

IVANHOE MINES

Dated November 4, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

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 nine months ended September 30, 2023, 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, 2022, and 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS). All dollar figures stated herein are in U.S. dollars unless otherwise specified. References to "C\$" mean Canadian dollars and references to "R" mean South African Rands.

The effective date of this MD&A is November 4, 2023. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca. Certain statements contained in the MD&A are forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements" and "Risk Factors".

This MD&A includes references to earnings before interest, tax, depreciation and amortization (EBITDA), Adjusted EBITDA, EBITDA margin, normalized profit, and "Cash costs (C1) per pound" which are non-GAAP financial performance measures. For a detailed description of each of the non-GAAP financial performance measures used in this MD&A, and a detailed reconciliation to the most directly comparable measure under IFRS, please refer to the non-GAAP Financial Performance Measures section of this MD&A starting on page 45. 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.

THIRD QUARTER HIGHLIGHTS

- Record quarterly production of 103,947 tonnes of copper in concentrate was achieved at the Kamoakakula Copper Complex ("Kamoakakula") for Q3 2023, compared to 103,786 tonnes in Q2 2023 and 97,820 tonnes in Q3 2022.
- Kamoakakula sold 96,509 tonnes of payable copper during Q3 2023, recognizing revenue of \$695 million, an operating profit of \$373 million and quarterly EBITDA of \$423 million.
- Kamoakakula's cost of sales per pound (lb.) of payable copper sold was \$1.34/lb. for Q3 2023 compared with \$1.24 and \$1.05 in Q2 2023 and Q3 2022, respectively. Cash costs (C1) per pound of payable copper produced in Q3 2023 totaled \$1.46/lb., compared to \$1.41/lb. and \$1.43/lb. in Q2 2023 and Q3 2022, respectively.
- Copper in concentrate held in inventory at Kamoakakula at quarter end increased to more than 3,000 tonnes. In addition, approximately 48,000 dry metric tonnes of concentrate were sent for tolling at the local smelter in Q3, with copper in work in progress at the end of the quarter exceeding 7,000 tonnes. Excess inventory is expected to be sold in the fourth quarter.
- Ivanhoe Mines recorded a profit of \$108 million for Q3 2023, which includes a \$12 million non-cash gain on the \$575 million convertible bond fair valuation, compared with a profit of \$87 million for Q2 2023. The profit in the quarter includes Ivanhoe Mines' share of profit and finance income from the Kamoakakula joint venture of \$121 million for Q3 2023.
- Ivanhoe Mines Adjusted EBITDA was \$152 million for Q3 2023, compared with \$85 million for the same period in 2022, and \$172 million for Q2 2023, which includes an attributable share of EBITDA from Kamoakakula.
- Since entering Phase 1 commercial production on July 1, 2021, the Kamoakakula joint venture has generated \$2.14 billion of net cash from operating activities, which has funded both the Phase 2 and Phase 3 expansions to date.

- Ivanhoe Mines has a strong balance sheet with cash and cash equivalents of \$303 million on hand as at September 30, 2023. The Company expects Kamo-Kakula's Phase 1 and Phase 2 cash flow, together with additional local financing facilities that are advancing well, to be sufficient to fund the Phase 3 expansion capital cost requirements at current copper prices.
- Kamo-Kakula's full-year cash cost (C1) guidance is unchanged at \$1.40 – \$1.50 per pound and full-year production guidance also maintained at 390,000 to 430,000 tonnes of copper in concentrate.

Photo: DRC President, His Excellency Félix Tshisekedi, alongside Ivanhoe Mines' President Marna Cloete, cuts the ribbon to mark the formal opening of the newly constructed Kamo Centre of Excellence in October 2023. Following the opening ceremony, the President met with the inaugural class, which was enrolled in September.



KAMOA-KAKULA COPPER COMPLEX

The Kamoa-Kakula Copper Complex is approximately 25 kilometres southwest of the town of Kolwezi and about 270 kilometres west of Lubumbashi in the DRC Copperbelt. Kamoa-Kakula's Phase 1 concentrator began producing copper in May 2021 and achieved commercial production on July 1, 2021. The Phase 2 concentrator, which doubled nameplate production capacity, was commissioned in April 2022. Kamoa-Kakula is independently ranked by international mining consultant Wood Mackenzie to become the world's third-largest copper mining operation in 2027, following the completion of the ongoing Phase 3 expansion. Kamoa-Kakula's employee workforce is currently 97% Congolese.

The Kamoa-Kakula Copper Complex is operated as the Kamoa Holding joint venture between Ivanhoe Mines and Zijin Mining. 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 summary of operating and financial data

| | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|---|----------------------------|----------|---------|---------|-----------|
| Ore tonnes milled (000's tonnes) | 2,236 | 2,244 | 1,930 | 2,006 | 2,082 |
| Copper ore grade processed (%) | 5.37%⁽²⁾ | 5.21% | 5.42% | 5.40% | 5.60% |
| Copper recovery (%) | 87.2% | 87.2% | 87.1% | 86.1% | 85.9% |
| Copper in concentrate produced (tonnes) | 103,947 | 103,786 | 93,603 | 92,761 | 97,820 |
| Payable copper sold (tonnes) | 96,509 | 101,526 | 86,777 | 92,208 | 93,812 |
| Cost of sales per pound (\$ per lb.) | 1.34 | 1.24 | 1.25 | 1.08 | 1.05 |
| Cash cost (C1) (\$ per lb.) | 1.46 | 1.41 | 1.42 | 1.42 | 1.43 |
| Realized copper price (\$ per lb.) | 3.84 | 3.79 | 4.04 | 3.54 | 3.50 |
| Sales revenue before remeasurement (\$'000) | 681,821 | 729,924 | 659,529 | 619,997 | 570,504 |
| Remeasurement of contract receivables (\$'000) | 13,014 | (27,542) | 29,594 | 53,473 | (110,031) |
| Sales revenue after remeasurement (\$'000) | 694,835 | 702,382 | 689,123 | 673,470 | 460,473 |
| EBITDA (\$'000)⁽¹⁾ | 423,211 | 456,628 | 457,311 | 452,089 | 251,086 |
| EBITDA margin (% of sales revenue) | 61% | 65% | 66% | 67% | 55% |

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", normalized profit and "Cash costs (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 45.

⁽¹⁾ Unrealized foreign exchange losses have been excluded from EBITDA in the current and prior periods presented, as the Company believes that including the unrealized foreign exchange gains and losses does not give a valuable indication 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.

⁽²⁾ Previously disclosed as 5.55% on October 4, 2023 but amended following metallurgical reconciliation.

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

| | | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|--|---------------------|-------------|-------------|-------------|-------------|-------------|
| Mining | (\$ per lb.) | 0.41 | 0.39 | 0.41 | 0.40 | 0.41 |
| Processing | (\$ per lb.) | 0.20 | 0.19 | 0.19 | 0.16 | 0.12 |
| Logistics charges (delivered to China) | (\$ per lb.) | 0.46 | 0.45 | 0.46 | 0.50 | 0.56 |
| Treatment, refining and smelter charges | (\$ per lb.) | 0.25 | 0.25 | 0.23 | 0.23 | 0.21 |
| General and administrative expenditure | (\$ per lb.) | 0.14 | 0.13 | 0.13 | 0.13 | 0.13 |
| C1 cash cost per pound of payable copper produced | (\$ per lb.) | 1.46 | 1.41 | 1.42 | 1.42 | 1.43 |

C1 cash costs are 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 Kamo Holding joint venture that is contained in the financial statements. C1 cash costs are 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 costs exclude 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.

Photo: Construction of Kamo-Kakula's Phase 3 concentrator project now is 56% complete and now ahead of schedule for completion now expected in Q3 2024, including installation of the flotation cells (front) and ball mills (rear).



Kamoa-Kakula produced a record 103,947 tonnes of copper in Q3 2023

Kamoa-Kakula's Phase 1 and 2 concentrators have consistently operated at a steady-state throughput rate of 9.2 million tonnes per annum (Mtpa) following the ahead-of-schedule completion of the debottlenecking program during the first quarter of 2023 and have regularly surpassed this throughput rate during the second and third quarter. The \$50-million Phase 1 and 2 concentrator debottlenecking program was completed on budget and ahead of schedule in late February 2023, increasing production capacity up to 450,000 tonnes of copper in concentrate per annum.

The Kamoa-Kakula Phase 1 and Phase 2 concentrators continued to perform strongly in the third quarter, breaking several records including the quarterly production of 103,947 tonnes of copper in concentrate. Kamoa-Kakula's Phase 1 and 2 concentrators milled a record 2.24 million tonnes of ore during the third quarter at an average feed grade of 5.37% copper. This included high-grade, run-of-mine ore from the Kakula Mine, supplemented with ore from the surface stockpiles to achieve throughput in excess of original design capacity. Copper recoveries for the quarter averaged 87.2%.

While the ongoing expansion of underground infrastructure at the Kakula mine continues, ore is drawn down as required from surface stockpiles to maximize copper production.

Kamoa-Kakula's year-to-date production is 301,336 tonnes of copper in concentrate, which includes the ramp-up following the completion of the debottlenecking program in February 2023. The 2023 annual production guidance for Kamoa-Kakula is maintained at between 390,000 to 430,000 tonnes of copper in concentrate.

For July, Kamoa-Kakula's Phase 1 and 2 concentrators milled 0.6 million tonnes of ore at an average feed grade of 5.8% copper and recoveries of 88.0%, producing 35,636 tonnes, just short of a monthly record.

The quarterly production record at Kamoa-Kakula was achieved despite continued intermittent grid instability.

Since late Q4 2022, Kamoa Copper has been working alongside DRC's state-owned power company, La Société Nationale d'Electricité (SNEL), to identify the causes of instability across the southern DRC's grid infrastructure to assist with delivering long-lasting solutions. Kamoa Copper has identified a series of upgrades and has outlined a project plan to deliver the improvements. Mobilization of resources is underway, with vendor selection and equipment procurement having commenced.

Concurrently, Kamoa Copper's engineering team are working towards insulating Kamoa-Kakula from future instability by expanding on-site backup generation capacity, as well as sourcing additional power imported from the Zambian grid, with negotiations nearing completion for initial provision of 30 MW.

Over the next 12-18 months, on-site backup-power generation capacity will increase via a phased rollout. The current installed on-site backup-power generation capacity is approximately 48 megawatts (MW). Delivery of a further 30 MW in backup generation capacity, sufficient to power Kamoa-Kakula's entire Phase 1 and 2 operations in the event of grid disruptions, will commence later this year and be fully commissioned in the first quarter of 2024. Over 130 MW of further backup generation capacity has been ordered and is expected to be installed in 2024, in time for the completion of the Phase 3 concentrator and smelter that are currently under construction.

Discussions are advancing to secure up to 100 MW of additional power via the Zambian grid interconnector.

Draw-down of surface ore stockpiles at Kakula continues as required. While the ongoing expansion of underground infrastructure at the Kakula mine takes place, ore will be drawn as required from the stockpile to maximize copper production.

Kamoa-Kakula’s high- and medium-grade ore surface stockpiles totaled approximately 4.1 million tonnes at an estimated grade of 3.6% copper as of the end of September 2023 and contained more than 144,000 tonnes of copper. The operation mined 2.2 million tonnes of ore grading 5.6% copper in Q3 2023, which was comprised of 2.0 million tonnes grading 5.4% copper from the Kakula mine, including 1 million tonnes grading 7.1% copper from the mine’s high-grade centre.

Photo: The 2023 Kipaji group kicked off their “High Flyer Management Development Program” in late October. Kamoa’s Kipaji program offers courses that focus on leadership.



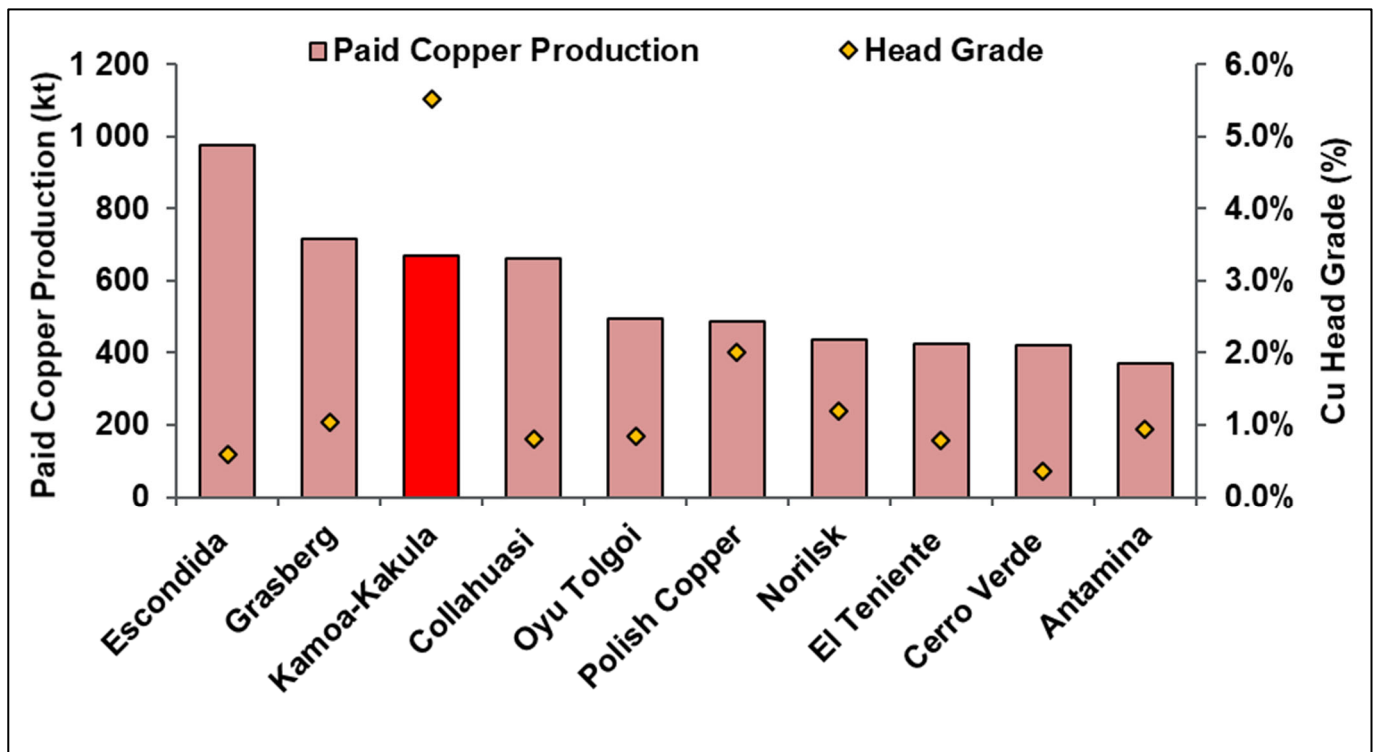
Construction of the Phase 3 concentrator plant and associated infrastructure advancing ahead of schedule

Kamoa-Kakula’s ongoing Phase 3 concentrator expansion now is expected to be commissioned in Q3 2024 and includes a new 5-Mtpa plant at Kamoa, which is approximately 10 kilometres north of the Phase 1 and 2 concentrators.

The process design of the Phase 3 concentrator is very similar to that of the Phase 1 and 2 concentrators, but 30% larger. The front end of the concentrator (stockpile, crushing and screening) is being built to a capacity of 10 Mtpa, double the required capacity for Phase 3, in anticipation of the future Phase 4 expansion. This follows the same construction approach as Phase 1 and Phase 2. The bulk of the equipment is the same or similar to that installed in the Phase 1 and 2 concentrators, resulting in a commonality of spare parts, while also leveraging prior operational and maintenance experience.

Following the commissioning of Phase 3, Kamoa-Kakula will have a total design processing capacity of 14.2 Mtpa. The completion of Phase 3 is expected to increase annualized copper production to an average of approximately 620,000 tonnes per year over the next ten years, which will position Kamoa Copper as the world’s third-largest copper mining complex in 2027, and the largest copper mine on the African continent. See Figure 1.

Figure 1: World's projected top 10 copper mines in 2027, by key metrics.



Note: Kamo-a-Kakula production and grade are based on the Kamo-a-Kakula 2023 PFS. The 'Cu Head Grade' for the projects benchmarked by Wood Mackenzie reflects the average reserve grade. Source: Wood Mackenzie, 2023 (based on public disclosure, the Kamo-a-Kakula 2023 PFS has not been reviewed by Wood Mackenzie).

Kamo-a-Kakula's Phase 3 expansion, consisting of two new underground mines known as Kamo-a 1 and Kamo-a 2 and a new 5-Mtpa concentrator plant, is well on track for first production in the fourth quarter of 2024. Construction of the twin declines to the Kamo-a 1 and Kamo-a 2 underground mines and excavation to access the Phase 3 mining areas is advancing well. The Kamo-a 1 and Kamo-a 2 mines share a single box cut with a twin service-and-conveyor decline.

The main access tunnels (drives) between the Kamo-a 1 and Kansoko declines for the Phase 3 development now are connected (holed) in the centre of the deposit, a major achievement and milestone for the project team and the underground mining crews as it opens the mine's footprint for ventilation and marks entry into higher-grade ore from both sides of the deposit.

Photo: Construction crews lift the first shell section of the secondary ball mill into place at Kamoakakula's Phase 3 concentrator site.



Photo: Construction of the concentrate thickener is progressing well at Kamoakakula's Phase 3 concentrator site. The process design of the Phase 3 concentrator is very similar to that of the Phase 1 and 2 concentrators, but 30% larger.



Phase 3 concentrator project 62% complete and ahead of schedule for start-up in Q3 2024

As at October 30, overall project progress of the Phase 3 concentrator is now approximately 62% complete. Production is on budget and well ahead of schedule for Q3 2024. Copper in concentrate produced during the ramp-up period from Q3 2024 onwards will partly be sold to generate additional cash flow, and partly stockpiled in anticipation of the smelter commissioning.

Detailed engineering design and procurement activities are essentially complete, with fabrication activities well advanced. The rate of equipment deliveries to site is steadily increasing. A total of 1,980 truck deliveries have already arrived and been offloaded, with a further 274 en-route to site.

Civil works are now effectively complete, with nearly 30,000 cubic metres of concrete poured to date. The steel, mechanical, piping and plate work (SMPP) contract was awarded during the second quarter, and delivery of structural steel commenced. Over 6,300 tonnes of the required 7,400 tonnes of structural steel and plate work have been shipped to site.

The last lot of the 1,830-tonne primary and secondary ball mill equipment package from CITIC Heavy Industries of Henan province, China, has arrived at site except for the secondary mill feed chute, which is expected in the fourth quarter.

Installation of the first of the two ball mills has commenced at the Phase 3 concentrator site, with flotation cell installation also underway. The first lots of cone crushers, flotation cells, vibrating screens, concentrate filters, cyclone cluster, compressor and pump mechanical equipment packages are now on site or expected to be delivered to site imminently.

Smelter project is 62% complete and on target for commissioning in Q4 2024

The Phase 3 expansion also includes the integration of Africa's largest direct-to-blister flash smelter, which will have a capacity of 500,000 tonnes of 99+%-pure blister copper anodes per annum. The onsite 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 Outotec of Espoo, Finland and will meet the world-leading International Finance Corporation's (IFC) emissions standards.

Detailed engineering and procurement activities for the smelter are nearing completion. More than 11,000 tonnes of the total 25,000 tonnes of structural steel have been delivered to site and structural steel erection is well underway. Overall mechanical and electrical equipment fabrication is 70% complete.

Civil construction is nearing completion with structural steel erection and mechanical equipment installation well underway. Approximately 2,000 construction workers are now working at the smelter site, and the workforce is expected to peak at 3,000 in February 2024.

Kamoa-Kakula's Phase 3 expansion includes the refurbishment of Turbine #5 at the Inga II hydroelectric power station. The turbine will supply an additional 178 MW of clean hydroelectric power to the national grid, which is sufficient to meet the power requirements of the Phase 3 concentrator, and the flash smelter. Study work is also progressing well to upgrade the transmission capacity of the existing grid infrastructure between the Inga II hydropower facility and the Kamoa site. The 99.7% pure blister anode copper produced from Kamoa-Kakula's smelter is expected to be among the lowest carbon-dioxide emitters in the world per tonne of copper produced.

Photo: Construction of Kamoakakula's Phase 3 direct-to-blister smelter furnace is progressing on schedule for completion in Q4 2024. It will be Africa's largest copper smelter.



Photo: The foundations and civil construction for the Phase 3 smelter's high-strength sulphuric acid storage tanks are now complete. As a by-product, the smelter will produce between 650,000 to 800,000 tonnes per year of high-strength sulphuric acid, which is planned to be sold domestically.



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 planned Phase 4) concentrators. Under the Kamoia-Kakula 2023 Integrated Development Plan, the smelter is projected to accommodate 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. Deliveries to LCS are expected to account for approximately 150,000 tonnes of copper concentrate annually.

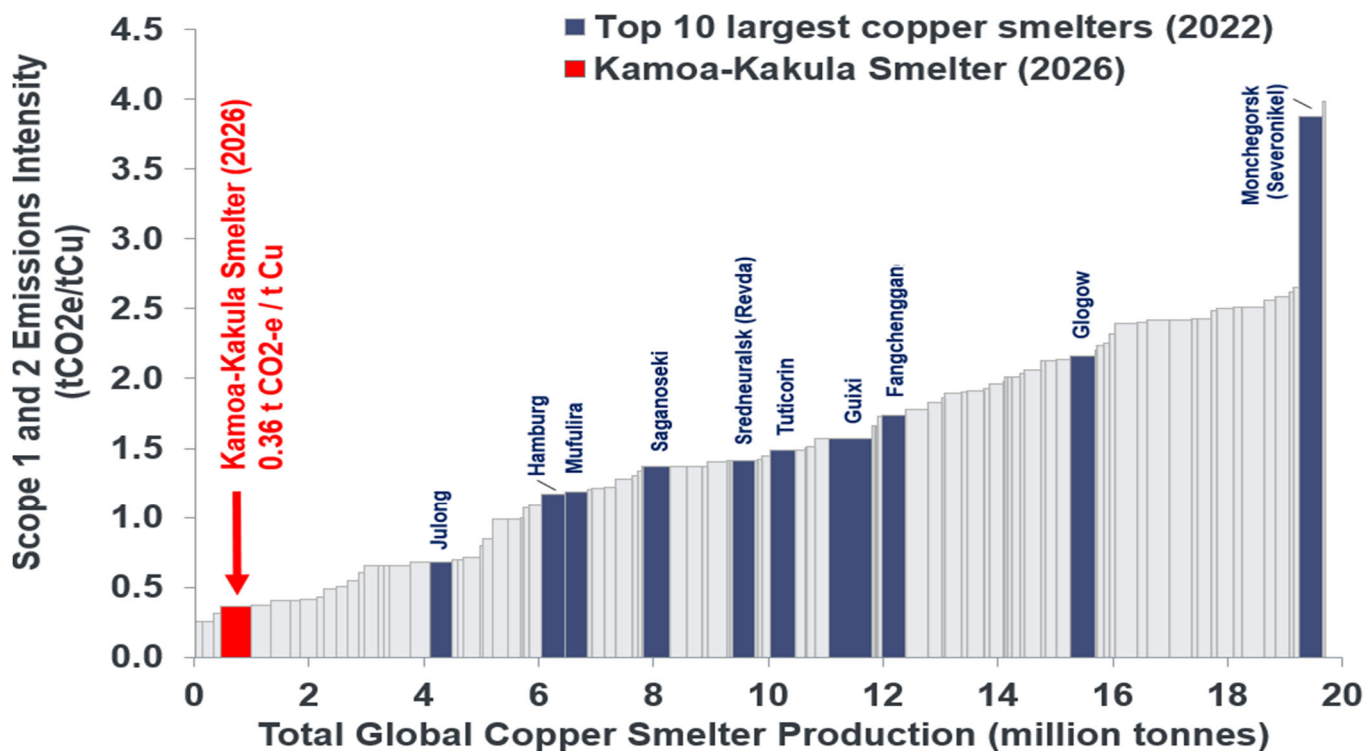
As a by-product, the smelter will also produce in the region of 650,000 to 800,000 tonnes per year of high-strength sulphuric acid. There is a strong demand for sulphuric acid in the DRC, as it is used to leach copper from oxide ores through the SX-EW (solvent extraction and electrowinning) process. The DRC market consumed approximately 6 million tonnes of acid in 2022. The vast majority of the consumed high-strength sulphuric acid is imported by regional consumers in the form of sulphur and burned in domestic acid plants.

The on-site smelter will offer transformative financial benefits for the Kamoia-Kakula Copper Complex, most notable being a material reduction in logistics costs, and to a lesser extent reduced concentrate treatment charges and local taxes, as well as revenue from acid sales. Logistics costs accounted for 32% of Kamoia-Kakula's total cash costs (C1) during Q3 2023, and the volume of shipments is expected to halve following the smelter start-up as trucks will transport 99+%-pure blister copper anodes instead of concentrate with approximately 50% contained copper. According to the Kamoia-Kakula 2023 Prefeasibility Study, smelting on-site is expected to drive a decrease in average cash costs (C1) over the first five years post-completion (from 2025) by approximately 20%.

Phase 3 direct-to-blister flash copper smelter will be one of the world's largest copper smelters and also one of the greenest

According to the assessment completed by Skarn Associates and WSP Group, the smelter will have one of the world's lowest Scope 1 and 2 GHG emission intensities. As shown in Figure 2, the smelter is estimated to produce 0.36 CO₂-e / t Cu. Out of the approximately 100 copper smelters analyzed globally, the smelter is estimated to rank fourth lowest in terms of GHG emissions.

Figure 2: 2021 Scope 1 & 2 global copper smelter GHG emissions intensity curve, highlighting Kamoia-Kakula smelter and the world's top 10 largest copper smelters.

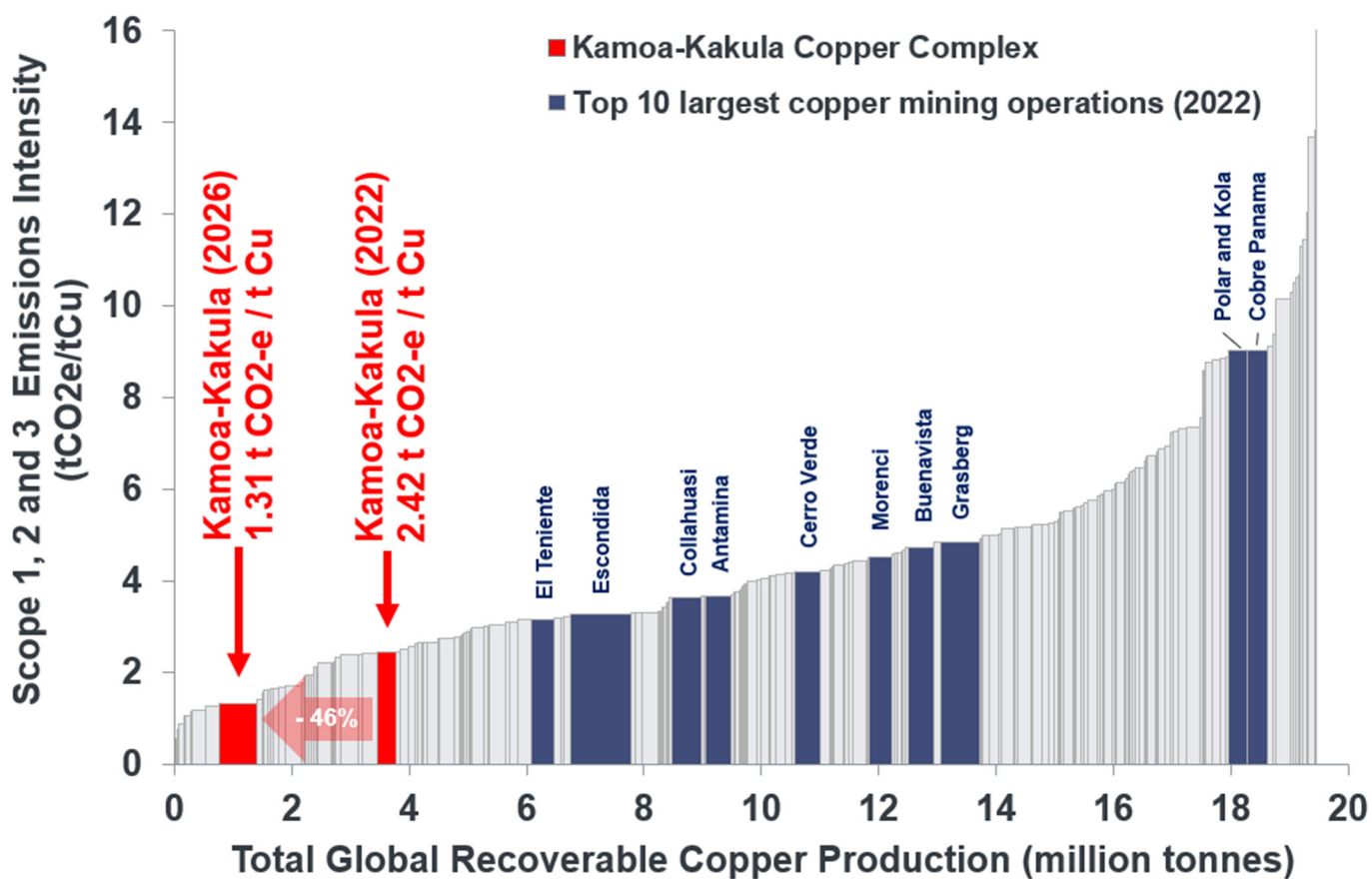


Notes: Kamo-Kakula and industry peer Scope 1 and 2 GHG emissions data are estimates by Skarn Associates. Estimates include all direct and indirect emissions to produce copper blister-anode at the smelter gate. The horizontal width of each bar represents each smelter's 2021 copper production. In 2026, the Kamo-Kakula Smelter is estimated to produce 500,000 tonnes of copper blister-anode, emitting an estimated 179,389 equivalent tonnes of CO₂, thereby producing 0.36 equivalent tonnes of CO₂ per tonne of copper produced. Chart sources: Skarn Associates, WSP Group and Ivanhoe Mines.

Smelter investment will reduce Kamo-Kakula carbon emissions per unit of refined copper (Scope 1, 2 and 3) by an additional 46%

Based on Scope 1, 2 and 3 (partial) emissions, including downstream emissions beyond the mine gate to produce LME-grade refined metal, Skarn Associates and WSP Group estimate that Kamo-Kakula's GHG emissions-intensity in 2022 was 2.42 CO₂-e / t Cu. Following the completion of the Phase 3 expansion and the smelter, the emissions intensity of Kamo-Kakula on a Scope 1, 2 and 3 basis is estimated to almost halve to 1.31 CO₂-e / t Cu. Industry peer data compiled by Skarn Associates ranks Kamo-Kakula Copper Complex comfortably within the bottom decile of the GHG emissions intensities on a Scope 1, 2 and 3 basis as shown in Figure 3.

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



Notes: Kamo-Kakula and industry peer Scope 1, 2 and 3 GHG emissions data are estimates by Skarn Associates. Estimates include emissions to produce refined LME-grade copper, from ore to the refinery gate. The emissions estimates for Scope 3 include Category 9, downstream transportation and distribution, and Category 10, processing of sold products. The horizontal width of each bar represents each operation's 2022 copper production. In 2022, Kamo-Kakula produced 333,497 tonnes of copper, emitting an estimated 791,939 equivalent tonnes of CO₂, thereby producing 2.42 equivalent tonnes of CO₂ per tonne of copper produced. In 2026, Kamo-Kakula is estimated to produce 632,000 tonnes of copper, emitting an estimated 830,894 equivalent tonnes of CO₂, thereby producing 1.31 equivalent tonnes of CO₂ per tonne of copper produced. Chart sources: Skarn Associates, WSP Group, Ivanhoe Mines.

The significant reduction in GHG emissions is due to the improvement in Scope 3 emissions from the on-site smelter. This is partially due to the smelter being inherently lower in GHG emissions-intensity compared with typical smelters currently used. The most significant impact is in terms of the transportation of a higher-grade copper anode, instead of shipping copper concentrate.

Currently, copper concentrate of approximately 50% copper (excluding moisture) is trucked up to 3,000 kilometres to the ports of Durban, South Africa, Dar es Salaam, Tanzania and Walvis Bay, Namibia where it is exported to the international markets to be smelted, as shown in Figure 4. Following the completion of the Kamo-Kakula copper smelter, copper will be transported to port in the form of 99.7% pure copper anodes. Therefore, transporting anode with over double the contained copper content, compared with concentrate, requires under half the number of trucks per unit of copper.

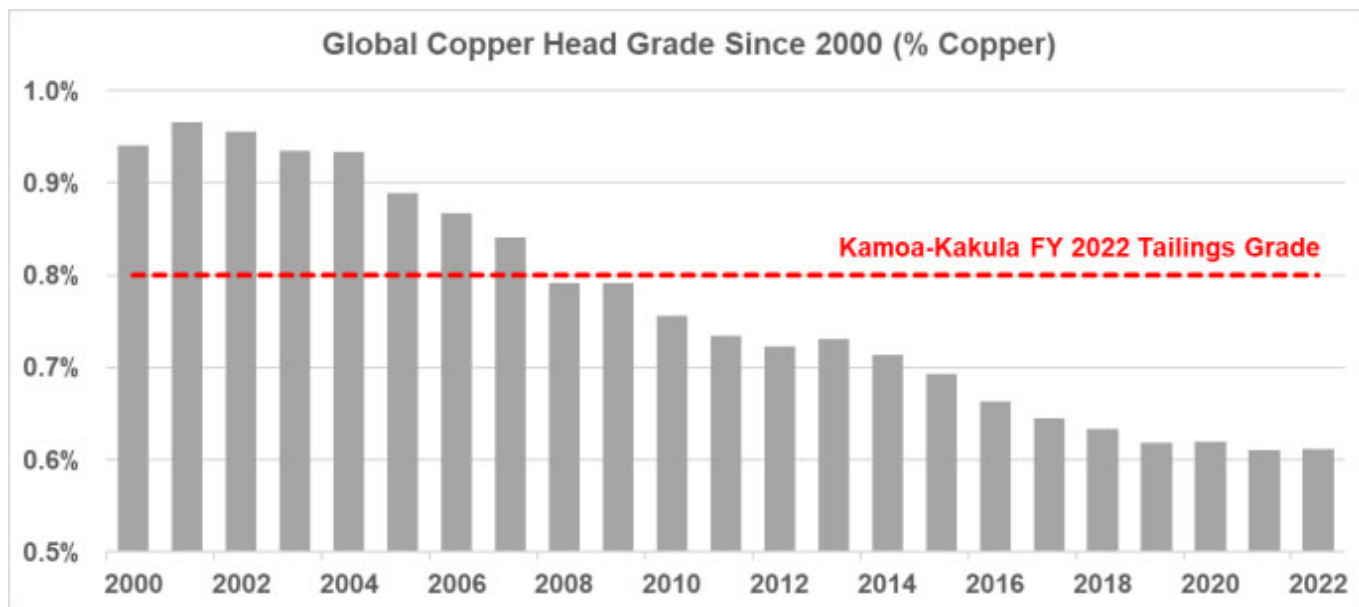
Significant preliminary testwork for improving copper recoveries at Kamo-Kakula

On July 27, 2023, Ivanhoe announced highly promising preliminary testwork to further improve copper recoveries at Kamo-Kakula by liberating copper from the tailings stream by a conventional process of fine-grinding the material followed by flotation, thickening and filtration. Initial preliminary results indicate that with a feed grade of less than 1% copper, approximately 65% of the contained copper can be recovered from the tailings stream, which could increase overall metallurgical recoveries to well over 90%. Based on these results, Kamo-Kakula can further increase production, revenues and cash flow.

Capital and operating cost estimates from an internal study indicate a positive return on investment. Basic engineering for the tailings-stream treatment plant has recently started and is expected to be complete in Q1 2024.

For context, in 2022 the Kamo-Kakula Copper Complex milled approximately 7.1 million tonnes of ore at an average feed grade of 5.5% copper, producing 333,497 tonnes of copper in concentrate. Based on the metallurgical recovery of 86% copper, which was in line with design parameters, more than 50,000 tonnes of copper was not recovered into concentrate and diverted to the tailings storage facility, or used underground as backfill. The grade of Kamo-Kakula’s tailings in 2022 averaged approximately 0.8% copper. For comparison, the average head grade of the copper mines globally was 0.6% in 2022, according to Bank of Montreal (BMO) research. See Figure 4.

Figure 4: Global average copper head grade since 2000, compared with the average copper grade of Kamo-Kakula’s tailings during 2022.



Source: BMO Research, Wood Mackenzie

Refurbishment of hydropower at Inga II approximately 50% complete and on-schedule for Q4 2024 completion

The refurbishment of Turbine #5 at the Inga II hydroelectric facility is approximately 50% complete and advancing on-schedule, and well within budget, for completion in Q4 2024.

Year-to-date, the old turbine, transformers, alternators, and all associated control equipment have been successfully dismantled and removed, as well as all replacement equipment has been ordered.

All long-lead order equipment packages, consisting of the transformers, the turbine, and the alternator have been fabricated and shipped, and are expected to be delivered to site by year-end. In addition, other major equipment packages, including the turbine runner, turbine shaft, and stator frame have also been fabricated and shipped, with their arrival expected on-site by the end of November 2023. All that remains to be delivered are the alternator rotor poles and the water intake main gate, which are both expected to arrive early in the new year.

In addition, the refurbishment of the powerhouse gantry crane is expected to be completed imminently, which will be used to lower the new equipment into place. All contractors are mobilized on-site and are ready to commence assembly works in January 2024. Following wet commissioning and synchronization to the grid in Q4 2024, the fully refurbished Turbine #5 is expected to generate 178 MW of hydroelectric power for the DRC grid.

Outstanding economic results of updated, independent Integrated Development Plan (2023 IDP) for world-leading Kamoakakula Copper Complex

Ivanhoe Mines announced the results of an updated independent Integrated Development Plan (2023 IDP) for the Kamoakakula Copper Complex on January 30, 2023. The 2023 IDP consists of a Pre-Feasibility Study (Kamoakakula 2023 PFS) for the Phase 3 and Phase 4 expansions of the Kamoakakula Copper Complex over a 33-year mine life, as well as an updated Preliminary Economic Assessment (Kamoakakula 2023 PEA) that includes a life-of-mine extension case to 42 years overall.

The Kamoakakula 2023 PFS (Phase 3 and 4 expansion) plans for a staged increase in nameplate processing capacity from the current combined capacity of 9.2 Mtpa, up to a total of 19.2 Mtpa. The Phase 1 and 2 concentrators will continue to process ore from the Kakula Mine, as well as the new adjacent Kakula West Mine from 2029. The Phase 3, 5.0-Mtpa concentrator, which is under construction and is ahead of schedule with the first concentrate expected in Q3 2024, will be fed with ore from the existing Kansoko Sud Mine (formerly Kansoko Mine), as well as new mines currently under development in the Kamoakakula area, known as Kamoakakula 1 and 2. The Phase 4 expansion consists of an additional 5.0-Mtpa concentrator that will take the total processing capacity of the Kamoakakula Copper Complex up to 19.2 Mtpa. The Phase 4 concentrator will be fed by new mines in the Kamoakakula area.

The completion of the Phase 3 concentrator is now expected in Q3 2024, while the commissioning of an on-site, direct-to-blister flash copper smelter capable of producing 500,000 tonnes per annum of copper anode is scheduled for Q4 2024.

Highlights of the Kamoakakula 2023 PFS (Phase 3 and 4 expansion) include:

- Phase 1 and 2 at steady-state throughput (9.2 Mtpa) for the first two years, following the completion of the debottlenecking program by Q2 2023, generating cash flow to fund the ongoing capital expenditures.
- Phase 3 expansion to 14.2 Mtpa processing capacity from late 2024 drives a significant increase in copper production, which is forecast to average 620,000 tonnes during the first ten years.
- Commissioning of the 500,000-tonne-per-annum smelter in conjunction with Phase 3 results in a significant improvement in operating costs.
- A significant period of cash flow generation in the first five years following Phase 3 (2025 to 2029) with copper production averaging approximately 650,000 tonnes at a cash cost (C1) of \$1.15/lb.

- Phase 4 expansion, ramping up 19.2 Mtpa processing capacity after 2030, will allow sustained copper production of over 500,000 tonnes per year through 2047.
- The remaining Phase 3 capital cost, including contingency, is \$3.04 billion, excluding \$255 million already spent through December 2022. Of the \$3.04 billion, \$2.53 billion will be spent during 2023 and 2024 up to the commissioning of the Phase 3 concentrator, with the remaining capital cost for the continuing ramp-up of the mining operations thereafter.
- After-tax NPV, at an 8% discount rate, of \$19.1 billion and a mine life of 33 years at a long-term copper price of \$3.70/lb.

The Kamoakakula 2023 PEA (Life-of-mine extension case) projects a nine-year mine life extension, in addition to the Kamoakakula 2023 PFS. This case includes four new underground mines in the Kamoakakula area (called Kamoakakula 3, 4, 5 and 6) to maintain the overall throughput rate of up to 19.2 Mtpa.

Highlights of the Kamoakakula 2023 PEA (Life-of-mine extension case) include:

- Life-of-mine extension case shows the potential to maintain the processing rate at up to 19.2 Mtpa for an additional 9 years beyond the 33 years in the Kamoakakula 2023 PFS.
- The sequential ramp-up of four new underground mines in the Kamoakakula area (called Kamoakakula 3, 4, 5 and 6) providing an additional 181.2 million tonnes of feed to the Kamoakakula and Kakula concentrators at an average grade of 3.1% copper, producing an additional 4.8 million tonnes of contained copper in concentrate.
- After-tax NPV, at an 8% discount rate, of \$20.2 billion and mine life of 42 years.

The Kamoakakula 2023 PEA is preliminary and includes an economic analysis that is based, in part, on Inferred Mineral Resources. Inferred Mineral Resources are considered too speculative geologically for the application of economic considerations that would allow them to be categorized as Mineral Reserves – and there is no certainty that the results will be realized. Mineral Resources do not have demonstrated economic viability and are not Mineral Reserves.

The Kamoakakula 2023 PFS and Kamoakakula 2023 PEA were independently prepared by OreWin Pty Ltd. of Adelaide, Australia; China Nerin Engineering Co., Ltd., of Jiangxi, China; DRA Global of Johannesburg, South Africa; Epoch Resources of Johannesburg, South Africa; Golder Associates Africa of Midrand, South Africa; Metso-Outotec Oyj of Helsinki, Finland; Paterson and Cooke of Cape Town, South Africa; SRK Consulting Inc. of Johannesburg, South Africa; and MSA Group of Johannesburg, South Africa. The National Instrument 43-101 technical report dated March 6, 2023, was filed on SEDAR+ at www.sedarplus.ca and on the Ivanhoe Mines website at www.ivanhoemines.com.

COPPER PRODUCTION AND CASH COST GUIDANCE FOR 2023

Kamoa-Kakula 2023 Guidance

| | |
|--|--------------------|
| Contained copper in concentrate (tonnes) | 390,000 to 430,000 |
| Cash cost (C1) (\$ per pound) | 1.40 to 1.50 |

Full-year 2023 cash cost (C1) and production guidance remain unchanged. 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 2023 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 about the disruption of power supply, among other variables. The Kamoa-Kakula joint venture produced a total of 333,497 tonnes of copper in concentrate for the year ending December 31, 2022, and 301,336 tonnes for the nine months ended September 30, 2023, including 103,947 tonnes of copper in concentrate in Q3 2023.

Cash costs (C1) per pound of payable copper amounted to \$1.46/lb. for Q3 2023 compared with \$1.41/lb. and \$1.43/lb. in Q2 2023 and Q3 2022 respectively. Cash cost (C1) guidance is based on assumptions including, among other things, prevailing logistics costs based on estimated regional trucking capacity, particularly as regional idled operations are expected to come online, as well as increased benchmark treatment and refining charges, and inflation in consumables and other inputs.

C1 cash cost 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 C1 cash cost 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.

Photo: Members of the Kamoa-Kakula workforce are all smiles as DRC President, His Excellency Félix Tshisekedi delivers a speech at Kamoa-Kakula's concentrate storage facility during his site visit in October 2023.

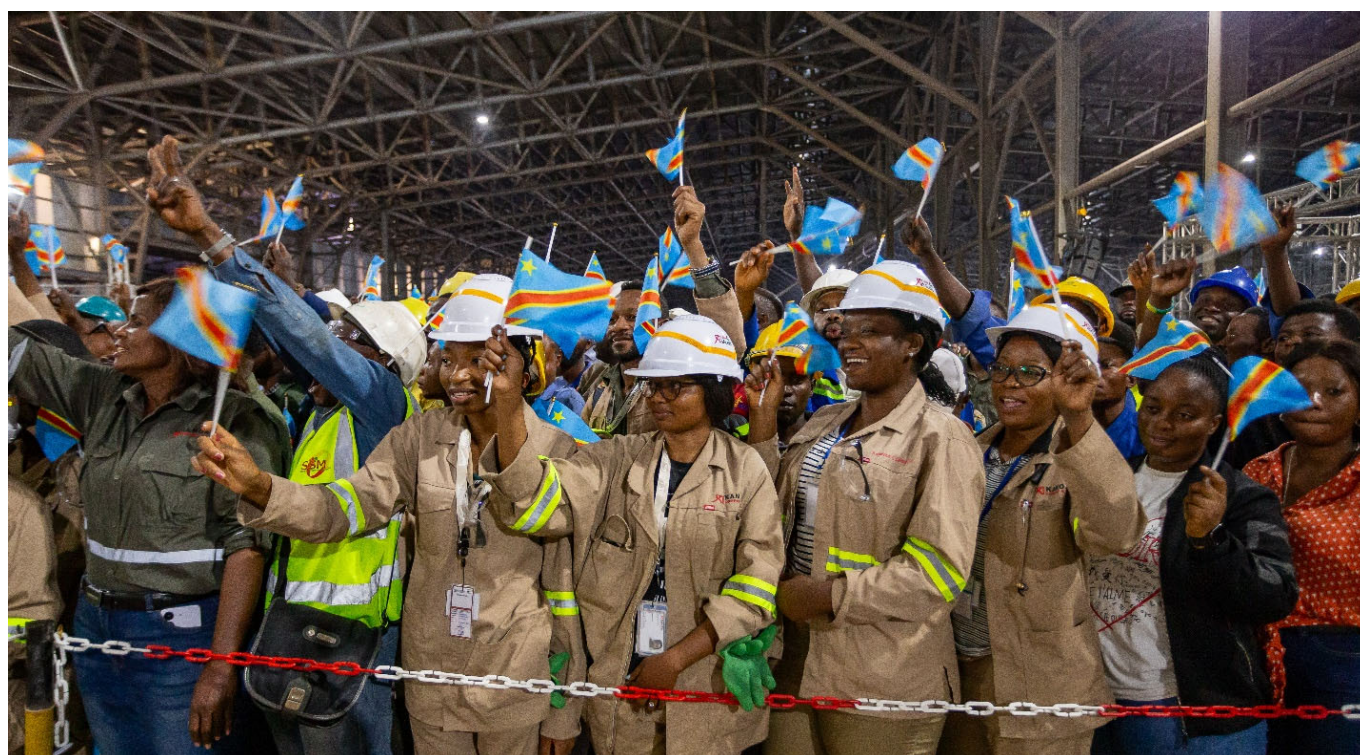


Photo: Members of Ivanhoe Mines' Board of Directors visited the underground mine at Kamao-Kakula in October. The group toured operations and the company's industry-leading social and community investment initiatives.



Photo: Crews celebrate the commissioning of Kamao-Kakula's third backfill plant module.



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 the 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. With Shaft 1, the initial access to the deposit, now in operation and hoisting development rock from underground, Ivanhoe is focusing on construction activities to bring Phase 1 of Platreef into production by Q3 2024, phase 1 of the project is currently 63% complete.

Platreef development is currently funded by \$300-million stream financing, with efforts to finalize an additional senior debt facility targeted for completion in Q4 2023.

Photo: Construction activities are advancing at Platreef's concentrator, with installation of the flotation cells progressing well.



Surface construction activities and lateral underground mine development advancing well

Underground development work has been focused on lateral development towards the high-grade Flatreef orebody on the 750-metre, 850-metre and 950-metre levels. More than 2,000 metres of lateral development have been completed to date across all three levels (750-metre, 850-metre and 950-metre levels). An underground crushing and loading feeder has been constructed on the 950-metre level, which will more efficiently load for hoisting waste and ore from the 750-metre, 850-metre and 950-metre levels. Once the commissioning of the crusher and loading feeder is complete, the rate of lateral underground development is expected to increase to approximately 400 metres per month through the end of the year. The advancement rate is expected to further increase to over 500 metres per month across all three underground levels early next year.

Platreef's Phase 1 concentrator is on schedule for first production in Q3 2024. All major civil structures are nearing completion providing access to follow-on contractors. The fabrication of the long-lead order mechanical equipment items is progressing as planned with deliveries on schedule. Over 95% of Phase 1 orders have been placed. Structural, mechanical, plate work and piping (SMPP) erection is well advanced with over 500 tonnes erected of a total of 1,800 tonnes to date. The electrical, control and instrumentation (EC&I) installation contractor has completed site establishment with cable rack installation planned to commence during Q4 2023.

Photo: Construction activities advancing well as installation of Platreef's mill building and rougher-cleaner flotation cell structures continue.



The 10-metre diameter Shaft 2, currently under construction, will have a hoisting capacity of approximately 8 Mtpa. Shaft 2 will be utilized in subsequent development phases and will be among the largest hoisting shafts in the world. The Shaft 2 headgear concrete structure was completed in the first quarter to a height of approximately 79 metres. Shaft 2's overall height will be approximately 100 metres above ground, including the steel structure housing the main winders. The Shaft 2 headgear internal structural steel construction is progressing well. The kibble and stage winder civil construction has successfully been completed. Sinking winders and related infrastructure will be delivered in December 2023 with installation set to commence during Q1 2024.

Drilling of the pilot drill hole for the reaming of Shaft 2, which commenced in February 2023, has reached shaft bottom at the 950-metre level. Raiseboring of an initial 3.1-metre diameter shaft has now commenced, with 38 metres of the total 950 metres completed to date. This first phase of reaming Shaft 2 is expected to be complete in Q2 2024.

Construction of Platreef's first 5-MW solar-power is expected to be completed in Q1 2024. The solar power plant inverter and solar panels were recently delivered to site. The power generated by this plant will support development activities and operations, together with other renewable energy sources that are expected to be introduced over time.

Photo: Civil assistants Petros Qhinebe (left), and Morapedi Twani (right), inspecting work at Platreef's Ablon Eskom electrical substation.



Optimization work is underway to potentially accelerate Platreef's Phase 2 expansion

Ivanhoe has initiated optimization work to identify value-accretive options for installing hoisting capacity in Shaft 3 (previously named Vent Shaft 1). Shaft 3, originally planned as a ventilation and secondary escape shaft, is currently under construction and is now planned to be equipped for hoisting, which will provide additional hoisting capacity to remove ore and waste from the underground mine. This has the benefit of de-risking the development and ramp-up of the Phase 1 mine and may be used to accelerate the ramp-up of underground mining activities for Phase 2, in advance of the completion of Shaft 2, which is expected in 2027.

Shaft 3 is currently being reamed to a diameter of 5.1 metres. Approximately 410 metres of 950 metres have been reamed to date, with planned completion in Q4 2023. The manufacturing of the auxiliary winder for the Shaft 3 headgear is well-advanced and on schedule. The civil contractor responsible for the foundations of the stage winder and equipping winder has been appointed and is mobilizing.

Long-term supply of bulk water for the Platreef Mine

The water requirement for the Phase 1 operation is projected to peak at approximately 3 million litres per day, which will then increase to 9 million litres per day once the Phase 2 expansion is commissioned.

In January 2022, Ivanplats signed new offtake agreements for the rights to receive locally supplied bulk water needed for the phased development plan at Platreef. The updated offtake agreement with the Mogalakwena Local Municipality is for at least 3 million litres per day and up to a maximum of 10 million litres per day for 32 years, of treated municipal effluent from the Masodi Wastewater Treatment Works.

Ivanplats funded the completion of the Masodi Wastewater Treatment Works, which was completed during the quarter.

In addition, Ivanplats has also signed a Memorandum of Agreement to upgrade and refurbish the sewerage treatment infrastructure to increase the water offtake for future expansions.

KIPUSHI PROJECT

The Kipushi zinc-copper-germanium-silver-lead 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 Kamo-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.

The Kipushi 2022 Feasibility Study focuses on the mining of Kipushi's zinc-rich Big Zinc and Southern Zinc zones, with an estimated 11.8 million tonnes of Measured and Indicated Mineral Resources grading 35.3% zinc. 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.

In Q1 2022, a new agreement was finalized between Kipushi Holding and Gécamines to return the ultra-high-grade Kipushi Mine to commercial production, which sets out the commercial terms that will form the basis of a new Kipushi joint-venture agreement establishing a robust framework for the mutually beneficial operation of Kipushi for years to come and are subject to execution of definitive documentation. Once the agreement is concluded, it is anticipated that Ivanhoe Mines' ownership in the Kipushi Project will reduce to 62%, with Gécamines holding the balance of 38%. Kipushi Holding expects to sign definitive documentation imminently with Gécamines in relation to the new Kipushi joint-venture agreement.

In Q2 2023, Kipushi Corporation finalized an unsecured, \$80-million financing facility with a domestic lender, Rawbank SA. Rawbank is the largest bank in the DRC, with a loan book to the DRC's mining industry expected to increase to over \$1 billion by the end of 2024. The facility will be used to finance ongoing construction activities, reducing the shareholder loan requirement to Kipushi Corporation by Ivanhoe Mines.

The Rawbank facility has an annual interest rate of 8%, with a corporate guarantee provided by Ivanhoe Mines. Kipushi Corporation has drawn down on the entire Rawbank facility.

In Q2 2023, Ivanhoe Mines announced the signing of a tri-partite offtake and financing term sheet between Kipushi Corporation SA, Gécamines and Glencore International AG (Glencore). Concurrent with the advancing agreements, Ivanhoe is evaluating alternative local financing options, if commercially viable, to conclude the project's financing and offtake agreements during the fourth quarter.

The remaining initial capital for the Kipushi Project is \$240 million, which will be funded by such facilities, with any shortfall covered by additional shareholder loans from Ivanhoe Mines.

Photo: Kipushi’s primary mining fleet is supplied by Epiroc of Stockholm, Sweden. The majority of the primary fleet and secondary support underground equipment has been mobilized, with the final deliveries expected in the next month.



Over 69 years, Kipushi 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 the Kipushi Mine in 2011, Ivanhoe’s drilling campaigns have upgraded and expanded the mine’s zinc-rich Measured and Indicated Mineral Resources to an estimated 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.

Based on testwork conducted for the Kipushi 2022 Feasibility Study, concentrate assays for the Kipushi Mine include significant quantities of germanium and gallium.

Germanium is a strategic metal used today in electronic devices, flat-panel display screens, light-emitting diodes, night vision devices, optical fibre, optical lens systems, and solar power arrays.

Gallium is a strategic metal used today to manufacture compound semiconductor wafers used in integrated circuits, and optoelectronic devices such as laser diodes, light-emitting diodes, photodetectors, and solar cells.

Kipushi concentrator ahead of schedule for first production in Q2 2024, with the overall project approximately 62% complete

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

With overall project progress to-date at approximately 67% complete, the Kipushi concentrator is ahead of schedule and now expected to be commissioned in Q2 2024. Detailed design is completed, ahead of schedule. Procurement activities are nearing completion, with only two operations packages outstanding. To date, 47 of the total 73 equipment packages have been delivered to site.

The ball mill, fabricated by CITIC Heavy Industries of Henan Province, China has been delivered to site. The DMS plant fabricated by Bond Equipment of Dallas, Texas and the flotation cells fabricated by FL Smidth of Copenhagen, Denmark, have been completed and have been delivered to site.

Photo: Construction of Kipushi’s new concentrator facility, with a capacity of 800,000 tonnes per annum, is currently underway.



Kipushi steel erection commenced in April 2023 with 1,852 tonnes of a total of 2,214 tonnes dispatched to site.

The structural, mechanical, piping and plate work (SMPP) contractor has assembled and erected numerous structures and mechanical equipment installation is progressing well.

The construction of the tailings storage facility is progressing well with 41% completed to date. The tailings storage facility has been designed in accordance with Global Industry Standards on Tailings Management (GISTM).

Underground development activity is ramping up, with 2,147 metres of lateral development completed since September 2022. Stopping of the ultra-high-grade Big Zinc orebody is expected to begin in January 2024.

In the first quarter of 2023, the underground mining contractor was appointed, and the phased on-site mobilization of mining crews and equipment is almost complete. The primary mining fleet is supplied by Epiroc of Stockholm, Sweden. The majority of the primary fleet and secondary support underground equipment has been mobilized, with the final deliveries expected in the next month.

Photo: Employees from the Kushona Sewing Centre attend an on-site training program at Kipushi, allowing them to enhance and develop their skills.



The underground mining operation is fully mechanized, highly efficient and designed to enable a quick ramp-up to a steady state. At the end of the second quarter, three mining crews had been deployed underground. Each mining crew made up of five miners per shift, is equipped with a primary fleet consisting of an Epiroc 282 Twin Boomer, a ST 14 Scooptram (LHD) and two MT42 dump trucks.

The second Simba long-hole drill rig for stoping (production mining) has also arrived on site and is being inspected by the engineering team. Training of new underground miners is ongoing, with the fourth development team now in place.

Underground development is taking place to open multiple access levels to the Big Zinc orebody, from the top down. Perimeter, access and ventilation drives are under development at several locations between the 1,220-metre and 1,335-metre levels, while decline development continues to spiral down parallel to the plunging Big Zinc deposit. The access drive and reserve bay at the 1,365-metre level have been profiled and provide access to the 1,365-metre level development. Year to date, 2,744 metres of horizontal development have been completed year to date, approximately 20% ahead of schedule.

The year-to-date underground development rate has averaged 305 metres per month. Following the mobilization of the remaining underground equipment fleet and the fourth mining crew, the underground development rate is expected to increase to approximately 450 metres per month by year-end.

Underground ore development throughout the remainder of the year will have a grade of between 20-25% zinc. The ore will be hauled to surface and stored on the stockpile ahead of concentrator commissioning.

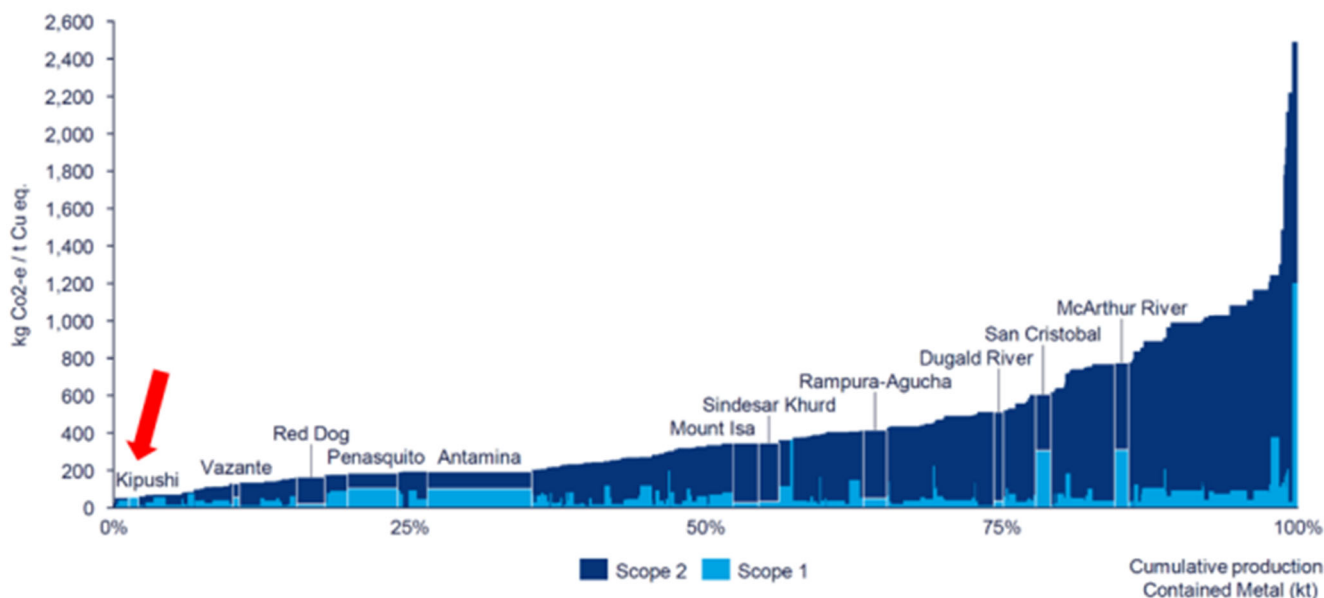
Stoping (mining) of Kipushi’s ultra-high-grade Big Zinc orebody is expected to commence this month. Stoping will start on a trail mining basis to complete the training of the underground mining crews in preparation for the commencement of commercial operations in the new year.

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

The total mining height of long-hole stopes is 60 metres (comprising of an upper 30-metre-high stope and lower 30-metre-high stope), which will be separated by 15-metre-high sill pillars. The long-hole stopes will be mined with a bottom-up mining sequence, with the lower stope extracted first followed by the upper stope. The stopes will be extracted using a primary and secondary long-hole stoping sequence.

Kipushi’s operations will be supplied with hydroelectric power from DRC’s state-owned electricity company, SNEL. A study completed in 2020 by Wood Mackenzie ranked Kipushi at the 2nd percentile of the Scope 1 + 2 emissions curve. See Figure 5 below.

Figure 5: 2020 Global zinc mine site Scope 1 and 2 greenhouse gas (GHG) emissions intensity. Scope 1 and 2 annual GHG emissions from the Kipushi mine are forecast to be 0.06 equivalent tonnes of carbon dioxide per tonne of zinc produced (tCO2e/t Zn).



Notes: Estimates include direct and indirect emissions to produce contained copper from ore to mine gate. The horizontal width of each bar represents each operation’s 2020 zinc production. Source: Wood Mackenzie’s Emissions Benchmarking Tool, Ivanhoe Mines.

WESTERN FORELAND EXPLORATION PROJECT

Ivanhoe's DRC exploration group is targeting Kamo-a-Kakula-style copper mineralization on its Western Foreland exploration licences. The 17 licences in the Western Foreland cover a combined area of approximately 2,407 square kilometres to the north, south and west of the Kamo-a-Kakula Copper Complex. The licences are now referred to as 80% (previously 90%) to 100%-owned following the mandatory transfer of a 10% interest to the DRC government on certain licences where a mining right has been granted.

The exploration group is using models that successfully led to the discoveries of Kakula, Kakula West, and the Kamo-a North Bonanza Zone on the Kamo-a Copper SA mining licence. The group is composed of a mixture of the same exploration geologists responsible for the previous discoveries and others with experience in the greater Copper Belt. The focus of exploration in the quarter has been on diamond and air core drilling in different areas of the licence package.

During the quarter, the number of contractor diamond drill rigs increased to seven, in addition to the Ivanhoe Landcruiser diamond drill rig. A total of 28,550 metres of diamond core has been drilled so far this year with 12,813 metres completed in Q3 2023 over 27 holes, and diamond drilling is on track to exceed 40,000 metres for the year. Based on results to date, Ivanhoe increased the budget for the remainder of 2023 by \$2 million.

The drill rigs worked for most of the quarter on more remote targets due to improved access during the dry season. At the commencement of the wet season starting in mid-to-late November, drill rigs will move back to more accessible parts of the Foreland Shelf, including the Makoko area, with the plan to continue drilling to the extent possible.

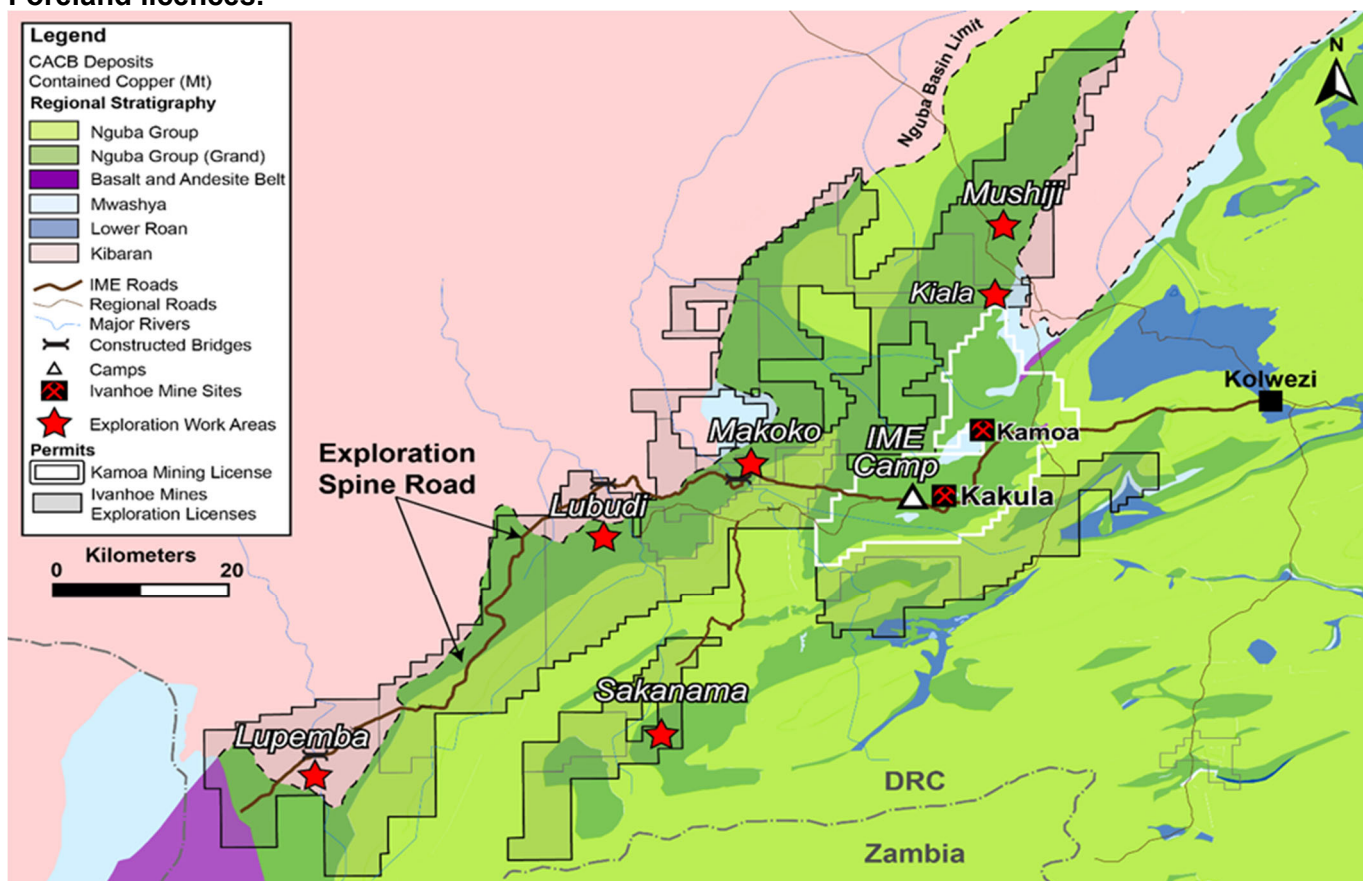
Air core drilling has been focused on identifying geochemistry to map lithology and identify anomalies under the Kalahari sand cover in the remote south-western portion of the Western Foreland licence package. A total of 8,983 metres of air core has been drilled so far this year, with 7,195 metres completed in Q3 2023 over 194 holes. Drilling is behind relative to plan due to a late rainy season and mechanical breakdowns, but there is a plan to make up the deficit in 2024.

Resource modelling and QA/QC for the maiden Mineral Resource estimate at the Makoko and Kiala copper discoveries in the Western Foreland is complete. Ivanhoe plans to release the maiden Mineral Resource, as well as an update on more recent drilling during the dry-season, shortly.

Photo: Nabil Kyungu Katshinda, exploration geologist, examines core from Ivanhoe's ongoing drill campaign on the 80 -100%-owned Western Foreland Exploration Project adjacent to the Kamao-Kakula mining licences.



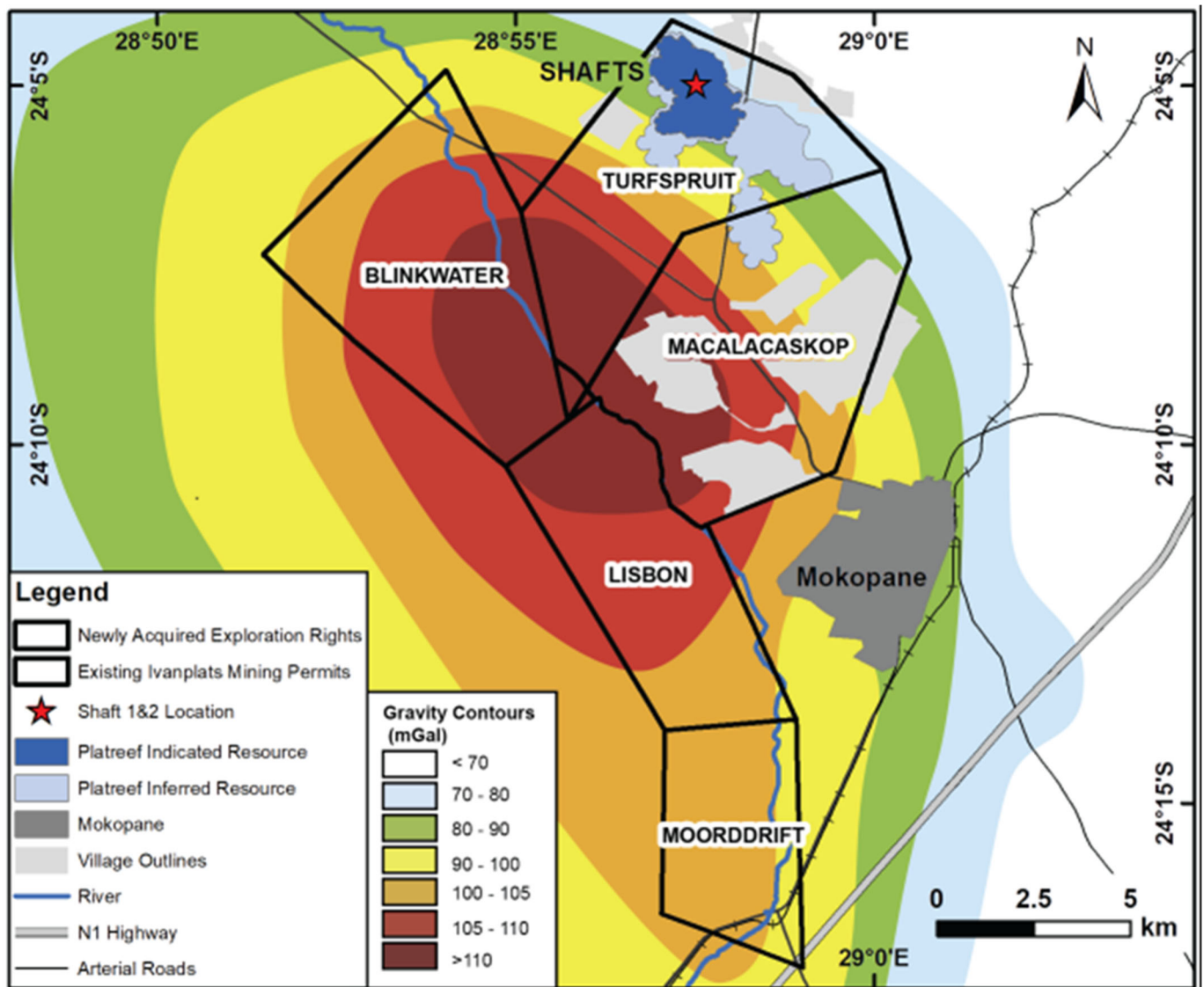
Figure 6: Map highlighting Ivanhoe Mines' current exploration target areas across the Western Foreland licences.



THE MOKOPANE FEEDER EXPLORATION PROJECT

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

Figure 7: Recently completed results from the high-resolution Falcon Gravity survey across the Platreef and Mokopane Feeder licences. Drilling of the Mokopane Feeder gravity anomaly is expected to commence in the fourth quarter.



The gravity-high anomaly (shown in red in Figure 7) is interpreted to represent a primary feeder zone to the Rustenburg Layered Suite of the Northern Limb of the Bushveld Complex. Significant thickening of the Rustenburg Layered Suite, particularly of the denser Lower Zone units, is necessary to explain this large gravity anomaly. The proximity of the inferred feeder to the regional-scale crustal faults (the Ysterberg-Planknek and the Zebediela faults), as well as the anomalously thick zones of platinum-group metals mineralization at the Platreef Deposit, lead Ivanhoe to believe there is significant potential for nickel, copper and platinum-group metals mineralization associated with this gravity feature.

Detailed high-resolution fixed-wing airborne magnetic and Falcon airborne gravity gradiometer geophysical surveys have been completed to map and model the subsurface petrophysical characteristics of the anomaly. The magnetic survey was completed during Q2 2023, and the gravity survey in Q3 2023. A detailed interpretation of the two datasets is nearing completion. The high-resolution nature of the new data sets will form a crucial part of the planning for the deep diamond drilling, planned to commence in Q4 2023 and carry over into 2024.

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 Kamoakakula is recognized within the Kamoak Holding joint venture. Ivanhoe did not declare or pay any dividend or distribution in any financial reporting period.

| | Three months ended | | | |
|--|---------------------------|----------|-----------|--------------|
| | September 30, | June 30, | March 31, | December 31, |
| | 2023 | 2023 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Share of profit from joint venture | 69,829 | 73,066 | 82,659 | 83,324 |
| Finance income | 56,671 | 61,956 | 57,826 | 58,477 |
| Gain (loss) on fair valuation of embedded derivative liability | 12,218 | (26,618) | (30,900) | (66,600) |
| Deferred tax recovery (expense) | 1,212 | 1,965 | 926 | (3,839) |
| General administrative expenditure | (9,841) | (10,474) | (8,571) | (11,870) |
| Finance costs | (8,752) | (5,539) | (10,465) | (10,457) |
| Share-based payments | (6,732) | (7,120) | (7,702) | (7,809) |
| Exploration and project evaluation expenditure | (6,264) | (4,375) | (3,381) | (3,887) |
| Profit (loss) attributable to: | | | | |
| Owners of the Company | 112,510 | 92,042 | 86,637 | 41,884 |
| Non-controlling interests | (4,988) | (4,859) | (4,157) | (4,705) |
| Total comprehensive income (loss) attributable to: | | | | |
| Owners of the Company | 109,681 | 86,588 | 74,154 | 53,078 |
| Non-controlling interest | (5,250) | (5,443) | (5,420) | (3,621) |
| Basic profit per share | 0.09 | 0.08 | 0.07 | 0.03 |
| Diluted profit per share | 0.08 | 0.07 | 0.07 | 0.03 |

| | Three months ended | | | |
|--|---------------------------|----------|-----------|--------------|
| | September 30, | June 30, | March 31, | December 31, |
| | 2022 | 2022 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Finance income | 46,720 | 38,596 | 31,505 | 27,978 |
| Share of profit from joint venture | 34,057 | 49,690 | 87,109 | 78,391 |
| Deferred tax recovery (expense) | 4,252 | 114,184 | (1,347) | 74,069 |
| (Loss) gain on fair valuation of embedded derivative liability | (27,700) | 183,600 | (66,400) | (88,500) |
| Finance costs | (10,223) | (10,013) | (7,391) | (10,539) |
| General administrative expenditure | (9,199) | (8,957) | (6,238) | (10,658) |
| Share-based payments | (7,381) | (4,637) | (7,389) | (7,490) |
| Exploration and project evaluation expenditure | (4,312) | (13,470) | (12,243) | (15,800) |
| Profit (loss) attributable to: | | | | |
| Owners of the Company | 26,344 | 316,242 | 26,394 | 45,833 |
| Non-controlling interests | (2,477) | 35,278 | (4,854) | 2,333 |
| Total comprehensive income (loss) attributable to: | | | | |
| Owners of the Company | 4,588 | 306,381 | 45,495 | 29,774 |
| Non-controlling interest | (4,678) | 34,495 | (2,858) | 632 |
| Basic profit per share | 0.02 | 0.26 | 0.02 | 0.04 |
| Diluted profit per share | 0.02 | 0.11 | 0.02 | 0.04 |

DISCUSSION OF RESULTS OF OPERATIONS

Review of the three months ended September 30, 2023 vs. September 30, 2022

The Company recorded a profit for Q3 2023 of \$108 million compared to a profit of \$24 million for the same period in 2022. The profit for Q3 2022 included a loss on the fair valuation of the embedded derivative financial liability of \$28 million, compared to a gain on the fair valuation of the embedded derivative financial liability of \$12 million in Q3 2023. The total comprehensive income for Q3 2023 was \$104 million compared to \$0.1 million for Q3 2022.

The Kamo-a-Kakula Copper Complex sold 96,509 tonnes of payable copper in Q3 2023 realizing revenue of \$695 million for the Kamo-a Holding joint venture, compared to 93,812 tonnes of payable copper sold for revenue of \$460 million for the same period in 2022. The Company recognized income in aggregate of \$121 million from the joint venture in Q3 2023 and \$75 million for the same period in 2022, which can be summarized as follows:

| | Three months ended September 30, | |
|---|-------------------------------------|---------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Company's share of profit from joint venture | 69,829 | 34,057 |
| Interest on loan to joint venture | 51,561 | 40,832 |
| Company's income recognized from joint venture | 121,390 | 74,889 |

The Company's share of profit from the Kamo-a Holding joint venture was \$36 million more in Q3 2023 compared to the same period in 2022 and is broken down in the following table:

| | Three months ended September 30, | |
|---|-------------------------------------|----------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Revenue from contract receivables | 681,821 | 570,504 |
| Remeasurement of contract receivables | 13,014 | (110,031) |
| Revenue | 694,835 | 460,473 |
| Cost of sales | (286,030) | (216,233) |
| Gross profit | 408,805 | 244,240 |
| General and administrative costs | (32,632) | (21,477) |
| Amortization of mineral property | (3,002) | – |
| Profit from operations | 373,171 | 222,763 |
| Finance costs | (85,097) | (81,105) |
| Foreign exchange (loss) gain | (15,249) | 737 |
| Finance income and other | 5,323 | 3,493 |
| Profit before taxes | 278,148 | 145,888 |
| Current tax expense | (44,276) | (16,971) |
| Deferred tax expense | (55,212) | (40,368) |
| Profit after taxes | 178,660 | 88,549 |
| Non-controlling interest of Kamo-a Holding | (37,592) | (19,747) |
| Total comprehensive income for the period | 141,068 | 68,802 |
| Company's share of profit from joint venture (49.5%) | 69,829 | 34,057 |

The realized and provisional copper prices used for the remeasurement (mark-to-market) of contract receivables for the three months ended September 30, 2023, and for the same period in 2022, can be summarized as follows:

| | Three months ended | |
|--|---------------------------|------------------|
| | September 30, | |
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| <i>Realized during the period - open at the start of the period</i> | | |
| Opening forward price (\$/lb.) ⁽¹⁾ | 3.78 | 3.74 |
| Realized price (\$/lb.) ⁽¹⁾ | 3.86 | 3.50 |
| Payable copper tonnes sold | 92,501 | 74,672 |
| Remeasurement of contract receivables (\$'000) | 16,881 | (40,688) |
| <i>Realized during the period - new copper sold in the current period</i> | | |
| Provisional price (\$/lb.) ⁽¹⁾ | 3.83 | 3.42 |
| Realized price (\$/lb.) ⁽¹⁾ | 3.78 | 3.51 |
| Payable copper tonnes sold | 26,271 | 28,758 |
| Remeasurement of contract receivables (\$'000) | (3,040) | 5,669 |
| <i>Open at the end of the period - open at the start of the period</i> | | |
| Opening forward price (\$/lb.) ⁽¹⁾ | – | 3.79 |
| Closing forward price (\$/lb.) ⁽¹⁾ | – | 3.37 |
| Payable copper tonnes sold | – | 50,399 |
| Remeasurement of contract receivables (\$'000) | – | (47,387) |
| <i>Open at the end of the period - new copper sold in current period</i> | | |
| Provisional price (\$/lb.) ⁽¹⁾ | 3.76 | 3.55 |
| Closing forward price (\$/lb.) ⁽¹⁾ | 3.76 | 3.36 |
| Payable copper tonnes sold | 70,534 | 65,054 |
| Remeasurement of contract receivables (\$'000) | (827) | (27,625) |
| Total remeasurement of contract receivables (\$'000) | 13,014 | (110,031) |

⁽¹⁾ Calculated on a weighted average basis

Of the \$85 million (Q3 2022: \$81 million) finance costs recognized in the Kamoia Holding joint venture for Q3 2023, \$64 million (Q3 2022: \$69 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, \$15 million (Q3 2022: \$10 million) relates to the provisional payment facility available under Kamoia-Kakula's offtake agreements, while \$3 million (Q3 2022: \$2 million) relates to the equipment financing facilities, \$2 million relates to bank over-drafts (Q3 2022: \$nil) and \$1 million relates to the interest on the lease liability (Q3 2022: \$nil).

Ivanhoe's exploration and project evaluation expenditure amounted to \$6 million in Q3 2023 and \$4 million for the same period in 2022. Exploration and project evaluation expenditure for Q3 2023 related mainly to exploration at Ivanhoe's Western Foreland exploration licences.

Finance income for Q3 2023 amounted to \$57 million and was \$10 million more than for the same period in 2022 (\$47 million). Included in finance income is the interest earned on loans to the Kamoia Holding joint venture to fund past development which amounted to \$52 million for Q3 2023, and \$41 million for the same period in 2022, and increased due to the higher interest rates and accumulated loan balance. The Company earns interest on the loan at USD 12-month LIBOR +7%. Following the cessation of publication of LIBOR rates in June 2023, interest has been calculated with reference to the last publicly available LIBOR rate while the transition to a SOFR interest rate is being finalized.

The Company recognized a gain on the fair valuation of the embedded derivative financial liability of \$12 million for Q3 2023, compared to a loss on the fair valuation of the embedded derivative financial liability of \$28 million for Q3 2022, which is further explained in the accounting for the convertible notes section on page 41.

Review of the nine months ended September 30, 2023 vs. September 30, 2022

The Company recorded a profit of \$277 million and a total comprehensive income of \$254 million for the nine months ended September 30, 2023, compared to a profit of \$397 million and a total comprehensive income of \$383 million for the same period in 2022. The profit for the nine months ended September 30, 2022, included a gain on fair valuation of embedded derivative liability of \$90 million, compared to a loss on fair valuation of embedded derivative financial liability of \$45 million for the same period in 2023. The profit for the nine months ended September 30, 2022, also included the recognition of the deferred tax asset relating to the Kipushi Project of \$114 million.

The Company recognized income in aggregate of \$375 million from the joint venture in the nine months ended September 30, 2023 (2022: \$275 million), which can be summarized as follows:

| | Nine months ended | |
|---|--------------------------|----------------|
| | September 30, | |
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Company's share of profit from joint venture | 225,554 | 170,856 |
| Interest on loan to joint venture | 148,990 | 103,995 |
| Company's income recognized from joint venture | 374,544 | 274,851 |

The Company's share of profit from the Kamoia Holding joint venture was \$226 million for the nine months ended September 30, 2023, compared to a profit of \$171 million for the same period in 2022, the breakdown of which is summarized in the following table:

| | Nine months ended | |
|---|-------------------|------------------|
| | September 30, | |
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Revenue from contract receivables | 2,071,274 | 1,737,338 |
| Remeasurement of contract receivables | 15,066 | (263,137) |
| Revenue | 2,086,340 | 1,474,201 |
| Cost of sales | (803,253) | (556,715) |
| Gross profit | 1,283,087 | 917,486 |
| General and administrative costs | (91,072) | (61,209) |
| Amortization of mineral property | (8,603) | – |
| Profit from operations | 1,183,412 | 856,277 |
| Finance costs | (264,471) | (202,576) |
| Foreign exchange (loss) gain | (49,467) | 5,273 |
| Finance income and other | 15,511 | 7,773 |
| Profit before taxes | 884,985 | 666,747 |
| Current tax expense | (239,869) | (26,912) |
| Deferred tax expense | (64,551) | (202,586) |
| Profit after taxes | 580,565 | 437,249 |
| Non-controlling interest of Kamoia Holding | (124,900) | (92,086) |
| Total comprehensive income for the period | 455,665 | 345,163 |
| Company's share of profit from joint venture (49.5%) | 225,554 | 170,856 |

The realized and provisional copper prices used for the remeasurement (mark-to-market) of contract receivables for the nine months ended September 30, 2023, and for the same period in 2022, can be summarized as follows.

| | Nine months ended | |
|--|-------------------|------------------|
| | September 30, | |
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| <i>Realized during the period - open at the start of the period</i> | | |
| Opening forward price (\$/lb.) ⁽¹⁾ | 3.84 | 4.21 |
| Realized price (\$/lb.) ⁽¹⁾ | 3.91 | 4.04 |
| Payable copper tonnes sold | 180,772 | 178,345 |
| Remeasurement of contract receivables (\$'000) | 28,150 | (68,859) |
| <i>Realized during the period - new copper sold in the current period</i> | | |
| Provisional price (\$/lb.) ⁽¹⁾ | 4.00 | 3.42 |
| Realized price (\$/lb.) ⁽¹⁾ | 3.90 | 3.51 |
| Payable copper tonnes sold | 113,184 | 28,758 |
| Remeasurement of contract receivables (\$'000) | (24,596) | 5,669 |
| <i>Open at the end of the period - open at the start of the period</i> | | |
| Opening forward price (\$/lb.) ⁽¹⁾ | 3.79 | 4.25 |
| Closing forward price (\$/lb.) ⁽¹⁾ | 4.05 | 3.89 |
| Payable copper tonnes sold | 6,625 | 127,115 |
| Remeasurement of contract receivables (\$'000) | 3,748 | (102,665) |
| <i>Open at the end of the period - new copper sold in current period</i> | | |
| Provisional price (\$/lb.) ⁽¹⁾ | 3.81 | 4.10 |
| Closing forward price (\$/lb.) ⁽¹⁾ | 3.83 | 3.88 |
| Payable copper tonnes sold | 170,775 | 202,767 |
| Remeasurement of contract receivables (\$'000) | 7,764 | (97,282) |
| Total remeasurement of contract receivables (\$'000) | 15,066 | (263,137) |

⁽¹⁾ Calculated on a weighted average basis

Of the \$264 million (2022: \$203 million) finance costs recognized in the Kamoia Holding joint venture for the nine months ended September 30, 2023, \$209 million (2022: \$176 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, \$41 million (2022: \$22 million) relates to the provisional payment facility available under Kamoia-Kakula's offtake agreements, while \$8 million (2022: \$5 million) relates to the equipment financing facilities, \$4 million relates to bank overdrafts (2022: \$nil) and \$2 million relates to interest on the lease liability (2022: \$nil).

Exploration and project evaluation expenditure amounted to \$14 million for the nine months ended September 30, 2023, and was \$16 million less than for the same period in 2022 (\$30 million). Exploration and project evaluation expenditure for 2023 related mainly to exploration at Ivanhoe's Western Foreland exploration licences while 2022 also included amounts spent at the Kipushi Project. Expenditure incurred at the Kipushi Project was capitalized in 2023 due to the recommencement of the development of the Project.

Finance income amounted to \$176 million for the nine months ended September 30, 2023, and \$117 million for the same period in 2022. Included in finance income is the interest earned on loans to the Kamoia Holding joint venture to fund operations that amounted to \$149 million for the nine months ended September 30, 2023, and \$104 million for the same period in 2022. No additional loans were advanced in 2023 with joint venture cashflow and local facilities funding its operations and expansions. Interest increased due to higher interest rates and due to the higher accumulated loan balance. The Company earned interest on the loan at USD 12-month LIBOR +7%. Following the cessation of the publication of LIBOR rates in June 2023, interest has been calculated with reference to the last publicly available LIBOR rate while the transition to a SOFR interest rate is being finalized.

As explained in the accounting for the convertible notes section on page 41, the Company recognized a loss on fair valuation of the embedded derivative financial liability of \$45 million for the nine months ended September 30, 2023 (2022: gain of \$90 million).

The total comprehensive income for the nine months ended September 30, 2023, included an exchange loss on translation of foreign operations of \$23 million, compared to an exchange loss on translation of foreign operations recognized for the same period in 2022 of \$14 million, resulting mainly from the weakening of the South African Rand by 12% from December 31, 2022, to September 30, 2023.

Financial position as at September 30, 2023, vs. December 31, 2022

The Company's total assets increased by \$467 million, from \$3,969 million as at December 31, 2022, to \$4,436 million as at September 30, 2023. The increase in total assets was mainly attributable to the increase in the Company's investment in the Kamoia Holding joint venture by \$375 million, the increase in property, plant and equipment of \$324 million as project development continued at the Platreef and Kipushi projects, as well as the increase in deferred tax assets by \$16 million, offset by the decrease in cash and cash equivalents of \$294 million.

The Company's investment in the Kamoia Holding joint venture increased by \$375 million from \$2,047 million as at December 31, 2022, to \$2,422 million as at September 30, 2023. The Company's investment in the Kamoia Holding joint venture can be broken down as follows:

| | September 30, 2023 | December 31, 2022 |
|--|-------------------------------|------------------------------|
| | \$'000 | \$'000 |
| Company's share of net assets in joint venture | 735,994 | 510,439 |
| Loan advanced to joint venture | 1,685,591 | 1,536,601 |
| Total investment in joint venture | 2,421,585 | 2,047,040 |

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

| | September 30, 2023 | | December 31, 2022 | |
|--|--------------------|----------------|-------------------|----------------|
| | 100% | 49.5% | 100% | 49.5% |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | |
| Property, plant and equipment | 3,726,522 | 1,844,628 | 2,733,176 | 1,352,922 |
| Mineral property | 781,285 | 386,736 | 789,888 | 390,995 |
| Indirect taxes receivable | 386,353 | 191,245 | 279,385 | 138,296 |
| Other receivables | 337,076 | 166,853 | 212,221 | 105,049 |
| Consumable stores | 335,315 | 165,981 | 257,434 | 127,430 |
| Trade receivables | 323,915 | 160,338 | 63,196 | 31,282 |
| Long-term loan receivable | 295,596 | 146,320 | 252,523 | 124,999 |
| Non-current inventory | 240,000 | 118,800 | 246,424 | 121,980 |
| Current inventory | 84,779 | 41,966 | 27,011 | 13,370 |
| Right-of-use asset | 43,955 | 21,758 | 11,549 | 5,717 |
| Cash and cash equivalents | 24,019 | 11,889 | 365,633 | 180,988 |
| Prepaid expenses | 14,395 | 7,126 | 9,216 | 4,562 |
| Non-current deposits | 1,872 | 927 | 2,272 | 1,125 |
| Deferred tax asset | 618 | 306 | 710 | 351 |
| Liabilities | | | | |
| Shareholder loans | (3,404,287) | (1,685,122) | (3,103,381) | (1,536,174) |
| Trade and other payables | (398,042) | (197,031) | (309,710) | (153,306) |
| Deferred tax liability | (321,229) | (159,008) | (273,841) | (135,551) |
| Income taxes payable | (197,083) | (97,556) | (14,600) | (7,227) |
| Equipment finance facility | (127,247) | (62,987) | (102,890) | (50,931) |
| Rehabilitation provision | (75,329) | (37,288) | (45,231) | (22,389) |
| Other provisions | (67,248) | (33,288) | (26,675) | (13,204) |
| Provisional payment facility | (56,191) | (27,815) | (38,866) | (19,239) |
| Lease liability | (45,648) | (22,596) | (13,243) | (6,555) |
| Non-controlling interest | (416,542) | (206,188) | (291,012) | (144,051) |
| Net assets of the joint venture | 1,486,854 | 735,994 | 1,031,189 | 510,439 |

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 in 2022 or 2023 with joint venture cashflow funding its operations and expansions.

Kamoia-Kakula's Phase 1 and 2 operations are anticipated to generate significant operating cash flow to fund, together with local financing facilities, the Phase 3 capital cost requirements at current copper prices. Kamoia-Kakula has \$150 million in overdraft facilities in place from local DRC banks and the joint venture is in the process of arranging additional short-term facilities. Additional facilities of at least \$450 million are being considered and are progressing well.

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

| | Three months ended | | Nine months ended | |
|---|--------------------|----------------|-------------------|----------------|
| | September 30, | | September 30, | |
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Net cash generated from operating activities before change in working capital items | 321,035 | 331,736 | 1,172,992 | 941,258 |
| Change in working capital items | (233,835) | (12,420) | (490,748) | (31,226) |
| Net cash used in investing activities | (377,240) | (282,228) | (1,000,628) | (532,995) |
| Net cash used in financing activities | (26,885) | (10,832) | (30,629) | (9,699) |
| Effect of foreign exchange rates on cash | 7,740 | (8,530) | 7,399 | (15,194) |
| Net cash (outflow) inflow | (309,185) | 17,726 | (341,614) | 352,144 |
| Cash and cash equivalents - beginning of the period | 333,204 | 356,449 | 365,633 | 22,031 |
| Cash and cash equivalents - end of the period | 24,019 | 374,175 | 24,019 | 374,175 |

The Kamoia Holding joint venture's net increase in property, plant and equipment from December 31, 2022, to September 30, 2023, amounted to \$993 million and can be further broken down as follows:

| | Nine months ended | |
|--|-------------------|----------------|
| | September 30, | |
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Kamoia Holding joint venture | | |
| Expansion capital | 860,375 | 489,088 |
| Sustaining capital | 140,253 | 25,709 |
| Initial capital | – | 9,009 |
| | 1,000,628 | 523,806 |
| Depreciation capitalized | 29,413 | 9,318 |
| Total capital expenditure | 1,030,041 | 533,124 |
| Borrowing costs capitalized | 91,643 | 34,927 |
| Total additions to property, plant and equipment for Kamoia Holding | 1,121,684 | 568,051 |
| Less depreciation, disposals and foreign exchange translation | (128,338) | (91,831) |
| Net increase in property, plant and equipment of Kamoia Holding | 993,346 | 476,220 |

Ivanhoe's cash and cash equivalents decreased by \$294 million, from \$597 million as at December 31, 2022, to \$303 million as at September 30, 2023. The Company spent \$337 million on project development and acquiring other property, plant and equipment and \$34 million on its operating activities.

The net increase in property, plant and equipment amounted to \$324 million, with additions of \$348 million to project development and other property, plant and equipment. Of this total, \$172 million pertained to development costs and other acquisitions of property, plant and equipment at the Platreef Project, while \$147 million pertained to development costs and other acquisitions of property, plant and equipment at the Kipushi Project as set out on page 40. Ivanhoe also purchased a corporate aircraft in Q2 2023 for \$29 million.

The main components of the additions to property, plant and equipment – including capitalized development costs – at the Platreef and Kipushi projects for the nine months ended September 30, 2023, and for the same period in 2022, are set out in the following tables:

| | Nine months ended | |
|--|-------------------|---------------|
| | September 30, | |
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Platreef Project | | |
| Phase 1 construction | 96,282 | 40,130 |
| Phase 2 construction | 41,405 | 10,108 |
| Salaries and benefits | 9,543 | 9,500 |
| Administrative and other expenditure | 5,514 | 4,436 |
| Depreciation | 4,411 | 687 |
| Studies and contracting work | 3,391 | 3,459 |
| Site costs | 3,098 | 2,483 |
| Social and environmental | 1,431 | 987 |
| Total development costs | 165,075 | 71,790 |
| Other additions to property, plant and equipment | 6,577 | 2,264 |
| Total additions to property, plant and equipment for Platreef | 171,652 | 74,054 |

| | Nine months ended | |
|--|-------------------|---------------|
| | September 30, | |
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Kipushi Project | | |
| Mine construction costs | 96,029 | 2,173 |
| Salaries and benefits | 12,262 | 8,994 |
| Administration and overheads | 12,070 | 6,627 |
| Other expenditure | 8,427 | 3,930 |
| Depreciation - development | 6,240 | 1,833 |
| Studies and contracting work | 5,797 | 3,496 |
| Electricity | 5,293 | 2,395 |
| Other additions to property, plant and equipment | 451 | 501 |
| Depreciation - exploration and project evaluation | – | 3,758 |
| Reversal of VAT write-off previously capitalized | – | (7,377) |
| Total project expenditure | 146,569 | 26,330 |
| <i>Accounted for as follows:</i> | | |
| Additions to property, plant and equipment | 96,480 | 2,674 |
| Development costs capitalized to property, plant and equipment | 50,089 | 5,304 |
| Exploration and project evaluation expenditure in the loss from operating activities | – | 18,352 |
| Total project expenditure | 146,569 | 26,330 |

Costs incurred during 2023 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.

On June 30, 2023, the Company entered into an exchange agreement with I-Pulse Inc. (I-Pulse), under which the Company replaced the outstanding convertible loan balance owed to it by High Power Exploration Inc. (HPX) with an equity investment in I-Pulse. The Company extended a \$50 million convertible loan to HPX on April 25, 2019. As at June 30, 2023, the loan balance was \$77 million, comprising a principal amount of \$50 million and accrued interest of \$27 million. Under the exchange agreement, the Company transferred all convertible loan obligations from HPX to I-Pulse, in exchange for the issuance of common shares in I-Pulse to Ivanhoe. HPX is a subsidiary of I-Pulse. The equity investment in I-Pulse represents approximately 5% of the issued and outstanding common stock of I-Pulse.

The Company's total liabilities increased by \$188 million to \$1,316 million as at September 30, 2023, from \$1,128 million as at December 31, 2022, with the increase mainly due to the loss on the fair valuation of the embedded derivative liability of \$45 million and the Kipushi project loan facility of \$80 million.

On May 22, 2023, Kipushi Corporation SA (Kipushi), a subsidiary of the Company and the operator of the Kipushi Project, entered into a loan agreement with Rawbank SA (Rawbank), a financial institution in the Democratic Republic of the Congo. Under the terms of the loan agreement, Rawbank provided an \$80 million loan, to be drawn down in two tranches of \$40 million each, to Kipushi to fund its working capital requirements. The first tranche of the loan was drawn down by Kipushi on June 27, 2023, and the second tranche was drawn down on September 11, 2023. The loan incurs interest at 8% per year plus a commission of 0.5% per quarter. The loan and accumulated interest and commission are repayable on May 31, 2024. Ivanhoe Mines Ltd. has provided a corporate guarantee under this loan agreement.

On August 4, 2023, the Company entered into an \$18 million loan agreement with Investec Bank Limited, a South African financial institution, in respect of its acquisition of an aircraft. Interest on the loan is incurred at SOFR + a margin of 3.65% per annum and is payable monthly in arrears. The principal amount is repayable monthly in 60 equal installments. The Company repaid \$0.5 million of the principal amount and \$0.3 million in interest during the nine months ended September 30, 2023.

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 accrues 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.

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

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

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

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

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

The effective interest rate of the host liability was deemed to be 9.39% and the interest recognized on the convertible notes amounted to \$33 million in 2023, before capitalization of borrowing costs on the notes of \$9 million. Repayments of coupon interest during 2023 amounted to \$7 million. The carrying value of the host liability was \$492 million as at September 30, 2023, up from \$465 million as at December 31, 2022.

The embedded derivative liability had a fair value of \$151 million on the closure of the convertible notes offering and increased to \$221 million as at December 31, 2022, and increased to \$267 million as at September 30, 2023. The change in the fair value of the embedded derivative liability is mainly due to the movement in the credit spread from 419 basis points to 640 basis points and an increase in the closing price of the Company's shares as reported on the Toronto Stock Exchange from the beginning of the year to September 30, 2023.

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

| | March 17, 2021 | June 30, 2022 | September 30, 2022 | December 31, 2022 | June 30, 2023 | September 30, 2023 |
|--|---------------------------|--------------------------|-------------------------------|------------------------------|--------------------------|-------------------------------|
| Share price | C\$7.00 | C\$7.41 | C\$8.89 | C\$10.70 | C\$12.10 | C\$11.64 |
| Credit spread (basis points) | 630 | 541 | 401 | 419 | 263 | 640 |
| Volatility | 42% | 40% | 40% | 40% | 36% | 38% |
| Borrowing costs (basis points) | 50 | 25 | 25 | 25 | 25 | 25 |
| Fair value of embedded derivative liability (\$'million) | \$150.5 | \$127.0 | \$154.7 | \$221.3 | \$278.8 | \$266.6 |

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

LIQUIDITY AND CAPITAL RESOURCES

The Company had \$303 million in cash and cash equivalents as at September 30, 2023. At this date, the Company had consolidated working capital of approximately \$206 million, compared to \$595 million at December 31, 2022.

The Company's capital expenditure for 2023 and 2024 can be summarized as follows:

| Capital Expenditure | YTD 2023 Actuals | 2023 Guidance | 2024 Guidance |
|-------------------------------------|-------------------------|----------------------|----------------------|
| | (\$' million) | (\$' million) | (\$' million) |
| Kamoa-Kakula | | | |
| Phase 3 expansion | 728 | 1,400 – 1,800 | 1,100 – 700 |
| Phase 2 and other expansion capital | 132 | 120 | – |
| Sustaining capital | 141 | 180 | 80 |
| | 1,001 | 1,700 – 2,100 | 1,180 – 780 |
| Platreef | | | |
| Phase 1 initial capital | 126 | 190 – 240 | 200 – 150 |
| Phase 2 capital | 41 | 60 | 120 |
| | 167 | 250 – 300 | 320 – 270 |
| Kipushi | | | |
| Initial capital | 140 | 200 – 250 | 180 – 130 |

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, Platreef Phase 2 capital and Kipushi cash flows between calendar years 2023 and 2024. The 2024 capital expenditure guidance for Platreef and Kipushi excludes sustaining capital required in 2024 post-initial production.

As documented in the Kamoa-Kakula 2023 Integrated Development Plan (IDP 2023) announced on January 30, 2023, the remaining capital cost for the total Phase 3 expansion is estimated at \$3.0 billion, including the mine, concentrator, smelter, infrastructure and investment in off-site hydropower infrastructure. The Phase 1 and 2 operations are anticipated to generate sufficient operating cash flow in 2023 and 2024 and are expected to fund, together with local financing facilities, the capital cost requirements at current copper prices. The joint venture had cash and cash equivalents of \$24 million on hand at the end of September 2023 with overdraft facilities with local DRC banks of \$150 million being utilized. Subsequent to quarter end, the joint venture received in excess of \$200 million in sales proceeds.

Construction for Platreef's Phase 1 Mine is well underway, with the first production on track for Q3 2024. The planned Phase 2 capital expenditure at Platreef for 2024 is indicative only and subject to the completion of the ongoing optimization work and includes the continuation of sinking Shaft 2 and the construction of the Shaft 2 headframe, as well as Shaft 3 construction and equipping, allowing optionality to accelerate the ramp-up of underground mining activities for Phase 2, in advance of the completion of Shaft 2, which is expected in 2027. The 2024 Phase 2 capital expenditure guidance excludes capital expenditure planned post-initial production.

Construction of the Kipushi Mine is also underway, with the processing plant scheduled for completion in Q2 2024. Of the \$380 million capital budget to completion, approximately \$235 million has been committed to date.

On May 22, 2023, Kipushi entered into a loan agreement with Rawbank SA, 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. The first tranche of the loan was drawn down by Kipushi on June 27, 2023, and the second tranche was drawn down on September 11, 2023. The loan incurs interest at 8% per year plus commission of 0.5% per quarter. The loan and accumulated interest and commission are repayable on May 31, 2024. Ivanhoe Mines Ltd. has provided a corporate guarantee under this loan agreement.

On August 4, 2023, the Company entered into an \$18 million loan agreement with Investec Bank Limited, a South African financial institution, in respect of its 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 \$0.5 million of the principal amount and \$0.3 million in interest during the nine months ended September 30, 2023.

Exploration activities at the Western Foreland exploration project in the DRC and other targets had an initial budget of \$31 million for 2023, to which an additional \$2 million has been added to the remaining budget for 2023 to further advance new targets.

On March 17, 2021, the Company closed a private placement offering of \$575 million of 2.50% convertible senior notes maturing in 2026. The convertible senior notes are senior unsecured obligations of the Company which will accrue interest payable semi-annually in arrears at a rate of 2.50% per annum and will mature on April 15, 2026, unless earlier repurchased, redeemed or converted. The notes will be convertible at the option of holders, before the close of business on the business day immediately preceding October 15, 2025, only under certain circumstances and during certain periods, and thereafter, at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. Upon conversion, the notes may be settled, at the Company's election, in cash, common shares or a combination thereof. The carrying value of the host liability was \$492 million and the fair value of the embedded derivative liability was \$267 million as at September 30, 2023.

The Company has a mortgage bond outstanding on its offices in London, United Kingdom, of £3.2 million (\$3.9 million). The bond is fully repayable on August 28, 2025, secured by the property, and incurs interest at a rate of 1-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 \$38 million as at September 30, 2023. The loan is repayable once the Platreef Project has residual cash flow, which is defined in the loan agreement as gross revenue generated by the Platreef Project, less all operating costs attributable thereto, including all mining development and operating costs. The loan incurs interest of Term SOFR applicable to United States Dollars on a 3-month deposit plus 2.26%. Interest is not compounded.

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

| Contractual obligations as at September 30, 2023 | Payments Due By Period | | | | |
|--|------------------------|-------------------------------|---------------------|---------------------|----------------------------|
| | Total \$'000 | Less than 1 year \$'000 | 1-3 years \$'000 | 4-5 years \$'000 | After 5 years \$'000 |
| Convertible notes | 581,616 | 6,616 | 575,000 | – | – |
| Debt | 139,760 | 83,316 | 11,007 | 45,437 | – |
| Lease commitments | 1,383 | 349 | 572 | 462 | – |
| Total contractual obligations | 722,759 | 90,281 | 586,579 | 45,899 | – |

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

The Company is required to fund its Kamoia Holding joint venture in an amount equivalent to its proportionate shareholding interest.

NON-GAAP FINANCIAL PERFORMANCE MEASURES

Kamoa-Kakula's C1 cash costs and C1 cash costs per pound

C1 cash costs and C1 cash costs per pound are non-GAAP financial measures. 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.

C1 cash costs are 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 costs are 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 finished metal. C1 cash costs and C1 cash costs per pound exclude royalties and production taxes and non-routine charges as they are not direct production costs.

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

| | Three months ended | | Nine months ended | |
|---|--------------------|----------------|-------------------|----------------|
| | September 30, | | September 30, | |
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cost of sales | 286,030 | 216,233 | 803,253 | 556,715 |
| Logistics, treatment and refining charges | 122,460 | 141,126 | 357,790 | 303,638 |
| General and administrative expenditure | 32,631 | 21,476 | 91,071 | 61,209 |
| Royalties and production taxes | (60,450) | (58,160) | (174,256) | (142,387) |
| Depreciation | (49,692) | (31,023) | (135,902) | (78,716) |
| Power rebate | (4,654) | – | (13,926) | – |
| Movement in finished goods inventory | 1,133 | 7,451 | (329) | 7,999 |
| General and administrative expenditures of other group entities | (4,465) | 1,224 | (9,110) | (1,078) |
| C1 cash costs | 322,993 | 298,327 | 918,591 | 707,380 |
| Cost of sales per pound of payable copper sold (\$ per lb.) | 1.34 | 1.05 | 1.28 | 1.09 |
| C1 cash costs per pound of payable copper produced (\$ per lb.) | 1.46 | 1.43 | 1.43 | 1.38 |
| Payable copper produced in concentrate (tonnes) | 100,569 | 94,641 | 291,543 | 232,912 |

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

EBITDA, Adjusted EBITDA and EBITDA margin

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 costs 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 | | Nine months ended | |
|--|--------------------|---------|-------------------|---------|
| | September 30, | | September 30, | |
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Profit after taxes | 178,660 | 88,549 | 580,565 | 437,249 |
| Finance costs | 85,097 | 81,105 | 264,471 | 202,576 |
| Current and deferred tax expense | 99,488 | 57,339 | 304,420 | 229,498 |
| Depreciation | 52,694 | 31,023 | 144,505 | 78,716 |
| Unrealized foreign exchange loss (gain) ⁽¹⁾ | 12,613 | (3,338) | 58,857 | (9,349) |
| Finance income | (5,341) | (3,593) | (15,668) | (7,912) |
| EBITDA | 423,211 | 251,085 | 1,337,150 | 930,778 |

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

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

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

| | Three months ended | | Nine months ended | |
|--|--------------------|-----------------|-------------------|----------------|
| | September 30, | | September 30, | |
| | 2023 | 2022 | 2023 | 2022 |
| | | | \$'000 | \$'000 |
| Profit after taxes | 107,522 | 23,867 | 277,185 | 396,927 |
| Finance income | (56,671) | (46,720) | (176,453) | (116,821) |
| Current and deferred tax recovery | (1,107) | (4,232) | (3,757) | (117,208) |
| Finance costs | 8,752 | 10,223 | 24,756 | 27,627 |
| Unrealized foreign exchange loss ⁽¹⁾ | 986 | 1,806 | 4,211 | 2,558 |
| Depreciation | 703 | 855 | 1,788 | 5,393 |
| EBITDA | 60,185 | (14,201) | 127,730 | 198,476 |
| Share of profit from joint venture net of tax | (69,829) | (34,057) | (225,554) | (170,856) |
| Company's share of EBITDA from Kamoa-Kakula joint venture ⁽²⁾ | 167,200 | 99,499 | 528,485 | 368,433 |
| (Gain) loss on fair valuation of embedded derivative liability | (12,218) | 27,700 | 45,300 | (89,500) |
| Non-cash share-based payments | 6,561 | 6,558 | 19,688 | 19,268 |
| Adjusted EBITDA | 151,899 | 85,499 | 495,649 | 325,821 |

| | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 |
|--|----------------|----------------|----------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Profit after taxes | 107,522 | 87,183 | 82,480 | 37,179 |
| Finance income | (56,671) | (61,956) | (57,826) | (58,477) |
| Current and deferred tax recovery (expense) | (1,107) | (1,769) | (881) | 3,839 |
| Finance costs | 8,752 | 5,539 | 10,465 | 10,457 |
| Unrealized foreign exchange loss (gain) ⁽¹⁾ | 986 | 1,934 | 1,291 | (231) |
| Depreciation | 703 | 609 | 476 | 476 |
| EBITDA | 60,185 | 31,540 | 36,005 | (6,757) |
| Share of profit from joint venture net of tax | (69,829) | (73,066) | (82,659) | (83,324) |
| Company's share of EBITDA from Kamoa-Kakula joint venture ⁽²⁾ | 167,200 | 180,489 | 180,796 | 179,082 |
| (Gain) loss on fair valuation of embedded derivative liability | (12,218) | 26,618 | 30,900 | 66,600 |
| Non-cash share-based payments | 6,561 | 6,589 | 6,538 | 6,461 |
| Adjusted EBITDA | 151,899 | 172,170 | 171,580 | 162,062 |

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

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

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 (gain) loss on fair valuation of the embedded derivative liability.

| | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 |
|--|----------------|----------------|----------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Profit after taxes | 107,522 | 87,183 | 82,480 | 37,179 |
| (Gain) loss on fair valuation of embedded derivative liability | (12,218) | 26,618 | 30,900 | 66,600 |
| Normalized profit after taxes | 95,304 | 113,801 | 113,380 | 103,779 |

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 | | Nine months ended | |
|--|--------------------|---------|-------------------|---------|
| | September 30, | | September 30, | |
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Kamoa Holding Limited (a) | 51,561 | 40,832 | 148,990 | 103,995 |
| Kamoa Services (Pty) Ltd. (b) | 1,052 | 723 | 3,266 | 2,139 |
| Kamoa Copper SA (c) | 247 | 329 | 774 | 981 |
| Ivanhoe Mines Energy DRC SARL (d) | 48 | 31 | 128 | 112 |
| Ivanhoe Electric Inc. (e) | 3 | 61 | 18 | 181 |
| I-Pulse Inc. (f) | 2 | – | 13 | – |
| Ivanhoe Capital Aviation Ltd. (g) | (1,125) | (1,125) | (3,375) | (3,375) |
| Ivanhoe Capital Services Ltd. (h) | (112) | (108) | (334) | (363) |
| CITIC Metal Africa Investments Limited (i) | (53) | (53) | (158) | (158) |
| Global Mining Management Corporation (j) | (42) | (33) | (157) | (183) |
| High Power Exploration Inc. (k) | – | 1,199 | 7,792 | 4,086 |
| Ivanhoe Capital Pte Ltd. (l) | – | – | – | (3) |
| | 51,581 | 41,856 | 156,957 | 107,412 |
| Finance income | 51,560 | 42,030 | 156,785 | 108,085 |
| Intergroup recharges and cost recovery | 1,352 | 1,097 | 4,171 | 3,250 |
| Travel | (1,125) | (1,076) | (3,375) | (3,307) |
| Salaries and benefits | (125) | (113) | (364) | (393) |
| Directors fees | (53) | (53) | (158) | (158) |
| Consulting | (18) | (31) | (41) | (102) |
| Office and administration | (10) | 2 | (61) | 37 |
| | 51,581 | 41,856 | 156,957 | 107,412 |

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 September 30, 2023, trade and other payables included \$0.7 million (December 31, 2022: \$0.3 million) with regard to amounts due to parties related by way of directors, officers or shareholders in common. These amounts are unsecured and non-interest-bearing.

Amounts included in other receivables due from parties related by way of directors, officers or shareholders in common as at September 30, 2023, amounted to \$5.6 million (December 31, 2022: \$6.9 million). Of this, \$5.2 million related to receivables from the joint venture (December 31, 2022: \$6.6 million).

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

- (a) Kamoia Holding Limited (“Kamoia Holding”) is a company registered in Barbados. The Company has an effective 49.5% ownership in Kamoia Holding. The Company earns interest on the loans advanced to Kamoia Holding.
- (b) Kamoia Services (Pty) Ltd. (“Kamoia Services”) is a company registered in South Africa. The Company has an effective 49.5% ownership in Kamoia Services. The Company provides administration, accounting and other services to Kamoia Services on a cost-recovery basis.
- (c) Kamoia Copper SA (“Kamoia Copper”) is a company incorporated in the DRC. The Company has an effective 39.6% ownership in Kamoia Copper. The Company provides administration, accounting and other services to Kamoia 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) 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.
- (f) 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.
- (g) Ivanhoe Capital Aviation Ltd. (“Aviation”) is a private company owned indirectly by a director of the Company. Aviation operates an aircraft for which the Company contributes toward the running costs.
- (h) Ivanhoe Capital Services Ltd. (“Services”) is a private company owned indirectly by a director of the Company. Services provides for salaries administration and other services to the Company in Singapore and Beijing on a cost-recovery basis.
- (i) 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) 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.
- (l) Ivanhoe Capital Pte Ltd. (“Capital”) is a private company owned indirectly by a director of the Company. Capital provides administration, accounting and other services in Singapore 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, 2022. 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.

Provisionally-priced revenue and remeasurement of contract receivables

Sales in the Kamoia 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 Kamoia-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 Kamoia Holding Limited joint venture.

Technical feasibility and commercial viability of projects

All direct costs related to the acquisition of mineral property interests are capitalized by property or project. Exploration costs are charged to operations in the period incurred until the Company determines that a property is technically feasible and commercially viable, where after development costs are capitalized. In making this determination, the Company considers whether a proposed project is capable of being developed at a sufficient return to justify the capital and managerial resources that must be committed to the project. This determination is made on a property-by-property basis and generally coincides with the finalization of a preliminary economic assessment or pre-feasibility study of the property. Exploration costs include value-added taxes incurred in foreign jurisdictions when recoverability of those taxes is uncertain.

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.

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).

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 at 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.

Deferred tax

Significant judgment is required in determining whether to recognize 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 recognized the previously unrecognized deferred tax asset relating to the Platreef Project in 2021 and the previously unrecognized deferred tax asset relating to the Kipushi Project in 2021. The Company considers it highly probable that the projects will have future taxable profits that will be available against which the deductible temporary differences can be utilized.

Provisions for tax claims

From time to time, the Company becomes subject to claims temporary measures, legal proceedings, penalties, financial sanctions 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 multi-jurisdictional nature of the Company's business, such claims may arise in several jurisdictions and may involve complex legal, tax or accounting matters. Some jurisdictions in which the Company operates have legislation empowering authorities to impose restrictions on the operation of the Company's bank accounts in those jurisdictions, or that have a similar effect, notably due to banks' practices, when receiving such instructions from authorities, pending the payment and/or resolution of such alleged claims, investigations, penalties, financial sanctions or assessments. These restrictions or instructions from authorities having a similar effect may be used routinely in such circumstances. 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.

Bill-and-hold arrangements

During the nine months ended September 30, 2023, the Kamoia Holding Limited joint venture had a bill-and-hold arrangement with a customer for copper concentrate sales, as described in IFRS 15. The control of the copper concentrate had passed to the customer however physical possession was retained by Kamoia-Kakula.

Revenue from the copper concentrate sales was recognized by the joint venture when control of the goods transferred to the customer through fulfilment of the contractual performance obligations, which was to deliver the concentrate to the customer. Delivery of the concentrate was on a freecarrier basis as per INCOTERMS 2020, with the point of delivery being on the floor of the Kamoia-Kakula concentrate warehouse. Upon delivery as per the contract, Kamoia-Kakula had a present right to payment for the concentrate and revenue was therefore recognized.

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, 2023, with earlier application permitted. The Company adopted these standards in the current period and they did not have a material impact on its condensed consolidated interim financial statements.

- Amendment to IAS 1 – Presentation of financial statements. The amendments clarify how to classify debt and other liabilities as current or non-current. Another amendment requires companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

- Amendments to IAS 12 – Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction. The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- Amendments to IAS 12 – Income Taxes: In December 2021, the Organization for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two), and various governments around the world, have issued or are in the process of issuing legislation on this. This framework has not yet been substantively enacted. The Company is in the process of assessing the full impact of this framework.
- Narrow scope amendments to IAS 1 – Presentation of Financial Statements, Practice statement 2 and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

Accounting standards issued but not yet effective

- 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. (i)
- 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. (i)
- Amendment to IAS 1 – Non-current liabilities with covenants. 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. (i)
- 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. (ii)
 - (i) Effective for annual periods beginning on or after January 1, 2024
 - (ii) Effective for annual periods beginning on or after January 1, 2025

The Company has not yet adopted these new and amended standards.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value of financial instruments

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

| | Level | September 30, 2023 \$'000 | December 31, 2022 \$'000 |
|---|---------|---------------------------------|--------------------------------|
| Financial assets | | | |
| <i>Financial assets at fair value through profit or loss</i> | | | |
| Investment in I-Pulse Inc. | Level 3 | 79,360 | – |
| Investment in Renergen Ltd. | Level 1 | 5,053 | 7,947 |
| Investment in unlisted entity | Level 3 | 655 | 655 |
| Investment in other listed entities | Level 3 | 411 | 1,050 |
| <i>Amortized cost</i> | | | |
| Loan advanced to joint venture | Level 3 | 1,685,591 | 1,536,601 |
| Cash and cash equivalents | | 303,308 | 597,451 |
| Loans receivable | Level 3 | 45,574 | 112,104 |
| Promissory note receivable | Level 3 | 26,790 | 26,756 |
| Other receivables | | 12,183 | 9,983 |
| Financial liabilities | | | |
| <i>Financial liabilities at fair value through profit or loss</i> | | | |
| Convertible notes - embedded derivative liability | Level 3 | 266,600 | 221,300 |
| <i>Amortized cost</i> | | | |
| Convertible notes - host liability | Level 3 | 491,562 | 465,323 |
| Borrowings | Level 3 | 139,761 | 40,823 |
| Trade and other payables | | 74,893 | 57,356 |
| Advances payable | Level 3 | 1,840 | 3,123 |

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 established 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 require an entity to develop its own assumptions.

Finance income

The Company's finance income is summarized as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|-------------------------------------|---------------|------------------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest on loan to joint venture | 51,561 | 40,832 | 148,990 | 103,995 |
| Interest on bank balances | 4,475 | 3,649 | 17,753 | 6,928 |
| Interest on long-term loan receivable - Gécamines | 630 | 531 | 1,899 | 1,277 |
| Other | 5 | – | 16 | 20 |
| Interest on long-term loan receivable - HPX | – | 1,708 | 7,795 | 4,601 |
| | 56,671 | 46,720 | 176,453 | 116,821 |

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. 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:

| | September 30, | December 31, |
|--------------------|---------------|--------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Assets | | |
| South African rand | 109,635 | 227,987 |
| Canadian dollar | 6,579 | 8,875 |
| British pounds | 5,659 | 2,909 |
| Australian dollar | 392 | 958 |
| Liabilities | | |
| South African rand | (39,382) | (29,718) |
| British pounds | (5,526) | (2,945) |
| Canadian dollar | (84) | (5,911) |

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.

| | Nine months ended | |
|--------------------|-------------------|--------|
| | September 30, | |
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Canadian dollar | 325 | 23 |
| Australian dollar | 20 | 54 |
| South African rand | (217) | (218) |
| British pounds | (5) | (1) |

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.

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, which 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 amortised 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.

Market risk

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

The Company measures the embedded derivative liability portion of the convertible notes at fair value at each reporting date, recognizing changes in the fair value in the statements of comprehensive income. This requirement to "mark-to-market" the derivative features could significantly affect the results in the statement of comprehensive income. If the Company's share price had been C\$1.00 higher than it was on September 30, 2023, the fair value of the embedded derivative liability would have increased by \$42 million, which would have resulted in the Company recording a loss on the fair valuation of the embedded derivative liability of \$88 million instead of the loss of \$45 million. If the Company's share price had been C\$1.00 lower than it was on September 30, 2023, the fair value of the embedded derivative liability would have decreased by \$54 million, which would have resulted in the Company recording a gain on the fair valuation of the embedded derivative liability of \$8 million instead of the loss of \$45 million.

Liquidity risk

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

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 month | 1 to 3 months | 3 to 12 months | More than 12 months | Total undiscounted cash flows |
|---------------------------------|----------------------|------------------|-------------------|------------------------|--|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at September 30, 2023 | | | | | |
| Convertible notes | 6,616 | – | – | 575,000 | 581,616 |
| Trade and other payables | 69,107 | 1,104 | 4,682 | – | 74,893 |
| Non-current borrowings | – | – | – | 56,445 | 56,445 |
| Current borrowings | 508 | 740 | 82,068 | – | 83,316 |
| As at December 31, 2022 | | | | | |
| Convertible notes | 3,033 | – | – | 575,000 | 578,033 |
| Non-current borrowings | – | – | – | 40,226 | 40,226 |
| Trade and other payables | 51,689 | 987 | 4,680 | – | 57,356 |

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

DESCRIPTION OF CAPITAL STOCK

As at November 4, 2023, 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 1,220,563,700 Class A shares were issued and outstanding. On June 28, 2022, the Company's capital structure was amended by deleting the Class B common shares without par value, and preferred shares without par value, none of which were outstanding.

The Company granted 1,259,090 options in 2022 and 1,224,240 options in 2023 to date. As at November 4, 2023, 13,163,534 options were outstanding issued in terms of the Equity Incentive Plan exercisable into 13,163,534 Class A Shares.

The Company granted 658,031 restricted share units (RSUs) in 2023 to date and 1,375,041 RSUs in 2022 per the Company's Share Unit Award Plan (formerly the Restricted Share Unit Plan). As at November 4, 2023, there were 3,058,661 RSUs which may vest into 3,058,661 Class A shares.

The Company granted 438,163 performance share units (PSUs) in 2023 to date and 372,113 PSUs in 2022 per the Company's Share Unit Award Plan (formerly the Restricted Share Unit Plan). As at November 4, 2023, there were 810,276 PSUs which may vest into 810,276 Class A shares.

The Company granted 212,936 deferred share units (DSUs) in 2023 to date and 200,991 DSUs in 2022 per the Company's Deferred Share Unit Plan. As at November 4, 2023, there were 695,061 DSUs which may vest into 695,061 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 operating effectiveness of the Company's DC&P and ICFR as of September 30, 2023, 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 and operate to provide reasonable assurance that material information relating to the Company is made known to her by others within the Company and that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified in those rules.

As at September 30, 2023, management, including the President, in the capacity of CEO, and CFO, have evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the President and CFO have concluded that as of the end of the period covered by this MD&A, the Company's disclosure controls and procedures were effective.

The Company's President and CFO have used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the design and operation of the Company's ICFR as of September 30, 2023, and have concluded that these controls and procedures have been designed and operated 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.

As at September 30, 2023, management assessed the effectiveness of the Company's internal control over financial reporting and concluded that the Company's internal control over financial reporting was effective.

During the three months ended September 30, 2023, there were no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISK FACTORS

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

DISCLOSURE OF TECHNICAL INFORMATION

Disclosures of a scientific or technical nature in this MD&A regarding the Kamo-Kakula Copper Complex (other than stockpiles estimation), 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 Kamo-Kakula stockpiles in this MD&A have been reviewed and approved by George Gilchrist, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of NI 43-101. Mr. Gilchrist is not considered independent under NI 43-101 as he is the Vice President, Resources, at Ivanhoe Mines. Mr. Gilchrist has verified the technical data regarding the Kamo-Kakula stockpiles 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 Executive Head: Exploration, 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-Kakula Copper Complex, the Platreef Project and the Kipushi Project, each of which is available on the Company's website and under the Company's SEDAR+ profile at www.sedarplus.ca

- Kamo-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-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-Kakula Copper Complex.

FORWARD-LOOKING STATEMENTS

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

Such statements include without limitation, the timing and results of: (i) statements that Kamoakakula expects Phase 1 and Phase 2 cash flow and project facilities to be sufficient to fund the Phase 3 expansion capital cost requirements at current copper prices; (ii) statements regarding Kamoakakula's full-year cash cost (C1) guidance remaining at \$1.40 – \$1.50 per pound and full-year production guidance also remaining at 390,000 to 430,000 tonnes of copper in concentrate; (iii) statements that Kamoakakula's Phase 3 mine and concentrator expansion, being 500,000-tonne-per-annum on-site, direct-to-blister copper smelter and the refurbishment of Turbine #5 at the Inga II hydroelectric facility are advancing on schedule for completion in late 2024; (iv) statements regarding highly promising preliminary testwork to further improve copper recoveries at Kamoakakula, having results indicating that recoveries well over 90% can be achieved by liberating copper from the tailings stream and that based on these results, Kamoakakula can further increase production, revenues and cash flow; (v) statements that Ivanhoe is planning to publish a maiden Mineral Resource estimate for its Makoko and Kiala high-grade copper discoveries in the Western Foreland shortly, including an update on more recent drilling across the land package; (vi) statements that once commission of underground crusher and loader at Platreef are installed, underground development rate is expected to increase to approximately 400 meters per month by year-end; (vii) statements that Shaft 2 raisebore reaming at Platreef is expected to be complete in Q2 2024; (viii) statements that Platreef's Phase 1 concentrator is scheduled for first production in Q3 2024; (ix) statements that the Kipushi Mine concentrator is on schedule for commissioning in Q2 2024, and that the concentrator includes dense media separation and a milling and flotation circuit; (x) statements that Stoping of ultra-high-grade Big Zinc orebody at Kipushi is expected to begin in January 2024 and that the underground development rate is expected to increase to approximately 450 metres per month by year-end; (xi) statements that Kamoakakula has been working alongside DRC's state-owned power company, SNEL, to identify the causes of instability across the southern DRC's grid infrastructure to assist with delivering long-lasting solutions and that Kamoakakula has identified a series of upgrades and has outlined a project plan to deliver the improvements; (xii) statements that Kamoakakula's engineering team are working towards insulating Kamoakakula from future instability by expanding on-site backup generation capacity, as well as sourcing additional power imported from the Zambian grid; (xiii) statements that over the next 12-18 months, on-site backup-power generation capacity at Kamoakakula will increase via a phased roll-out, that the delivery of a further 30 MW in backup generation capacity, sufficient to power Kamoakakula's entire Phase 1 and 2 operations in the event of grid disruptions, will commence later this year and is expected to be operational by Q2 2024, that over 130 MW of further backup generation capacity has been ordered and is expected to be installed in 2024, in time for the completion of the Phase 3 concentrator and smelter that are currently under construction and that discussions are advancing to secure up to 100 MW of additional power via the Zambian grid interconnector, with the initial phase expected to be ready in the third quarter; (xiv) statements that while the ongoing expansion of underground infrastructure at the Kakula mine takes place, ore will be drawn as required from the stockpile to maximize copper production; (xv) statements that following the commissioning of Phase 3, Kamoakakula will have a total design processing capacity of 14.2 Mtpa that the completion of Phase 3 is expected to increase annualized copper production to an average of approximately 620,000 tonnes per year over the next ten years, which will position Kamoakakula as the world's third-largest copper mining complex in 2027, and the largest copper mine on the African continent; (xvi) statements that underground mining activities are expected to commence at Kamoakakula 1 in late 2023 and Kamoakakula 2 in 2025, which will both involve the same mechanized drift-and-fill mining methods used at the Kakula Mine; (xvii) statements that the smelter at Kamoakakula will have a capacity of 500,000 tonnes of 99+% pure blister copper anodes per annum, and will incorporate leading-edge technology supplied by Metso Outotec of Espoo, Finland and will meet the world-leading IFC emissions standards; (xviii) statements that the number of workers at the smelter site is expected to peak at 3,000 in December 2023; (xix) statements that Turbine #5 at the Inga II hydroelectric power station will supply an additional 178 MW of clean hydroelectric power to the national grid, which is sufficient to meet the power requirements of the Phase 3 concentrator, and the flash smelter; (xx) statements that the 99.7% pure blister anode copper produced from Kamoakakula's smelter is expected to be among the lowest carbon-dioxide emitters in the world per tonne of copper produced; (xxi) 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; (xxii) statements that under the Kamoakakula 2023 Integrated Development Plan, the smelter is projected to accommodate approximately 80% of Kamoakakula's total concentrate production; (xxiii) statements regarding Kamoakakula continuing to toll-treat concentrates under a 10-year agreement with the LCS, located approximately 50 kilometres from Kamoakakula, near the town of Kolwezi and that deliveries to LCS are expected to account for approximately 150,000 tonnes of copper concentrate annually; (xxiv) statements that Kamoakakula's Phase 3 mine and concentrator expansion

and 500,000-tonne-per annum on-site, direct-to-blister copper smelter, which is expected to be Africa's largest direct-to-blister flash smelter, are advancing on or ahead of schedule and are expected to be completed in Q3 and Q4 2024, respectively, and that meanwhile ore will be drawn from the stockpiles to maximize copper production; (xxv) statements that as a by-product, the smelter at Kamoakakula will also produce in the region of 650,000 to 800,000 tonnes per year of high-strength sulphuric acid; (xxvi) statements that the on-site smelter will offer transformative financial benefits for the Kamoakakula Copper Complex, most notable being a material reduction in logistics costs, and to a lesser extent reduced concentrate treatment charges and local taxes, as well as revenue from acid sales; (xxvii) statements that the volume of shipments is expected to halve following the Phase 3 expansion as trucks will transport 99+%-pure blister copper anodes instead of concentrate with approximately 50% contained copper and that according to the Kamoakakula 2023 Prefeasibility Study, smelter commissioning is expected to drive a decrease in average cash costs (C1) over the first five years (from 2025) to approximately \$1.15/lb. of copper; (xxviii) statements regarding the company focusing on construction activities to bring Phase 1 of Platreef into production by Q3 2024; (xxix) statements that basic engineering for the tailings treatment plant at Kamoakakula has recently started and is expected to be complete in Q1 2024; (xxx) statements regarding efforts to finalize an additional senior debt facility for Platreef targeted for completion in Q4 2023; (xxxi) statements that once the crusher and loading feeder installation on the 950-metre level is completed at Platreef at the end of August, the rate of lateral underground development is expected to continue to increase to approximately 300 metres per month through the remainder of the year and that from January 2024, the advancement rate is expected to increase to approximately 500 metres per month; (xxxii) statements that the 10-metre diameter Shaft 2 currently under construction will have a hoisting capacity of 8 Mtpa and that Shaft 2 will be utilized in subsequent development phases and will be among the largest hoisting shafts in the world; (xxxiii) statements that the kibble and stage winder civil construction is nearing completion with the winder deliveries planned for December 2023, with actual installation to commence Q1 2024; (xxxiv) statements that Shaft 2 raisebore reaming at Platreef is expected to be completed in Q2 2024; (xxxv) statements that commissioning of Platreef's first 5-MW solar-power plant is expected for Q1 2024 and that power generated by this plant will support development activities and operations, together with other renewable energy sources to be introduced over time; (xxxvi) statements that Shaft 3, originally planned as a ventilation and secondary escape shaft, is currently under construction and is now planned to be equipped for hoisting, which will provide additional hoisting capacity to remove ore and waste from the underground mine and that this has the benefit of de-risking the development and ramp-up of the Phase 1 mine and may be used to accelerate the ramp-up of underground mining activities for Phase 2, in advance of the completion of Shaft 2, which is expected in 2027; (xxxvii) statements that Shaft 3 is currently being reamed to a diameter of 5.1 metres with planned completion in Q4 2023; (xxxviii) statements that Platreef's water requirement for the Phase 1 operation is projected to peak at approximately three million litres per day, which will then increase to nine million litres per day once the Phase 2 expansion is complete; (xxxix) statement that Kipushi Holding remains on track to sign definitive documentation imminently with Gécamines in relation to the new Kipushi joint-venture agreement; ; (xl) statements that the Kipushi concentrator is ahead of schedule and expected to be commissioned in Q2 2024; (xli) statements that underground ore development throughout the remainder of the year will have a grade of between 20-25% zinc (xlii) statements that the Kipushi concentrator includes DMS and a milling and flotation circuit and is expected to produce more than 270,000 tonnes of zinc contained in concentrate over the first five years of operations; (xliii) statements that the Kipushi concentrator's design recoveries are targeted at 96%, with a concentrate grade of 55% contained zinc; (xliv) statements that stoping of the ultra-high-grade Big Zinc orebody is expected to begin in January 2024; (xlv) statements that over half of the Kipushi primary fleet and secondary support equipment has been mobilized, with the remainder expected to be delivered at the end of the third quarter; (xlvi) statements that concurrent training of new underground miners is ongoing at Kipushi, targeting a full complement of four crews by the end of the third quarter; (xlvii) statements that the year-to-date underground development rate averages approximately 250 metres per month and that following the mobilization of the remaining underground equipment fleet and the fourth mining crew, the underground development rate is expected to increase to approximately 450 metres per month by year-end; (xlviii) statements that underground development at Kipushi throughout the remainder of the year will increasingly be in ore, grading between 20-25% zinc and that the ore will be hauled to surface and stored on the stockpile ahead of concentrator commissioning; (xlix) statements that the mining method of the Big Zinc orebody at Kipushi will be transverse sublevel open stoping in a primary and secondary sequence and that the void of the mined-out stopes will be filled with cemented aggregate to maximize the extraction of the ultra-high-grade ore; (l) statements that at Kipushi the total mining height of long-hole stopes is 60 metres (comprising of an upper 30-metre-high stope and lower 30-metre-high stope), which will be separated by 15-metre-high sill pillars, that the long-hole stopes

will be mined with a bottom-up mining sequence, with the lower stope extracted first followed by the upper stope and that the stopes will be extracted using a primary and secondary long-hole stoping sequence; (li) statements that Kipushi's operations will be supplied with hydroelectric power from DRC's state-owned electricity company, SNEL; (lii) statements that the deep diamond drilling at the Mokopane Feeder Project is planned to commence in Q4 2023 and carry over in 2024; (liii) statements that Phase 1 and Phase 2 operations at Kamoakakula are anticipated to generate significant operating cash flows in 2023 and 2024, and that the joint venture is arranging short-term financing facilities should a shortfall occur due to a significant decrease in copper prices; (liv) statements with respect to the company's capital expenditure guidance and planned expenditures for 2023 and 2024; and (lv) statements that 2023 exploration activities have an initial budget of \$31 million.

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

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

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

Forward-looking statements and information involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indicators of whether such results will be achieved. Many factors could cause actual results to differ materially from the results discussed in the forward-looking statements or information, including, but 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.