(27,794)
Amortization of mineral property	(3,071)	(3,005)
<b>Profit from operations</b>	<b>462,862</b>	<b>393,937</b>
Finance costs	(71,143)	(90,701)
Foreign exchange loss	(12,258)	(29,333)
Finance income and other	1,058	5,193
<b>Profit before taxes</b>	<b>380,519</b>	<b>279,096</b>
Current tax expense	(141,020)	(119,120)
Deferred tax expense	(3,056)	30,278
<b>Profit after taxes</b>	<b>236,443</b>	<b>190,254</b>
Non-controlling interest of Kamo Holding	(55,401)	(42,645)
Total comprehensive income for the period	181,042	147,609
<b>Company's share of profit from joint venture (49.5%)</b>	<b>89,616</b>	<b>73,066</b>

The higher average copper price during the quarter resulted in increased quarterly revenue in Q2 2024, even with copper tonnes sold being 6% lower than for the same quarter in 2023. The realized and provisional copper prices used for the remeasurement (mark-to-market) of contract receivables for the three months ended June 30, 2024, and for the same period in 2023, can be summarized as follows:

	<b>Three months ended</b>	
	<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><i>Realized during the period - open at the start of the period</i></b>		
Opening forward price (\$/lb.) <sup>(1)</sup>	3.99	4.05
Realized price (\$/lb.) <sup>(1)</sup>	4.30	3.79
Payable copper tonnes sold	29,142	37,092
Remeasurement of contract receivables (\$'000)	20,218	(21,356)
<b><i>Realized during the period - new copper sold in the current period</i></b>		
Provisional price (\$/lb.) <sup>(1)</sup>	4.31	4.00
Realized price (\$/lb.) <sup>(1)</sup>	4.37	3.80
Payable copper tonnes sold	31,345	30,792
Remeasurement of contract receivables (\$'000)	4,453	(13,006)
<b><i>Open at the end of the period - new copper sold in current period</i></b>		
Provisional price (\$/lb.) <sup>(1)</sup>	4.47	3.77
Closing forward price (\$/lb.) <sup>(1)</sup>	4.32	3.81
Payable copper tonnes sold	64,555	69,935
Remeasurement of contract receivables (\$'000)	(21,415)	6,820
<b>Total remeasurement of contract receivables (\$'000)</b>	<b>3,256</b>	<b>(27,542)</b>

<sup>(1)</sup> Calculated on a weighted average basis

Of the \$71 million (Q2 2023: \$91 million) finance costs recognized in the Kamoia Holding joint venture for Q2 2024, \$37 million (Q2 2023: \$71 million) relates to interest on 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, \$27 million (Q2 2023: \$15 million) relates to the provisional and advance payment facilities available under Kamoia-Kakula's offtake agreements, while \$3 million (Q2 2023: \$2 million) relates to the equipment financing facilities, \$3 million relates to bank over-drafts (Q2 2023: \$nil) and \$2 million relates to the interest on the lease liability (Q2 2023: \$2 million).

Ivanhoe's exploration and project evaluation expenditure amounted to \$11 million in Q2 2024 and \$4 million for the same period in 2023. Exploration and project evaluation expenditure for Q2 2024 related mainly to exploration at Ivanhoe's Western Foreland exploration licences.

Finance income for Q2 2024 amounted to \$63 million and was \$1 million more than for the same period in 2023 (\$62 million). Included in finance income is the interest earned on loans to the Kamoia Holding joint venture to fund past development which amounted to \$58 million for Q2 2024, and \$50 million for the same period in 2023, and increased due to the higher accumulated loan balance.

The Company recognized a loss on the fair valuation of the embedded derivative financial liability of \$21 million for Q2 2024, compared to a loss of \$27 million for Q2 2023. In addition, the Company recorded \$28 million of finance costs during the quarter due to the early redemption of the convertible notes, which is further explained in the accounting for the convertible notes section on page 39.



Review of the six months ended June 30, 2024 vs. June 30, 2023

The Company recorded a loss of \$3 million and a total comprehensive income of \$1 million for the six months ended June 30, 2024, compared to a profit of \$170 million and a total comprehensive income of \$150 million for the same period in 2023. The profit for the six months ended June 30, 2023, included a loss on fair valuation of embedded derivative liability of \$58 million, compared to a loss on fair valuation of embedded derivative financial liability of \$160 million for the same period in 2024.

The Company recognized income in aggregate of \$248 million from the joint venture in the six months ended June 30, 2024 (2023: \$253 million), which can be summarized as follows:

	Six months ended June 30,	
	2024	2023
	\$'000	\$'000
Company's share of profit from joint venture	134,781	155,725
Interest on loan to joint venture	113,514	97,429
<b>Company's income recognized from joint venture</b>	<b>248,295</b>	<b>253,154</b>

The Company's share of profit from the Kamo Holding joint venture was \$135 million for the six months ended June 30, 2024, compared to a profit of \$156 million for the same period in 2023, the breakdown of which is summarized in the following table:

	Six months ended June 30,	
	2024	2023
	\$'000	\$'000
Revenue from contract receivables	1,426,313	1,389,453
Remeasurement of contract receivables	9,080	2,052
<b>Revenue</b>	<b>1,435,393</b>	<b>1,391,505</b>
Cost of sales	(606,769)	(517,223)
<b>Gross profit</b>	<b>828,624</b>	<b>874,282</b>
General and administrative costs	(73,740)	(58,440)
Amortization of mineral property	(5,836)	(5,601)
<b>Profit from operations</b>	<b>749,048</b>	<b>810,241</b>
Finance costs	(144,859)	(179,374)
Foreign exchange loss	(20,988)	(34,218)
Finance income and other	5,109	10,188
<b>Profit before taxes</b>	<b>588,310</b>	<b>606,837</b>
Current tax expense	(201,319)	(195,593)
Deferred tax expense	(17,388)	(9,339)
<b>Profit after taxes</b>	<b>369,603</b>	<b>401,905</b>
Non-controlling interest of Kamo Holding	(97,319)	(87,308)
Total comprehensive income for the year	272,284	314,597
<b>Company's share of profit from joint venture (49.5%)</b>	<b>134,781</b>	<b>155,725</b>

The realized and provisional copper prices used for the remeasurement (mark-to-market) of contract receivables for the six months ended June 30, 2024, and for the same period in 2023, can be summarized as follows.

	<b>Six months ended</b>	
	<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><i>Realized during the period - open at the start of the period</i></b>		
Opening forward price (\$/lb.) <sup>(1)</sup>	3.86	3.90
Realized price (\$/lb.) <sup>(1)</sup>	3.78	3.95
Payable copper tonnes sold	35,966	88,271
Remeasurement of contract receivables (\$'000)	(6,040)	11,269
<b><i>Realized during the period - new copper sold in the current period</i></b>		
Provisional price (\$/lb.) <sup>(1)</sup>	3.96	4.05
Realized price (\$/lb.) <sup>(1)</sup>	4.11	3.94
Payable copper tonnes sold	116,500	86,913
Remeasurement of contract receivables (\$'000)	36,535	(21,556)
<b><i>Open at the end of the period - open at the start of the period</i></b>		
Opening forward price (\$/lb.) <sup>(1)</sup>	-	3.79
Closing forward price (\$/lb.) <sup>(1)</sup>	-	4.05
Payable copper tonnes sold	-	6,625
Remeasurement of contract receivables (\$'000)	-	3,748
<b><i>Open at the end of the period - new copper sold in current period</i></b>		
Provisional price (\$/lb.) <sup>(1)</sup>	4.47	3.84
Closing forward price (\$/lb.) <sup>(1)</sup>	4.32	3.88
Payable copper tonnes sold	64,555	100,241
Remeasurement of contract receivables (\$'000)	(21,415)	8,591
<b>Total remeasurement of contract receivables (\$'000)</b>	<b>9,080</b>	<b>2,052</b>

<sup>(1)</sup> Calculated on a weighted average basis

Of the \$145 million (2023: \$179 million) finance costs recognized in the Kamoia Holding joint venture for the six months ended June 30, 2024, \$83 million (2023: \$145 million) relates to interest on 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, \$48 million (2023: \$27 million) relates to the provisional and advance payment facilities available under Kamoia-Kakula's offtake agreements, while \$5 million (2023: \$5 million) relates to the equipment financing facilities, \$5 million relates to bank overdrafts (2023: \$2 million) and \$4 million relates to interest on the lease liability (2023: \$nil).

Ivanhoe's exploration and project evaluation expenditure amounted to \$19 million for the six months ended June 30, 2024, and was \$11 million more than for the same period in 2023 (\$8 million). Exploration and project evaluation expenditure for 2024 related mainly to exploration at Ivanhoe's Western Foreland exploration licences.

Finance income amounted to \$125 million for the six months ended June 30, 2024, and \$120 million for the same period in 2023. Included in finance income is the interest earned on loans to the Kamoia Holding joint venture to fund past development that amounted to \$114 million for the six months ended June 30, 2024, and \$97 million for the same period in 2023 and increased due to the higher accumulated loan balance.

As explained in the accounting for the convertible notes section on page 39, the Company recognized a loss on fair valuation of the embedded derivative financial liability of \$160 million for the six months ended June 30, 2024 (2023: loss of \$58 million) as well as \$28 million of finance costs during the period due to the early redemption of the convertible notes.

The total comprehensive loss for the six months ended June 30, 2024, included an exchange gain on translation of foreign operations of \$4 million, compared to an exchange loss on translation of foreign operations recognized for the same period in 2023 of \$20 million, resulting mainly from the weakening of the South African Rand by 1% from December 31, 2023, to June 30, 2024.

*Financial position as at June 30, 2024, vs. December 31, 2023*

The Company's total assets increased by \$317 million, from \$5,000 million as at December 31, 2023, to \$5,317 million as at June 30, 2024. The increase in total assets was mainly attributable to the increase in the Company's investment in the Kamoia Holding joint venture by \$248 million, the increase in property, plant and equipment of \$333 million as project development continued at the Platreef and Kipushi projects, offset by the decrease in cash and cash equivalents of \$328 million.

The Company's investment in the Kamoia Holding joint venture increased by \$248 million from \$2,518 million as at December 31, 2023, to \$2,766 million as at June 30, 2024. The Company's investment in the Kamoia Holding joint venture can be broken down as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Company's share of net assets in joint venture	920,046	785,265
Loan advanced to joint venture	1,845,800	1,732,286
<b>Total investment in joint venture</b>	<b>2,765,846</b>	<b>2,517,551</b>

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

	June 30, 2024		December 31, 2023	
	100%	49.5%	100%	49.5%
	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>				
Property, plant and equipment	5,259,504	2,603,454	4,195,216	2,076,632
Mineral property	772,586	382,430	778,423	385,319
Indirect taxes receivable	493,772	244,417	419,779	207,791
Current inventory	450,464	222,980	435,212	215,430
Cash and cash equivalents	397,045	196,537	72,486	35,881
Run of mine stockpile	390,997	193,544	304,261	150,609
Long-term loan receivable	353,104	174,786	306,594	151,764
Other receivables	199,714	98,858	320,143	158,471
Trade receivables	126,349	62,545	241,944	119,762
Right-of-use asset	51,808	25,645	56,966	28,198
Prepaid expenses	13,326	6,596	81,802	40,492
Non-current deposits	1,872	927	1,872	927
Deferred tax asset	574	284	606	300
<b>Liabilities</b>				
Shareholder loans	(3,729,363)	(1,846,035)	(3,500,105)	(1,732,552)
Term loan facilities	(683,346)	(338,256)	(111,193)	(55,041)
Advance payment facility	(405,455)	(200,700)	(150,449)	(74,472)
Trade and other payables	(302,329)	(149,653)	(471,377)	(233,332)
Deferred tax liability	(260,690)	(129,042)	(322,194)	(159,486)
Overdraft facility	(216,715)	(107,274)	(177,775)	(87,999)
Income taxes payable	(185,949)	(92,045)	(217,028)	(107,429)
Other provisions	(97,830)	(48,426)	(33,344)	(16,505)
Rehabilitation provision	(95,081)	(47,065)	(95,081)	(47,065)
Provisional payment facility	(82,381)	(40,779)	(51,501)	(25,493)
Lease liability	(49,029)	(24,269)	(51,913)	(25,697)
Dividends Payable	(19,543)	(9,674)	–	–
Non-controlling interest	(524,726)	(259,739)	(446,950)	(221,240)
<b>Net assets of the joint venture</b>	<b>1,858,678</b>	<b>920,046</b>	<b>1,586,394</b>	<b>785,265</b>

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 \$264 million, with an interest rate of approximately 6.5%.

The term loan facilities represent Kamoia's equipment financing facilities, as well as term facilities with DRC financial institutions. During the quarter, Kamoia entered into an additional facility of \$200 million with Standard Bank. The facility incurs interest at SOFR plus 2.25% per annum and is repayable twelve months after drawdown.

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Net cash generated from operating activities before change in working capital items	306,213	405,417	644,601	851,957
Change in working capital items	31,635	(83,794)	(72,596)	(256,913)
Net cash used in investing activities	(567,476)	(370,232)	(1,099,063)	(623,388)
Net cash generated from (used in) financing activities	379,428	(6,142)	809,893	(3,744)
Effect of foreign exchange rates on cash	4,611	(1,669)	2,784	(341)
<b>Net cash inflow (outflow)</b>	<b>154,411</b>	<b>(56,420)</b>	<b>285,619</b>	<b>(32,429)</b>
Cash and cash equivalents - beginning of the period	25,919	389,624	(105,289)	365,633
<b>Cash and cash equivalents - end of the period</b>	<b>180,330</b>	<b>333,204</b>	<b>180,330</b>	<b>333,204</b>

The Kamoia Holding joint venture's net increase in property, plant and equipment from December 31, 2023, to June 30, 2024, amounted to \$1,064 million and can be further broken down as follows:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Kamoia Holding joint venture</b>				
Expansion capital	481,628	308,225	929,307	518,049
Sustaining capital	59,218	59,457	129,019	105,707
	540,846	367,682	1,058,326	623,756
Depreciation capitalized	13,283	9,796	26,393	18,197
Total capital expenditure	554,129	377,478	1,084,719	641,953
Borrowing costs capitalized	80,542	28,956	146,168	51,544
Total additions to property, plant and equipment for Kamoia Holding	634,671	406,434	1,230,887	693,497
Less depreciation, disposals and foreign exchange translation	(87,700)	(42,205)	(166,599)	(86,541)
<b>Net increase in property, plant and equipment of Kamoia Holding</b>	<b>546,971</b>	<b>364,229</b>	<b>1,064,288</b>	<b>606,956</b>

Ivanhoe's cash and cash equivalents decreased by \$328 million, from \$574 million as at December 31, 2023, to \$246 million as at June 30, 2024. The Company spent \$258 million on project development and acquiring other property, plant and equipment and \$39 million on its operating activities.

The net increase in property, plant and equipment amounted to \$333 million, with additions of \$272 million to project development and other property, plant and equipment. Of this total, \$120 million pertained to development costs and other acquisitions of property, plant and equipment at the Platreef Project, while \$150 million pertained to development costs and other acquisitions of property, plant and equipment at the Kipushi Project as set out below.

The main components of the additions to property, plant and equipment – including capitalized development costs – at the Platreef and Kipushi projects for the six months ended June 30, 2024, and for the same period in 2023, are set out in the following tables:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Platreef Project</b>				
Phase 2 construction	46,258	15,439	71,030	25,785
Phase 1 construction	4,033	33,220	18,887	55,912
Salaries and benefits	4,852	3,071	9,021	6,478
Administrative and other expenditure	2,789	1,364	4,956	3,288
Depreciation	2,212	1,439	4,144	3,152
Social and environmental	995	480	1,229	883
Site costs	1,353	1,004	2,253	1,984
Studies and contracting work	802	1,295	1,623	2,181
Total development costs	63,294	57,312	113,143	99,663
Other additions to property, plant and equipment	3,580	3,403	7,201	6,233
Total additions to property, plant and equipment for Platreef	66,874	60,715	120,344	105,896
<b>Kipushi Project</b>				
Mine construction costs	40,123	24,991	94,401	39,159
Other expenditure	11,053	3,966	13,914	5,186
Salaries and benefits	14,175	3,563	18,651	7,832
Administration and overheads	5,720	3,624	9,437	6,619
Studies and contracting work	3,317	1,851	5,992	3,569
Depreciation	1,549	2,139	3,225	4,170
Electricity	2,587	1,661	4,539	3,533
Other additions to property, plant and equipment	112	227	112	427
Total project expenditure	78,636	42,022	150,271	70,495
<i>Accounted for as follows:</i>				
Additions to property, plant and equipment	40,235	23,897	94,513	38,265
Development costs capitalized to property, plant and equipment	38,401	18,125	55,758	32,230
Total project expenditure	78,636	42,022	150,271	70,495

Costs incurred during 2024 at the Platreef and Kipushi projects are deemed necessary to bring the project to commercial production and are therefore capitalized as property, plant and equipment.

The Company's total liabilities decreased by \$683 million to \$736 million as at June 30, 2024, from \$1,419 million as at December 31, 2023, with the decrease mainly due to the conversion of the convertible notes as explained below.

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 incurred interest at 8% per year plus a commission of 0.5% per quarter. Ivanhoe Mines Ltd. guaranteed all amounts due by Kipushi to Rawbank under this loan agreement. Kipushi repaid \$40 million of the loan in May 2024 and \$40 million of the loan in July 2024.

On May 28, 2024, Kipushi entered into a \$50 million facility agreement with FirstBank DRC SA (FirstBank). Under the terms of the agreement, FirstBank provided a \$50 million facility to Kipushi to finance costs related to the development of the project. Kipushi drew down on the full facility on the date of the agreement. The facility incurs interest at 3-month Term SOFR plus a margin of 4.5% per annum. Interest is repayable quarterly, with the facility repayable in full in May 2025. Repayment may automatically be extended by a further consecutive 12 months unless either party to the agreement gives written confirmation that there shall be no such automatic extension of the date.

#### *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.

On April 30, 2024, the Company announced that it would redeem all outstanding convertible senior notes on July 11, 2024 (the "Redemption Date") at a price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest on such notes to, but not including, the Redemption Date. The Company would settle any conversions solely in shares, except that any fractional shares that would otherwise be deliverable will be paid out in cash. In lieu of surrendering their notes for redemption, holders could elect to convert their notes at any time before the close of business on July 10, 2024.

The conversion rate for all conversions of notes was 138.7073 Class A shares of the Company per \$1,000 principal amount of notes. The conversion rate includes an increase of 4.1391 additional shares per \$1,000 principal amount of notes above the conversion rate as the notes were called for redemption (calculated based on a ten-day average closing share price of C\$19.2520, or \$14.0363 at the prevailing exchange rate of C\$1.3717 to \$1.00).

As at June 30, 2024, holders of \$541,588,000 convertible notes elected to convert, resulting in the issuance of 75,122,187 Class A shares. The remainder of the notes, totaling \$33.4 million, eligible for conversion into 4,634,488 Class A shares, remained unconverted at quarter end. Subsequent to quarter end and before Redemption Date, \$32.2 million convertible notes were converted resulting in the issuance of 4,467,346 Class A Shares. \$1.2 million worth of notes remained unconverted by the Redemption Date, resulting in the Company redeeming these notes in cash. A total cash payment of \$1.2 million was made by the Company on Redemption Date which comprised of the principal amount of notes that were not converted plus accrued and unpaid interest.

Before the commencement of the conversion period, on June 10, 2024, the Company adjusted the amortized cost of the host liability to reflect actual and revised estimated contractual cash flows using the original effective interest rate in accordance with the requirements of IFRS 9. The adjustment resulted in finance costs of \$71 million being recorded by the Company due to the early redemption of the notes, of which \$43 million was capitalized as borrowing costs to property, plant and equipment.

Each conversion request was treated separately. The number of shares required to be issued on receipt of a conversion request was calculated with reference to the conversion rate of 138.7073 Class A shares per \$1,000 principal amount of notes and rounded down to the nearest whole number. Any fractional shares that would otherwise be deliverable were paid out in cash. The total cash paid during the period was inconsequential. The fair value of the notes underlying a conversion request was determined before the conversion, with reference to the closing price of the Company shares on the Toronto Stock Exchange on the date of delivery of the shares and the prevailing exchange rates. The date of delivery of the shares was 2 business days after the receipt of the conversion request. It is at this delivery date, that the convertible notes are extinguished.

The host liability and embedded derivative liability components of the convertible notes were settled at each delivery date in proportion to the number of notes converted as a percentage of the total number of notes issued. The result of this is that the balance of the host liability and embedded derivative liability as at June 30, 2024, represented the liability of the Company for the notes not yet converted by holders.



## LIQUIDITY AND CAPITAL RESOURCES

The Company had \$246 million in cash and cash equivalents as at June 30, 2024. At this date, the Company had consolidated working capital surplus of approximately \$50 million, compared to a working capital deficit of \$348 million at December 31, 2023.

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

<b>Capital Expenditure</b>	<b>H1 2024 Actuals</b>	<b>2024 Guidance</b>	<b>2025 Guidance</b>
	(\$' million)	(\$' million)	(\$' million)
<b>Kamoa-Kakula</b>			
Phase 3 and other expansion capital	935	1,350 – 1,750	950 – 550
Sustaining capital	129	240	265
	<b>1,064</b>	<b>1,590 – 1,990</b>	<b>1,215 – 815</b>
<b>Platreef</b>			
Phase 1 initial capital	45	110 – 140	100 – 70
Phase 2 capital	71	130 – 180	320 – 270
	<b>116</b>	<b>240 – 320</b>	<b>420 – 340</b>
<b>Kipushi</b>			
Initial capital	147	185	5
Sustaining capital	–	35	40
	<b>147</b>	<b>220</b>	<b>45</b>

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.

First ore to Kamoa-Kakula's Phase 3 concentrator was achieved on May 26, 2024, with first concentrate reported on June 10, 2024. Construction of the direct-to-blister copper smelter is over 85% complete and targeted for completion early in 2025. 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 the remaining Phase 3 capital cost requirements at current copper prices. The capital expenditure guidance in the above table has been increased from \$1,540 - \$1,940 million from 2024 and increased from \$965 - \$565 million for 2025 to account for the capital required for the "Project 95" initiative that is expected to increase the overall metallurgical copper recovery rate of the Kakula concentrators.

Construction of Platreef's Phase 1 concentrator was complete on schedule in July 2024. Hot commissioning and ramp-up of production are now planned to be deferred to the second half of 2025. Total planned expenditure on Phase 1 remains on budget, however, expected expenditure in 2024 has decreased due to this deferral with the expenditure planned for 2025 increasing as a result. The capital expenditure guidance in the above table has been updated from \$300 – \$380 million for 2024 and \$360 – \$280 million for 2025 to reflect this deferral. 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 Q4 2024.

Construction of the Kipushi concentrator facility is now complete with the first batch of concentrate produced on June 14, 2024. Capital guidance for Kipushi has been increased by \$25 million in 2024 and \$5 million in 2025 to cater for the capital expenditure required to de-bottleneck the Kipushi concentrator, targeting a 20% increase in processing capacity to 960,000 tonnes of ore per annum, as well as for the remaining cost to complete commissioning and infrastructure works.

During the quarter, Kipushi entered into a \$50 million facility agreement with FirstBank DRC SA (FirstBank). Under the terms of the agreement, FirstBank provided a \$50 million facility to Kipushi to finance costs related to the development of the project. Kipushi drew down on the full facility on the date of the agreement. The facility incurs interest at Term SOFR plus a margin of 4.5% per annum. Interest is repayable every three months, with the facility repayable in full in May 2025, but repayment may automatically be extended by a further consecutive 12 months unless either party to the agreement gives written confirmation that there shall be no such automatic extension of the date.

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.

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 June 30, 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:

<b>Contractual obligations as at June 30, 2024</b>	<b>Payments Due By Period</b>				
	<b>Total \$'000</b>	<b>Less than 1 year \$'000</b>	<b>1-3 years \$'000</b>	<b>4-5 years \$'000</b>	<b>After 5 years \$'000</b>
Convertible notes	33,412	33,412	–	–	–
Debt	149,229	43,539	65,856	39,834	–
Lease commitments	1,424	382	1,042	–	–
<b>Total contractual obligations</b>	<b>184,065</b>	<b>77,333</b>	<b>66,898</b>	<b>39,834</b>	<b>–</b>

Debt in the above table represents the mortgage bond owing to Citibank, the loan payable to ITC Platinum Development Limited, the loans from Rawbank and FirstBank 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		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Cost of sales</b>	<b>324,428</b>	<b>277,646</b>	<b>606,769</b>	<b>517,223</b>
Logistics, treatment and refining charges	119,603	123,887	224,515	235,330
General and administrative expenditure	26,713	27,794	73,740	58,440
Royalties and production taxes	(65,070)	(59,994)	(121,470)	(113,806)
Depreciation	(77,230)	(47,722)	(136,742)	(86,210)
Power rebate	(4,487)	(4,779)	(8,955)	(9,272)
Non-cash adjustments to inventory	5,794	(774)	4,397	(1,462)
Extraordinary taxes	(722)	–	(21,857)	–
General and administrative expenditures of other group entities	(580)	(4,321)	(2,121)	(4,645)
<b>C1 cash costs</b>	<b>328,449</b>	<b>311,737</b>	<b>618,276</b>	<b>595,598</b>
Cost of sales per pound of payable copper sold (\$ per lb.)	1.53	1.24	1.52	1.25
C1 cash costs per pound of payable copper produced (\$ per lb.)	1.52	1.41	1.54	1.41
Payable copper produced in concentrate (tonnes)	98,213	100,413	182,158	190,974

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		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
			\$'000	\$'000
Profit after taxes	<b>236,443</b>	190,254	<b>369,603</b>	401,905
Finance costs	<b>71,143</b>	90,701	<b>144,859</b>	179,374
Finance income	<b>(1,000)</b>	(5,251)	<b>(5,092)</b>	(10,327)
Current and deferred tax expense	<b>144,076</b>	88,842	<b>218,707</b>	204,932
Other taxes	<b>722</b>	–	<b>21,857</b>	–
Unrealized foreign exchange loss	<b>15,571</b>	41,355	<b>19,638</b>	46,244
Depreciation	<b>80,302</b>	50,727	<b>142,578</b>	91,811
<b>EBITDA</b>	<b>547,257</b>	456,628	<b>912,150</b>	913,939

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

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
			\$'000	\$'000
Profit after taxes	66,516	87,183	(2,894)	169,663
Finance income	(62,873)	(61,956)	(125,330)	(119,782)
Current and deferred tax expense (recovery)	782	(1,769)	(2,377)	(2,650)
Finance costs	32,871	5,539	41,815	16,004
Unrealized foreign exchange loss	2,257	1,934	8,372	3,225
Depreciation	688	609	1,446	1,085
<b>EBITDA</b>	<b>40,241</b>	<b>31,540</b>	<b>(78,968)</b>	<b>67,545</b>
Share of profit from joint venture net of tax	(89,616)	(73,066)	(134,781)	(155,725)
Company's share of EBITDA from Kamo-a-Kakula joint venture <sup>(1)</sup>	224,113	180,489	368,277	361,285
Loss on fair valuation of embedded derivative liability	20,727	26,618	159,998	57,518
Non-cash share-based payments	7,459	6,589	14,799	13,127
<b>Adjusted EBITDA</b>	<b>202,924</b>	<b>172,170</b>	<b>329,325</b>	<b>343,750</b>

<sup>(1)</sup> The Company's attributable share of EBITDA from the Kamo-a-Kakula joint venture is calculated using the Company's effective shareholding in Kamo-a Copper SA (39.6%), Ivanhoe Mines Energy DRC SARL (49.5%), Kamo-a Holding Limited (49.5%) and Kamo-a 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 and the finance costs on the early redemption of the convertible notes.

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Profit (loss) after taxes	66,516	87,183	(2,894)	169,663
Finance costs on early redemption of convertible notes	28,076	–	28,076	–
Loss on fair valuation of embedded derivative liability	20,727	26,618	159,998	57,518
<b>Normalized profit after taxes</b>	<b>115,319</b>	<b>113,801</b>	<b>185,180</b>	<b>227,181</b>

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 and the finance costs on the early redemption of the convertible notes

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Profit attributable to the owners of the Company	76,401	92,042	10,849	178,679
Finance costs on early redemption of convertible notes	28,076	–	28,076	–
Loss on fair valuation of embedded derivative liability	20,727	26,618	159,998	57,518
<b>Normalized profit attributable to owners of the Company</b>	<b>125,204</b>	<b>118,660</b>	<b>198,923</b>	<b>236,197</b>
Weighted average number of basic shares outstanding	1,282,307,274	1,218,191,621	1,275,819,366	1,217,766,262
<b>Basic profit per share</b>	<b>0.06</b>	<b>0.08</b>	<b>0.01</b>	<b>0.15</b>
<b>Normalized profit per share</b>	<b>0.10</b>	<b>0.10</b>	<b>0.16</b>	<b>0.19</b>

#### 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		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Kamoa Holding Limited (a)	58,123	49,837	113,514	97,429
Kamoa Services (Pty) Ltd. (b)	1,077	1,063	2,299	2,214
Kamoa Copper SA (c)	318	240	651	527
Ivanhoe Mines Energy DRC SARL (d)	70	32	145	80
I-Pulse Inc. (e)	32	11	72	11
Ivanhoe Electric Inc. (f)	9	10	10	15
High Power Exploration Inc. (g)	3	5,485	3	7,792
Ivanhoe Capital Aviation Ltd. (h)	(1,125)	(1,125)	(2,250)	(2,250)
CITIC Metal Africa Investments Limited (i)	(52)	(52)	(105)	(105)
Global Mining Management Corporation (j)	(43)	(47)	(95)	(115)
Ivanhoe Capital Services Ltd. (k)	(10)	(127)	(121)	(222)
	<b>58,402</b>	<b>55,327</b>	<b>114,123</b>	<b>105,376</b>
Finance income	58,123	55,326	113,514	105,225
Intergroup recharges and cost recovery	1,474	1,358	3,078	2,819
Salaries and benefits	21	(137)	(109)	(239)
Travel	(1,090)	(1,128)	(2,177)	(2,250)
Office and administration	(62)	(34)	(66)	(51)
Directors fees	(52)	(52)	(105)	(105)
Consulting	(12)	(6)	(12)	(23)
	<b>58,402</b>	<b>55,327</b>	<b>114,123</b>	<b>105,376</b>

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 June 30, 2024, trade and other payables included \$0.3 million (December 31, 2023: \$0.4 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 June 30, 2024, amounted to \$9.5 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) Kamo Holding Limited (“Kamo Holding”) is a company registered in Barbados. The Company has an effective 49.5% ownership in Kamo Holding. The Company earns interest on the loans advanced to Kamo Holding.
- (b) Kamo Services (Pty) Ltd. (“Kamo Services”) is a company registered in South Africa. The Company has an effective 49.5% ownership in Kamo Services. The Company provides administration, accounting and other services to Kamo Services on a cost-recovery basis.
- (c) Kamo Copper SA (“Kamo Copper”) is a company incorporated in the DRC. The Company has an effective 39.6% ownership in Kamo Copper. The Company provides administration, accounting and other services to Kamo 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) 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.
- (h) 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.
- (i) 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.
- (j) 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.
- (k) 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.



## 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 Kamo Holding Limited as a joint venture*

Kamo Holding Limited ("Kamo 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, Kamo 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 Kamo 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 Kamo-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 Kamo 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 six months ended June 30, 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. (i)
- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments: These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. They also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). The Company has considered the amendment and assessed that it will have no material impact on adoption. (ii)
- IFRS 18 Presentation and Disclosure in Financial Statements: This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss, required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures), and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Company is assessing the impact of this amendment on its financial statements. (iii)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures: This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if it does not have public accountability, and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. The Company is assessing the impact of this amendment on its financial statements. (iii)

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

- (i) Effective for annual periods beginning on or after January 1, 2025
- (ii) Effective for annual periods beginning on or after January 1, 2026
- (iii) Effective for annual periods beginning on or after January 1, 2027

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

### Fair value of financial instruments

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

	Level	June 30, 2024 \$'000	December 31, 2023 \$'000
<b>Financial assets</b>			
<i>Financial assets at fair value through profit or loss</i>			
Investment in I-Pulse Inc.	Level 3	<b>79,360</b>	79,360
Investment in Renergen Ltd.	Level 1	<b>2,304</b>	4,173
Investment in unlisted entity	Level 1	<b>655</b>	655
Investment in other listed entities	Level 3	<b>281</b>	277
<i>Amortized cost</i>			
Loan advanced to joint venture	Level 3	<b>1,845,800</b>	1,732,286
Cash and cash equivalents		<b>246,368</b>	574,294
Loans receivable	Level 3	<b>47,222</b>	46,017
Promissory note receivable	Level 3	<b>26,813</b>	26,800
Other receivables		<b>25,128</b>	16,574
<b>Financial liabilities</b>			
<i>Financial liabilities at fair value through profit or loss</i>			
Convertible notes - embedded derivative liability	Level 3	<b>26,305</b>	306,561
<i>Amortized cost</i>			
Convertible notes - host liability	Level 3	<b>33,412</b>	495,970
Borrowings	Level 3	<b>149,827</b>	140,011
Trade and other payables		<b>126,537</b>	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		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Interest on loan to joint venture	58,123	49,837	113,514	97,429
Interest on bank balances	4,139	5,979	10,610	13,278
Interest on long-term loan receivable - Gécamines	611	646	1,205	1,269
Other	-	7	1	11
Interest on long-term loan receivable - HPX	-	5,487	-	7,795
	<b>62,873</b>	<b>61,956</b>	<b>125,330</b>	<b>119,782</b>

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:

	June 30,	December 31,
	2024	2023
	\$'000	\$'000
<b>Assets</b>		
Canadian dollar	157,003	223,621
South African rand	79,678	106,202
British pounds	9,700	7,548
Australian dollar	215	248
<b>Liabilities</b>		
South African rand	(38,802)	(41,913)
British pounds	(9,452)	(7,807)
Canadian dollar	(67)	(541)

## 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.

	<b>Six months ended</b>	
	<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Canadian dollar	<b>7,847</b>	384
Australian dollar	<b>10</b>	24
South African rand	<b>(259)</b>	(148)
British pounds	<b>(3)</b>	(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.

#### *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	<b>Total undiscounted cash flows</b>
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at June 30, 2024</b>					
Trade payables (a)	105,613	–	–	–	<b>105,613</b>
FirstBank loan facility	–	50,000	–	–	<b>50,000</b>
Rawbank loan facility	40,273	–	–	–	<b>40,273</b>
ITC loan	–	–	40,056	–	<b>40,056</b>
Aircraft financing facility	3,266	13,604	378	–	<b>17,248</b>
Lease liability	720	2,354	1,875	6,185	<b>11,134</b>
Loan from Citi bank	123	3,957	–	–	<b>4,080</b>
<b>As at December 31, 2023</b>					
Convertible notes	14,383	596,535	–	–	<b>610,918</b>
Trade payables (a)	96,936	–	–	–	<b>96,936</b>
Rawbank loan facility	80,552	–	–	–	<b>80,552</b>
ITC loan	–	–	38,405	–	<b>38,405</b>
Aircraft financing facility	4,534	13,604	2,645	–	<b>20,783</b>
Lease liability	664	2,460	1,814	6,473	<b>11,411</b>
Loan from Citi bank	262	3,845	–	–	<b>4,107</b>

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

## DESCRIPTION OF CAPITAL STOCK

As at July 30, 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 1,349,472,576 Class A shares were issued and outstanding.

The Company granted 1,292,265 options in 2023 and 1,199,655 options in 2024 to date. As at July 30, 2024, 13,823,794 options were outstanding issued in terms of the Equity Incentive Plan exercisable into 13,823,794 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 July 30, 2024, there were 3,131,596 RSUs which may vest into 3,131,596 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 July 30, 2024, there were 1,241,990 PSUs which may vest into 1,241,990 Class A shares.

The Company granted 152,019 deferred share units (DSUs) in 2024 to date and 221,764 DSUs in 2023 per the Company's Deferred Share Unit Plan. As at July 30, 2024, there were 642,306 DSUs which may vest into 642,306 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 June 30, 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 June 30, 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 June 30, 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](http://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](http://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: (i) statements that Ivanhoe Mines expects that the cash flow generated from Kamoakakula's Phase 1 and Phase 2 operations, as well as project-level financing facilities, will be sufficient to fund the remaining capital cost requirements for the Phase 3 expansion; (ii) statements that, through phased expansions the Kamoakakula Copper Complex is positioned to become one of the world's largest copper producers; (iii) statements that the third phase of Kamoakakula's expansion is expected to ramp up to an annualized copper production rate of over 600,000 tonnes; (iv) statements that the Phase 3 concentrator ramp up to steady state production is expected in August; (v) statements that the project work, funded by Kamoakakula Copper, to deliver solutions for the identified causes of instability experienced across the southern DRC's grid infrastructure is expected to be completed by late 2025; (vi) statements that Kamoakakula's executive team are targeting that imported power will increase by up to a further 20 MW by the end of the third quarter and that subject to capacity availability in the first half of 2025, imported power is then expected to increase to 100 MW; (vii) statements that 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 early 2025; (viii) statements that installation and commissioning of the new generators at Kamoakakula is expected to be complete in early August, increasing the total on-site generation capacity to 135 MW; (ix) statements that the Phase 3 concentrator will add an additional requirement of 45 MW once fully ramped up in the third quarter and that in addition, the smelter will require a further 75 MW of power once fully ramped up throughout 2025; (x) statements that Kamoakakula's engineering team are also investigating the installation of an on-site solar farm and that a decision on the development of a solar project will be made in the second half of 2024; (xi) statements that following the commissioning of the Phase 3 concentrator, with ramp-up to commercial production targeted for Q3 2024, Kamoakakula will have a total design processing capacity of 14.2 Mtpa; (xii) statements that copper concentrate produced from the Phase 3 concentrator will initially all be sold to generate cash flow, while later during the year concentrate will be partially sold to generate cash flow, and partially stockpiled in anticipation of the smelter commissioning scheduled for 2025; (xiii) 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 per annum; (xiv) statements that the smelter project is on schedule for construction completion by the end of 2024, furnace heat up is expected to start in Q1 2025; (xv) statements that the remaining equipment for the smelter construction will be delivered in the next two months; (xvi) 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 future Phase 4) concentrators; (xvii) statements that as a by-product, the smelter will also produce approximately 700,000 tonnes per year of high-strength sulphuric acid and that offtake contracts for the high-strength sulphuric acid produced by the smelter are well-advanced with local purchasers; (xviii) statements that Turbine #5 at the Inga II hydroelectric facility is expected to be completed by Q1 2025 and it will generate 178 MW of hydroelectric power of the DRC grid from Q1 2025 and that wet commissioning and synchronization to the grid are now expected to take place in mid Q1 2025; (xix) statements that the later commissioning of Turbine #5 is not expected to impact the ramp-up of the direct-to-blister smelter from early 2025, due to additional imported power secured, and the availability of back-up generation capacity; (xx) statements that by liberating unrecovered copper from the tailings stream of the Kakula concentrators, Kamoakakula aims to increase recoveries to approximately 95%, thereby reducing the copper lost to tailings; (xxi) statements that copper in concentrate produced by the Phase 3 concentrator is expected to have a higher cash cost, compared with that of the Phase 1 and Phase 2 concentrators; (xxii) statements that on completion of the on-site smelter construction, which is on target for completion in Q4 2024, the smelter is expected to drive a decrease in average cash cost (C1) over the first five years post-completion (from 2025) by approximately 20%; (xxiii) statements that the design recoveries of the Kipushi concentrator are targeted to be 96% with a concentrate grade averaging 55% contained zinc; (xxiv) statements that over the first five years annualized production is expected to average 278,000 tonnes of zinc in concentrate, positioning Kipushi as the world's fourth-largest zinc mine and the largest on the African continent; (xxv) statements that Kipushi's ramp-up to steady state production is expected in September; (xxvi) statements that the Kipushi concentrator's debottlenecking program is targeting a 20% increase in processing capacity to 960,000 tonnes of ore per annum; (xxvii) statements that initially, it is expected that approximately 50% of Kipushi's concentrate will be delivered to Europe for smelting on a CIF basis, exported via the port of Walvis Bay, the remaining 50% will be a DAP to the port of Durban; (xxviii) statements that off-take agreements for the remaining Kipushi concentrate are expected to be placed in the coming months; (xxix) statements that underground mining rates at Kipushi are expected to significantly increase throughout the second half of the year to match the steady-state processing rate of

the concentrator; (xxx) statements that Kipushi will be the lowest greenhouse gas emitter per tonne of zinc produced; (xxxi) statements that first concentrate at Platreef is expected in the second half of 2025; (xxxii) statements that the concentrator will be placed on care and maintenance until H2 2025, as Shaft #1 prioritizes hoisting waste development required to bring forward the start of Phase 2; (xxxiii) statements that the 10-metre diameter Shaft 2, which is required for the Phase 2 expansion, will be the largest hoisting shaft on the African continent; (xxxiv) statements that the Phase 2 expansion at Platreef will be accelerated by re-purposing ventilation Shaft #3 for hoisting; (xxxv) statements that the reaming of Shaft #3 is expected to be completed during the third quarter of 2024 and that once equipped, Shaft #3 is expected to be ready for hoisting in the first quarter of 2026, well ahead of the completion of the much larger Shaft #2; (xxxvi) statements that the Platreef 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; (xxxvii) statements that an additional underground ventilation will now be provided by a new 5.1-metre diameter, named Shaft #4 and that once reaming is completed and the ventilation fans are installed, Shaft #4 is expected to be operational during the third quarter of 2025; (xxxviii) statements that the updated Feasibility Study for the Phase 2 expansion, which is planned to be completed in the fourth quarter of 2024; (xxxix) statements that Ivanhoe has also commissioned a PEA for an additional expansion, Phase 3, taking the total Platreef processing capacity up to approximately 10 Mtpa and that this 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, which is expected to be completed in the fourth quarter of 2024; (xl) statements that 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; (xli) statements that on-boarding of the Shaft #2 sinking concentrator to commence sinking operations in the first quarter of 2025; (xlii) statements that the production winder, as well as the man and material winder of Shaft #2, are expected to be delivered to site early in the third quarter of 2024; (xliii) statements that Kamoakakula's production guidance is maintained at between 440,000 and 490,000 tonnes of copper; (xliv) statements that recovery from Project 95 is expected to boost average annualized copper production by 27,000 tonnes from the Phase 1 and 2 concentrators and that Project 95 execution is expected to take 18 months; (xlv) statement regarding Kipushi's 2024 production guidance being between 100,000-140,000 tonnes of zinc in concentrate; (xlvi) statements that the on-site smelter will offer transformative financial benefits for the Kamoakakula 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; (xlvii) statements regarding Kamoakakula's 2024 guidance consisting of 440,000 – 490,000 tonnes of copper in concentrate and a cash cost (C1) of \$1.50 - \$1.70 per lb; and (xlix) statements regarding the company's capital expenditures guidelines for 2024 and 2025..

Also, all of the results of 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.

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 60 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](http://www.sedarplus.ca).