Consolidated financial statements of

Ivanplats Limited

(formerly Ivanhoe Nickel & Platinum Ltd.)

December 31, 2011

(Stated in U.S. dollars)

Ivanplats Limited

(formerly Ivanhoe Nickel & Platinum Ltd.)

December 31, 2011

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Independent Auditor's Report

To the Shareholders of Ivanplats Limited
(formerly Ivanhoe Nickel & Platinum Ltd.)

We have audited the accompanying consolidated financial statements of Ivanplats Limited (formerly Ivanhoe Nickel & Platinum Ltd.), which comprise the consolidated statements of financial position as at December 31, 2011, and December 31, 2010, and the consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2011, December 31, 2010 and December 31, 2009, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Ivanplats Limited (formerly Ivanhoe Nickel & Platinum Ltd.) as at December 31, 2011 and December 31, 2010, and its financial performance and its cash flows for the years ended December 31, 2011, December 31, 2010, and December 31, 2009, in accordance with International Financial Reporting Standards.

Chartered Accountants
March 30, 2012
Vancouver, Canada

Ivanplats Limited

(formerly Ivanhoe Nickel & Platinum Ltd.)

Consolidated statements of comprehensive loss
for the year ended December 31,

(stated in thousands of U.S. dollars, except for share and per share amounts)

	Notes	**2011**	2010	2009
		$	$	$
Expenses				
Exploration	7	**96,594**	33,828	22,848
Share-based payments	15	**8,165**	3,971	3,200
Salaries and benefits		**5,085**	2,079	2,089
Consulting		**2,903**	357	363
Legal		**2,850**	70	350
Travel		**2,614**	1,870	1,755
Office and administration		**2,050**	1,418	1,164
Accounting		**433**	190	146
Depreciation and amortization		**213**	274	274
Insurance		**188**	137	121
Investor relations		**83**	16	67
Foreign exchange gain		**(23)**	(12)	(211)
Impairment of freehold land		**-**	-	616
Loss from operating activities		**121,155**	44,198	32,782
Other Income		**(99)**	(1,369)	(93)
Interest income		**(1,066)**	(156)	(214)
Finance costs	12	**4,560**	**-**	1
Share of losses from joint ventures	5	**1,006**	8,236	337
Gain on sale of investment		**-**	-	(2,416)
Loss before income taxes		**125,556**	50,909	30,397
Income tax expense				
Current	13	**265**	447	248
		265	447	248
LOSS FOR THE YEAR		**125,821**	51,356	30,645
Other comprehensive loss (income)				
Exchange differences on translating foreign operations		**922**	(2,272)	(2,497)
Share of other comprehensive loss of joint ventures	5	**(6)**	1,128	434
Change in fair value of available for sale assets		**-**	-	(4,366)
Reclassification of gain on available for sale assets		**-**	-	2,416
Other comprehensive loss (income) for the year, net of tax		**916**	(1,144)	(4,013)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**126,737**	50,212	26,632
Loss attributable to:				
Owners of the Company		**121,458**	51,286	30,644
Non-controlling interest		**4,363**	70	-
		125,821	51,356	30,644
Total comprehensive loss attributable to:				
Owners of the Company		**122,457**	50,142	26,632
Non-controlling interest		**4,280**	70	-
		126,737	50,212	26,632
Basic and diluted loss per share	14	**0.30**	0.13	0.08
Weighted average number of basic and diluted shares outstanding (including common shares from special warrants)	14	**407,732,679**	389,883,180	374,132,645

Ivanplats Limited

(formerly Ivanhoe Nickel & Platinum Ltd.)

Consolidated statements of financial position as at December 31,

(stated in thousands of U.S. dollars)

	Notes	**2011**	**2010**
		$	**$**
ASSETS			
Non-current assets			
Property, plant and equipment	4	**45,329**	**7,655**
Mineral properties	7	**223,277**	**6,940**
Goodwill	6	**75,701**	**-**
Investment in joint ventures	5	**3,609**	**4,467**
Long-term loan receivable	6	**7,324**	**-**
Other assets		**248**	**335**
Total non-current assets		**355,488**	**19,397**
Current assets			
Trade and other receivables	8	**5,865**	**1,390**
Prepaid expenses		**1,118**	**1,349**
Short-term deposits	3	**80,039**	**-**
Cash and cash equivalents	3	**185,787**	**18,248**
Total current assets		**272,809**	**20,987**
Total assets		**628,297**	**40,384**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	**260,272**	**213,377**
Warrant reserve	15	**37,996**	**58,079**
Share option reserve	15	**31,209**	**22,344**
Reserves	16	**(2,888)**	**(1,889)**
Accumulated deficit		**(94,452)**	**(257,598)**
Equity attributable to owners of the Company		**232,137**	**34,313**
Non-controlling interest	17	**69,037**	**(1,162)**
Total equity		**301,174**	**33,151**
Non-current liabilities			
Advances payable to Gecamines	9	**5,991**	**-**
Convertible bond	10	**112,480**	**-**
Purchase consideration payable	6	**41,366**	**-**
Deferred tax liabilities	13	**77,783**	**2,082**
Total non-current liabilities		**237,620**	**2,082**
Current liabilities			
Advances payable to Gecamines	9	**4,273**	**-**
Purchase consideration payable	6	**74,738**	**-**
Trade and other payables	11	**10,283**	**4,922**
Current tax liabilities		**209**	**229**
Total current liabilities		**89,503**	**5,151**
Total liabilities		**327,123**	**7,233**
Total equity and liabilities		**628,297**	**40,384**

Commitments and contingencies (Note 23)

(Signed) Peter Meredith
Peter Meredith, Director

(Signed) Charles Russell
Charles Russell, Director

The accompanying notes are an integral part of these consolidated financial statements.

Ivanplats Limited

(formerly Ivanhoe Nickel & Platinum Ltd.)

Consolidated statements of changes in equity

(stated in thousands of dollars, except for share amounts)

	Share capital									
	Number of shares	Amount	Number of warrants	Warrant reserve	Share option reserve	Reserves	Accumulated deficit	Equity attributable to owners	Non-controlling interest	Total
		$		$	$	$	$	$	$	$
Balances, January 1, 2010	**294,567,480**	**139,153**	**84,557,055**	**119,594**	**17,086**	**(3,033)**	**(217,404)**	**55,396**	**-**	**55,396**
Net loss for the year	-	-	-	-	-	-	(51,286)	(51,286)	(70)	(51,356)
Other comprehensive income	-	-	-	-	-	1,144	-	1,144	-	1,144
Total comprehensive loss	-	-	-	-	-	1,144	(51,286)	(50,142)	(70)	(50,212)
Transactions with owners										
Sale of non-controlling interest in subsidiary	-	-	-	-	-	-	11,092	11,092	(1,092)	10,000
Share based payments										
charged to operations	-	-	-	-	3,296	-	-	3,296	-	3,296
Bonus shares issued	375,000	675	-	-	-	-	-	675	-	675
Shares issued, net	4,583,335	7,333	-	-	3,668	-	-	11,001	-	11,001
Liquidity rights converted to shares	1,677,555	1,085	-	-	(1,084)	-	-	1	-	1
Options exercised	2,500,000	3,616	-	-	(622)	-	-	2,994	-	2,994
Special warrants converted to										
shares	49,119,975	61,515	(44,370,825)	(61,515)	-	-	-	-	-	-
Balances, December 31, 2010	**352,823,345**	**213,377**	**40,186,230**	**58,079**	**22,344**	**(1,889)**	**(257,598)**	**34,313**	**(1,162)**	**33,151**
Net loss for the year	-	-	-	-	-	-	(121,458)	(121,458)	(4,363)	(125,821)
Other comprehensive income	-	-	-	-	-	(999)	-	(999)	83	(916)
Total comprehensive loss	-	-	-	-	-	(999)	(121,458)	(122,457)	(4,280)	(126,737)
Transactions with owners										
Sale of non-controlling interest in subsidiary										
(Note 17)	-	-	-	-	-	-	284,604	284,604	(4,991)	279,613
Acquisition of non-controlling interest in								-		
subsidiary (Note 6)	-	-	-	-	-	-	-	-	80,748	80,748
Common share investment funded										
on behalf of non-controlling interest (Note 6)	-	-	-	-	-	-	-	-	(1,278)	(1,278)
Share based payments								-		
charged to operations (Note 15)	-	-	-	-	8,165	-	-	8,165	-	8,165
Shares issued, net (Note 15)	7,500,000	18,000	-	-	4,496	-	-	22,496	-	22,496
Liquidity rights converted to shares	1,208,330	2,247	-	-	(2,247)	-	-	-	-	-
Options exercised (Note 15)	3,180,000	6,565	-	-	(1,549)	-	-	5,016	-	5,016
Special warrants converted to								-		
shares (Note 15)	16,876,995	20,083	(14,064,170)	(20,083)	-	-	-	-	-	-
Balance at December 31, 2011	**381,588,670**	**260,272**	**26,122,060**	**37,996**	**31,209**	**(2,888)**	**(94,452)**	**232,137**	**69,037**	**301,174**

The accompanying notes are an integral part of these consolidated financial statements.

Ivanplats Limited

(formerly Ivanhoe Nickel & Platinum Ltd.)

Consolidated statements of cash flows
years ended December 31,

(stated in thousands of U.S. dollars)

	Notes	2011	2010	2009
		$	$	$
Cash flows from operating activities				
Loss before income taxes		**(125,556)**	(50,909)	(30,397)
Items not involving cash				
Share-based payments	15	**8,165**	3,971	3,200
Depreciation and amortization		**1,356**	1,915	1,750
Share of losses from joint ventures	5	**1,006**	8,236	337
Interest income and expense		**3,494**	(156)	(213)
Unrealized foreign exchange (gain) loss		**(332)**	1,674	2,014
Gain on disposal of property, plant and equipment		**(162)**	(15)	(18)
Impairment of freehold land		**-**	-	616
Gain on sale of investment		**-**	-	(2,416)
		(112,029)	(35,284)	(25,127)
Change in non-cash working capital items	19	**1,117**	2,277	(471)
Taxes paid		**(215)**	(464)	(655)
Interest received		**1,066**	156	214
Interest paid		**(468)**	-	(1)
Net cash used in operating activities		**(110,529)**	(33,315)	(26,040)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		**303**	28	29
Property, plant and equipment acquired		**(3,816)**	(1,049)	(1,396)
Proceeds from sale of other assets		**64**	-	-
Acquisition of subsidiary, net of cash		**(55,000)**	-	-
Investment in joint venture		**(154)**	-	-
Investment in short-term investments		**(80,039)**	-	-
Other assets acquired		**-**	(6)	(64)
Proceeds from sale of investment		**-**	-	5,112
Purchase of investments		**-**	-	(169)
Net cash (used in) generated by investing activities		**(138,642)**	(1,027)	3,512
Cash flows from financing activities				
Proceeds from sale of interest in subsidiary		**279,613**	10,000	-
Convertible bonds		**115,000**	-	-
Transaction costs paid on convertible bond		**(5,436)**	-	-
Issue of shares, net of issue costs		**22,500**	11,000	29,158
Options exercised		**5,007**	2,994	-
Special warrants exercised for common shares		**-**	-	1,649
Proceeds from short-term loan	18	**10,000**	-	-
Repayment of short-term loan	18	**(10,000)**	-	-
Net cash generated by financing activities		**416,684**	23,994	30,807
Effect of foreign exchange rate changes on cash		**26**	40	(462)
Net cash inflow (outflow)		**167,539**	(10,308)	7,817
Cash and cash equivalents, beginning of period		**18,248**	28,556	20,739
Cash and cash equivalents, end of period		**185,787**	18,248	28,556
Cash and cash equivalents consists of				
Cash		**159,041**	9,850	5,179
Short-term fixed deposits		**26,746**	8,398	23,377
		185,787	18,248	28,556

Supplemental cash flow information (Note 19)

1. Basis of presentation and continuing operations

Ivanplats Limited is a Canadian mining exploration company incorporated in Canada which, together with its subsidiaries (collectively referred to as the Company), is focused on the exploration, development and recovery of minerals and precious gems from its property interests located primarily in Africa and Australia. On June 2, 2011, the Company changed its name to Ivanplats Limited from Ivanhoe Nickel & Platinum Limited.

The registered and records office of the Company are located at Lackowicz, Shier & Hoffman, 300–204 Black Street, Whitehorse, Yukon, Y1A 2M9.

These consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are also prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. The Company has incurred losses since inception and has an accumulated deficit of $94.5 million at December 31, 2011. Continuation of the Company as a going concern is dependent upon establishing profitable operations, the confirmation of economically recoverable reserves, and the ability of the Company to obtain further financing to develop properties. Although the Company has been successful in raising funds in the past, there can be no assurance that it will be able to raise sufficient funds in the future, in which case, the Company may be unable to meet its obligations as they come due in the normal course of business. In the event the Company was unable to continue as a going concern, then material adjustments would be required to the carrying value of the assets and liabilities and the statement of financial position classification used.

2. Significant accounting policies

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The significant accounting policies used in these consolidated financial statements are as follows:

(a) Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with and using accounting policies in full compliance with IFRS and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2011.

(b) Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

2. Significant accounting policies (continued)

(b) Principles of consolidation (continued)

Subsidiaries (continued)

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive loss of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity attributed to the owners of the Company.

Joint ventures

Joint ventures are those entities in which the Company has joint control. The Company's share of post-acquisition results of joint ventures is included in the consolidated financial statements, using the equity accounting basis. Equity accounting involves recognizing in the statement of comprehensive loss the Company's share of the joint ventures' profit or loss for the year. The Company's interest in joint ventures is carried in the statement of financial position at an amount that reflects its share of the net assets of the joint ventures.

If impaired, the carrying value of the Company's share of the underlying assets of joint ventures is written down to its estimated recoverable amount in accordance with the accounting policy on impairment.

When the Company transacts with a joint venture, profits or losses are eliminated to the extent of the Company's interest in the joint venture.

In 2006, the Company acquired a 25% interest in the RK1 consortium through the acquisition of Gardner & Barnard Mining (UK) Limited and RKR Mining (UK) Ltd. and their subsidiaries, GB Mining and Exploration SA (Pty) and RK Mining SA (Pty) Ltd. The Company's investment in the RK1 consortium (25% owned) is subject to joint control.

In 2007, the Company acquired a 50% interest in Rhenfield Limited a property investment company.

2. Significant accounting policies (continued)

(c) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively*;*

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date (see note 3.16.2); and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

2. Significant accounting policies (continued)

(c) Business combinations (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Company obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

(d) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statements of comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2. Significant accounting policies (continued)

(e) Significant accounting estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make estimates and assumptions concerning the future. The resulting accounting estimates can, by definition, only approximate the actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant estimates used in the preparation of these consolidated financial statements include, but are not limited to, the fair value of assets and liabilities acquired in business combinations, the assumptions used in accounting for share-based payments and recoverability of assets.

Recoverability of assets

(i) Goodwill and intangible assets with an indefinite useful life

Intangible assets with an indefinite useful life and goodwill are tested for impairment annually. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, known as cash-generating units ("CGU"), for which management has assessed these as being individual mine sites, which are the lowest level for which cash inflows are largely independent of other assets. If the recoverable amount of the cash-generating unit is less than the carrying amount of the CGU, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. Impairment losses recognized for goodwill are not reversed in a subsequent period.

Recoverable amount is the higher of fair value less costs to sell and value in use. Fair value for mineral properties is generally determined as the present value of estimated future cash flows arising from continued use of the asset, which includes estimates, and using assumptions that an independent market participant would take into account. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2. Significant accounting policies (continued)

(e) Significant accounting estimates (continued)

Recoverability of assets (continued)

(ii) Property, plant and equipment and finite lived intangible assets

Property, plant and equipment 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.

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. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. 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 reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

Where an impairment loss subsequently reverses the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive loss.

(f) Significant accounting judgements

Significant accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments.

Determination of functional currency

In determining the functional currency of the Company the following was considered:
- the currency that primarily affect the selling prices of goods and services,
- the currency in the country whose competitive forces and regulations mainly determine the selling prices of their goods and services,
- the currency that mainly influences on the cost of labour, materials and other costs of producing goods or providing service,
- the currency in which the funds are generated from financing activities, i.e. that corresponds to debt instruments and equity securities issued and
- the currency used to maintain the amounts charged by operating activities were considered.

2. Significant accounting policies (continued)

(f) Significant accounting judgements (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. Significant accounting policies (continued)

(f) *Significant accounting judgements (continued)*

Foreign currencies (continued)

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

(g) *Cash and cash equivalents*

Cash and cash equivalents comprise bank balances and highly liquid investments with original maturities of three months or less.

(h) *Mineral properties*

Direct costs related to the acquisition of mineral properties are capitalized on a property by property basis. Exploration costs are charged to operations in the period incurred, until such time as it has been determined that a property has economically recoverable reserves, at which time subsequent costs incurred to develop the property are capitalized.

The Company reviews the carrying values of its mineral properties whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and discounted net cash flows. An impairment loss is recognized when the carrying value of those assets are not recoverable and exceeds their fair value.

On the commencement of commercial production, net capitalized costs are charged to operations on a unit-of-production basis, by property, using estimated proven and probable recoverable reserves as the depletion base.

Where the Company's exploration and development activities are conducted jointly with others, these consolidated financial statements reflect only the Company's interests in such activities.

(i) *Financial instruments*

All financial instruments are initially recorded at fair value. Financial assets are designated upon inception as either (i) held-to-maturity, (ii) at fair value through profit or loss, (iii) available-for-sale, or (iv) loans and receivables. The designation determines the method by which the financial assets are measured on the statement of financial position subsequent to inception and how changes in value are recorded.

All of the Company's financial assets, other than available-for-sale securities, have been designated as loans and receivables and are carried on the statements of financial position at amortized cost. Financial instruments classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss). The Company does not have any financial assets other than cash and cash equivalents and trade and other receivables that are designated as loans and receivables.

2. Significant accounting policies (continued)

(i) Financial instruments (continued)

Financial liabilities are designated as either (i) at fair value through profit or loss or (ii) other liabilities. All of the Company's financial liabilities have been designated as other liabilities and are carried on the statements of financial position at amortized cost.

Transaction costs associated with fair value through profit or loss financial instruments are expensed as incurred, while transaction costs associated with all other financial instruments are added to the initial carrying amount of the asset or liability.

(j) Property, plant and equipment

All property, plant and equipment are initially recorded at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation commences once the asset is available for use and is calculated on the straight line method to write off the cost of each asset less residual values over their estimated useful lives. The assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each financial year end. Any changes are accounted for prospectively as a change in accounting estimate. Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and assets under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The expected lives applicable to each category of fixed assets are as follows:

- Office equipment and furniture and fixtures 3 – 5 years
- Motor vehicles 5 years
- Plant, equipment and buildings 5 - 20 years

The Company reviews the carrying values of its property, plant and equipment whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and discounted net cash flows. An impairment loss is recognized when the carrying value of those assets is not recoverable and exceeds their fair value.

The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit and loss.

Freehold land is not depreciated.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2. Significant accounting policies (continued)

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they incurred.

(l) Decommissioning liabilities

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the reclamation of mining property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for a decommissioning liability is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation. As at December 31, 2011 and December 31, 2010, there was no material rehabilitation provision.

(m) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

2. Significant accounting policies (continued)

(n) Taxation

Current tax

The tax currently payable is based on taxable income for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting income.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2. Significant accounting policies (continued)

(n) Taxation (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

(o) Share-based payments

Equity settled share-based payments to employees providing services are measured at the fair value of the equity instruments at the grant date.

The fair value of all equity settled share-based payments is estimated as of the date of the grant using a Black-Scholes option valuation model and are recorded in profit and loss over their vesting periods. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. Changes to the estimated number of awards that will eventually vest are accounted for prospectively.

When the share options are ultimately exercised, the amount in the share-based payment reserve is moved to share capital.

2. Significant accounting policies (continued)

(p) Future accounting changes

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended December 31, 2011:

- IFRS 7 (Amendment) Enhanced disclosure on transfer of financial assets (i)
- IFRS 9 New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets and liabilities (iv).
- IFRS 10 New standard to establish principles for the presentation and preparation of consolidated financial statements when an entity controls multiple entities (ii)
- IFRS 11 New standard to account for the rights and obligations in accordance with a joint agreement (ii)
- IFRS 12 New standard for the disclosure of interests in other entities not within the scope of IFRS 9/IAS 39 (ii)
- IFRS 13 New standard on the measurement and disclosure of fair value (ii)
- IFRIC 20 Stripping Costs in the Production Phase of a Mine clarifies the requirements for accounting for the costs of stripping activity in the production phase when stripping improves access to further quantities of material that will be mined in future periods. (ii)
- IAS 1 (Amendment) Presentation of other comprehensive income (iii)
- IAS 19 Changes to the accounting for defined benefit plans and other employee benefits which include the modification of the accounting for termination benefits and classification of other employee benefits. (ii)
- IAS 27 (Amendment) now only deals with the requirements for separate financial statements. Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements. (ii)
- IAS 28 (Amendment) New standard issued that supersedes IAS 28 (2003) to prescribe the accounting for investments in associates and joint ventures. (ii)
- IAS 32 (Amendment) Clarification of the application of the requirements of offsetting financial assets and financial liabilities. (v)
- IFRS 7 (Amendment) New disclosure requirements on the effect of offsetting arrangements on an entity's financial position. (ii)

(i) Effective for annual periods beginning on or after July 1, 2011
(ii) Effective for annual periods beginning on or after January 1, 2013
(iii) Effective for annual periods beginning on or after July 1, 2012
(iv) Effective for annual periods beginning on or after January 1, 2015
(v) Effective for annual periods beginning on or after January 1, 2014

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

3. Cash and cash equivalents and short-term deposits

As at December 31, 2011, cash and cash equivalents included $162.0 million (December 31, 2010 - $7.0 million) and short-term deposits included $80.0 million (December 31, 2010 - $nil), which are subject to contractual restrictions for the Platreef property and were not available for the Company's general corporate purposes.

4. Property, plant and equipment

	Land	Office equipment	Furniture and fixtures	Motor vehicles	Plant, equipment and buildings	Assets under construction	Total
	$	$	$	$	$	$	$
2011							
Cost							
Beginning of the year	4,799	1,866	297	3,490	4,435	-	14,887
Additions	-	904	618	1,185	37,109	-	39,816
Disposals	-	-	(14)	-	(477)	-	(491)
Foreign exchange translation	(337)	(316)	(73)	(158)	(137)	-	(1,021)
End of the year	4,462	2,454	828	4,517	40,930	-	53,191
Accumulated depreciation and impairment							
Beginning of the year	616	1,606	187	1,875	2,948	-	7,232
Depreciation	-	215	58	653	430	-	1,356
Disposals	-	-	(13)	-	(336)	-	(349)
Foreign exchange translation	-	(250)	(22)	(62)	(43)	-	(377)
End of the year	616	1,571	210	2,466	2,999	-	7,862
Carrying value							
Beginning of the year	4,183	260	110	1,615	1,487	-	7,655
End of the year	3,846	883	618	2,051	37,931	-	45,329

	Land	Office equipment	Furniture and fixtures	Motor vehicles	Plant, equipment and buildings	Assets under construction	Total
	$	$	$	$	$	$	$
2010							
Cost							
Beginning of the year	4,257	1,593	259	3,041	2,391	1,500	13,041
Additions	-	117	24	414	494	-	1,049
Disposals	-	-	-	(26)	(18)	-	(44)
Transfer	-	-	-	-	1,500	(1,500)	-
Foreign exchange translation	542	156	14	61	68	-	841
End of the year	4,799	1,866	297	3,490	4,435	-	14,887
Accumulated depreciation and impairment							
Beginning of the year	616	1,197	135	1,349	1,823	-	5,120
Depreciation	-	271	39	510	1,095	-	1,915
Disposals	-	-	-	(14)	(17)	-	(31)
Foreign exchange translation	-	138	13	30	47	-	228
End of the year	616	1,606	187	1,875	2,948	-	7,232
Carrying value							
Beginning of the year	3,641	396	124	1,692	568	1,500	7,921
End of the year	4,183	260	110	1,615	1,487	-	7,655

5. Investment in joint ventures

The investment in joint ventures recognized on the statements of financial position is made up of:

	December 31, 2011	December 31, 2010
	$	$
Company's share of net assets of Rhenfield (a)	2,492	2,571
Company's share of net assets of RK1 (b)	1,117	1,896
	3,609	4,467

(a) In May 2007, the Company subscribed for common shares in the capital of Rhenfield, a British Virgin Isles registered company, constituting a 50% interest in Rhenfield at the nominal value of the shares $522 U.S. dollars (£252 British Pounds). The other 50% interest is held by Ivanhoe Capital Pte Ltd., a related party by way of a director and majority shareholder in common. Rhenfield purchased a building in London, England for $14.6 million (£7.0 million) that was partly funded via a loan from both shareholders of $2.4 million each (£1.05 million each) as well as a mortgage bond of $9.8 million (£4.9 million). The shareholders of Rhenfield further funded transaction costs, capital improvements and operating costs on a 50:50 basis. The building is being partly used as the London offices of the Company. The 50% interest in Rhenfield is accounted for using the equity basis according to the Company's joint venture accounting policy.

The following table summarizes the Company's 50% share of comprehensive income and financial position in Rhenfield:

Statement of comprehensive income

	2011	2010	2009
	$	$	$
Statement of comprehensive income			
Expenses	**(28)**	(27)	(30)
Depreciation	**(96)**	(93)	(122)
Interest expense on long-term debt	**(116)**	(100)	(84)
Company's share of loss of joint ventures	**(240)**	(220)	(236)
Company's share of other comprehensive income of joint ventures	**161**	67	405
Company's share of total comprehensive (loss)/income of joint ventures	**(79)**	(153)	169

5. Investment in joint ventures (continued)

(a) (continued)

Statement of financial position

	December 31, 2011	December 31, 2010
	$	$
Cash	**33**	14
Prepaid expenses	**6**	6
Property, plant & equipment		
Buildings	**6,005**	6,074
Office equipment	**36**	44
Furniture and fittings	**200**	224
Trade and other payables	**(2)**	(1)
Long-term debt	**-**	(3,790)
Current portion of borrowings (i)	**(3,786)**	-
Company's share of net assets in joint ventures	**2,492**	2,571

Statement of cash flows

	2011	2010	2009
	$	$	$
Cash and cash equivalents, opening	**14**	8	13
Cash outflow used in operating activities	**(137)**	(127)	(42)
Cash outflow used in investing activities	**-**	(12)	(5)
Cash flow provided by financing activities	**156**	145	41
Cash and cash equivalents, closing	**33**	14	7

(i) The current debt of $3.8 million (£2.5 million) is a five year mortgage bond, fully repayable during May, 2012, secured by the property, that incurs interest at a rate of LIBOR plus 1.2% (2010, 2009 - LIBOR plus 1.2%) payable monthly in arrears.

(b) The Company has a 25% interest in the RK1 consortium (“RK1”) through its subsidiaries Gardner and Barnard Mining (UK) Limited (“GBUK”) and RKR Mining (UK) Ltd. and their subsidiaries. The 25% interest in RK1 constitutes a joint venture and is accounted for according to the Company’s joint venture accounting policy.

RK1 is an unincorporated joint venture and operates the RK1 chromite tailings retreatment project located at the Aquarius Kroondaal Platinum Mine near Rustenberg, South Africa. The RK1 plant is managed and operated by a subsidiary of Aquarius Platinum Limited, which holds a 50% interest in RK1. Sylvania Resources Limited holds a 25% interest in the consortium.

The effective date of the acquisition was July 1, 2006, and the purchase price was £6.5 million (US$12.3 million including transaction costs of $0.3 million), payable in cash in three instalments, of which the last was due January 2007.

5. Investment in joint ventures (continued)

(b) (continued)

Due to a delay by the vendors of GBUK in meeting certain of the warranties in the sale of shares agreement, payment of the second and third instalments was initially delayed on a rolling basis by mutual consent. The outstanding balance represented 50% of the purchase price owing to the shareholders of GBUK that owned 62% of the 25% interest in the RK1 consortium. The outstanding capital balance at the end of 2007 amounted to $4.4 million. In 2008 the vendors of GBUK filed for arbitration. The dispute was settled by mutual consent and the terms of settlement were:

- The outstanding capital balance of $4.3 million (£2.2 million) together with interest of $0.5 million (£0.3 million) was paid to the vendors of GBUK;

- The vendors of GBUK were awarded all the costs of the arbitration which amounted to $1.2 million (£0.8 million) and this was paid by the Company;

- The Company was awarded a counterclaim on cost estimated at $0.3 million payable by GBUK's vendors within 14 days after assessment. This cost counterclaim was settled at £0.1 million and at December 31, 2009 an amount of $0.2 million was outstanding, this was received into attorneys' trust on January 20, 2010;

- The vendors of GBUK undertook to pay any tax liabilities as finally determined by a court of competent jurisdiction in South Africa for the period up to June 30, 2006 in respect of GBUK and its subsidiaries; and

- During 2009 the South African Receiver of Revenue issued an assessment for the taxes prior to June 30, 2006 in the amount of $2.3 million (R15 million). The vendors objected to the assessment by the South African Revenue Service and as at December 31, 2010 the taxes were outstanding. The tax appeal was heard by the Income Tax Court during May 2011, and the Company is awaiting a verdict.

The Company's initial investment in Gardner and Barnard Mining (UK) Limited and RKR Mining (UK) Limited exceeded its proportionate share of the net assets of RK1 by $14.1 million, which was included in intangible assets within the joint venture.

The Company performed its annual impairment test of the RK1 CGU as at December 31, 2010. The recoverable amount of the CGU was determined using the higher of the value in use and the fair value less costs to sell. The value in use was calculated using a discounted cash flow projection based on financial budgets covering a five-year period. The significant estimates used in this analysis were:

- Historical average metal prices for the past 2 years;
- Current South African Rand versus U.S. dollar exchange rates;
- Pre-tax discount rate of 13%; and
- Updated secured feed tonnages.

5. Investment in joint ventures (continued)

(b) (continued)

Based on the Company's determination of value in use, the fair value of the Company's investment in RK1 was determined to be less than the carrying amount and an impairment charge of $11.0 million was recorded against the Company's investment in the joint venture. The impairment is principally due to the fact that the Company is unable to obtain secured feed tonnages which are required in order for the plant to operate efficiently. The RK1 joint venture is included within the unallocated operating segment. There was no further impairment during 2011.

The following table summarizes the Company's 25% share of comprehensive income and financial position in RK1:

Statement of comprehensive income

	2011	2010	2009
	$	$	$
Sales	**774**	1,472	1,337
Cost of sales	**(1,245)**	(1,584)	(1,239)
	(471)	(112)	98
Expenses	**(313)**	(562)	(128)
Interest income	**18**	57	92
Impairment of intangible asset	**-**	(10,956)	-
Deferred taxation	**-**	3,557	(163)
Company's share of loss of joint ventures	**(766)**	(8,016)	(101)
Company's share of other comprehensive loss of joint ventures	**(167)**	(1,195)	(839)
Company's share of total comprehensive loss of joint ventures	**(933)**	(9,211)	(940)

5. Investment in joint ventures (continued)

(b) (continued)

Statement of financial position

	December 31, 2011	December 31, 2010
	$	$
Cash and cash equivalents	71	496
Other current assets	447	743
Property, plant and equipment	708	802
Trade and other payables	(109)	(146)
Company's share of net assets of joint ventures	1,117	1,895

Statement of cash flows

	2011	2010	2009
	$	$	$
Cash and cash equivalents, opening	496	1,371	1,131
Cash flow (used in) provided by operating activities	(376)	(791)	241
Cash outflow used in from investing activities	(202)	(85)	-
Cash flow provided by financing activities	154	-	-
Cash and cash equivalents, closing	72	495	1,372

All of the Consortium's revenues are earned in South Africa. The Consortium's revenue is generated through two customers who account for all the revenue. The Consortium's revenue is generated by the sale of Platinum Group Metals ("PGM's") produced through the treatment of Chrome Tailings by the RK1 Plant. The Consortium is not economically dependent on its current customers as PGM's have an active market worldwide.

6. Business combination

Acquisition of Kipushi Corporation SPRL

On November 28, 2011, the Company acquired 68% of the voting shares of Kipushi Corporation SPRL, (“Kipushi”) a Zinc-Copper Project in the province of Katanga, Democratic Republic of Congo. The remaining 32% is held by La Générale des Carrières et des Mines SARL (“Gecamines”). The Company has accounted for this acquisition as a business combination using the acquisition method.

(a) *Consideration transferred*

The consideration is payable as follows:

(i) $20 million on signing the Agreement,
(ii) $25 million on completion, November 28, 2011,
(iii) $70 million within 3 business days of the attainment of the First Benchmark, which is a sale of the business of the Company, or of any shares in the capital of the Company, or a listing by Ivanplats Limited or any similar liquidity or exit transaction or event having occurred,
(iv) $50 million within 3 business days of the attainment of the Second Benchmark, which is the attainment of the First Benchmark, completion of a feasibility study for development of the Mine which would be sufficient to support limited recourse financing; and installation at the Mine of a new reliable and constant (non-surging) power supply, within 3 business days of the completion of a "Qualifying Share Sale" of Shares to any person giving such person a controlling interest in the Company, an amount equal to the remaining balance of the consideration to be paid, and
(v) in addition Ivanplats has agreed to pay Gecamines on completion $15 million, that was previously owing from Kipushi Resources International Limited.

6. Business combination (continued)

Acquisition of Kipushi Corporation SPRL (continued)

(a) Consideration transferred (continued)

The cash component as at the date of acquisition, November 28, 2011, can be further broken down as follows:

	$
Cash paid on acquisition	**45,000**
Represents the sum of (i) and (ii)	
Consideration outstanding as at acquisition date	**124,934**
Represents the sum of the fair values of (iii), (iv), and (v).	
	169,934

The fair value of the purchase consideration payable is re-measured at the end of each reporting period. The movement in purchase consideration outstanding is as follows:

	$
Purchase consideration outstanding as at	
Acquisition date November 28, 2011	**124,934**
Cash paid subsequent to acquisition represents $10,000,000 of (v)	**(10,000)**
Financing costs (Note 12)	**1,170**
	116,104
Purchase consideration outstanding as at December 31, 2011	
Current	**74,738**
Non-current	**41,366**
	116,104

Acquisition-related costs amounting to $0.7 million have been excluded from the consideration transferred and have been recognized as an expense in the current year, within legal fees in the consolidated statements of comprehensive loss.

The fair value of consideration transferred was determined by calculating the present value at acquisition of the future expected cash flows. The timing of the consideration payable has been estimated by management and a risk free discount rate of 10.6% has been used.

6. Business combinations (continued)

Acquisition of Kipushi Corporation SPRL (continued)

(b) Assets acquired and liabilities recognised at the date of acquisition

(i) A provisional allocation of the purchase price was made as of the acquisition date as follows:

	$
Purchase price	
Fair value of purchase consideration	**169,934**
Net assets acquired	
Long-term loan receivable (ii)	**7,285**
Property, plant and equipment	**36,000**
Mineral properties	**216,337**
Goodwill	**75,701**
Advances payable to Gecamines (Note 9)	**(10,218)**
Deferred tax liabilities	**(75,701)**
Reduction in non-controlling interest for investment in Kipushi funded on behalf of Gecamines (ii)	**1,278**
Non-controlling interest	**(80,748)**
	169,934

As at the date these consolidated financial statements were issued, the allocation of the purchase price has not been finalized as management is in the process of determining the fair values of identifiable assets acquired and liabilities assumed, measuring the associated deferred income tax assets and liabilities, and determining the value of goodwill.

Goodwill arises on this acquisition principally because of the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed at amounts that do not reflect fair value. The goodwill is not deductible for income tax purposes.

(ii) On completion of the purchase agreement, November 28, 2011, certain loans receivable by the seller, were ceded to Ivanhoe DRC Holding Company Limited ("DRC Holding"), a fully owned subsidiary of Ivanplats Limited. This included:

- The social development loan of up to $30 million. As at the date of acquisition Gecamines has drawn $10 million against the loan and the loan bears interest of LIBOR plus 3%. The remaining $20 million will be advanced to Gecamines on demand.
- A loan of $3.2 million for the subscription of the shares of Kipushi Corporation SPRL, which is repayable without interest. The share subscription loan representing common share investments in Kipushi on behalf of Gecamines ceded to DRC Holding is recorded as a reduction to the net carrying value of non-controlling interest.

6. Business combination (continued)

Acquisition of Kipushi Corporation SPRL (continued)

(b) Assets acquired and liabilities recognised at the date of acquisition (continued)

(ii) (continued)

Repayment of these amounts will be made by offsetting against future royalties and dividends.

(c) Non-controlling interest

The non-controlling interest (32% ownership interest in Kipushi Corporation SPRL) recognized at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to $80.7 million. This fair value was estimated by applying an income approach. The following was the key model input used in determining the fair value:

- assumed weighted average cost of capital discount rate of 15.4%;

(d) Impact of acquisition on results of the Company

Included in the loss for the year is expenditure of $1.9 million that relates to Kipushi Corporation SPRL. These cost relate mainly to the dewatering of the Kipushi mine.

7. Mineral properties and exploration expenditures

The following table summarizes the carrying values of the Company's mineral property interests as described below:

	December 31, 2011	December 31, 2010
	$	$
Syerston, Australia (a)	**-**	-
Platreef, South Africa (b)	**6,940**	6,940
Mufumbwe, Zambia (c)	**-**	-
Democratic Republic of Congo ("DRC") (d)	**-**	-
Kipushi Corporation SPRL (g)	**216,337**	-
	223,277	6,940

7. Mineral properties and exploration expenditures (continued)

The following table summarizes the exploration expenditures as well as accumulated aggregate exploration expenditures for inception which have been charged to operations:

	2011	2010	2009
	$	$	$
Exploration expenditure			
Drilling	**56,402**	10,916	8,719
Salaries and benefits	**9,393**	5,977	3,746
Scoping	**7,038**	2,548	-
Consulting	**4,962**	4,119	2,520
Office and administration	**2,519**	1,189	630
Assay	**2,624**	867	669
Sampling	**1,898**	215	137
Conceptual Studies	**1,585**	563	-
Travel	**1,500**	906	451
Depreciation	**1,143**	1,641	1,476
Legal	**1,025**	450	480
Camp costs	**834**	528	443
Licenses	**736**	657	1,016
Other	**4,935**	3,252	2,561
	96,594	33,828	22,848
Accumulated aggregate exploration expenditures			
Syerston and Uranium, Australia (a)	**9,714**	9,417	9,030
Platreef, South Africa (b)	**102,923**	57,078	50,394
Mufumbwe, Zambia (c)	**3,467**	3,465	3,468
Democratic Republic of Congo (“DRC”) (d)	**127,584**	81,794	56,977
Limpopo, South Africa (e)	**4,278**	3,742	3,241
Gabon (f)	**3,858**	1,562	129
Kipushi, Democratic Republic of Congo (g)	**1,816**	-	-
Other	**1,039**	1,027	1,018
	254,679	158,085	124,257

7. Mineral properties and exploration expenditures (continued)

(a) *Syerston and Uranium property*

The Company entered an agreement on June 30, 2004 to acquire all the issued and outstanding shares of Ivanplats Syerston Pty Ltd., an Australian company. Ivanplats Syerston Pty Ltd. owns certain nickel and cobalt mining tenements near Fifield in the central-west region of New South Wales, approximately 350 kilometres north-west of Sydney, Australia.

As consideration for this purchase, the Company issued 1.5 million common shares valued at $12 million. In 2008 an impairment provision was made against the historic carrying value of the Syerston property.

The Uranium exploration license was granted for a period of six years with option to renew for a further period of two years. In alignment with regulations, the area of the license was reduced by 50% after two years i.e. in July 2009 thereafter it is reduced by 50% annually. This area is known for uranium occurrences along strike from the Angela occurrence in the vicinity of the town of Alice Springs in the Northern Territory, Australia.

The Company has not met its expenditure commitments on this license, principally owing to the moratorium on uranium mining near Alice Springs, and is currently accessing its options for this license.

(b) *Platreef properties*

The Company has the right to explore over two contiguous farms, Turfspruit 241KR and Macalacaskop 243KR, located in Limpopo Province of South Africa. The farms overlie portions of the Platreef unit within the northern limb of the Bushveld Igneous Complex and the Company refers to its activities on the farms as the Platreef Project.

The Company requires a Prospecting Permit (“PP”) in order to undertake exploration activities on its Platreef Project. In March 2005, the Company submitted an application to renew its PP under the new regulations promulgated under the Mineral and Petroleum Resources Development Act, 2002. Under these so called ‘new order’ rights, a PP will be issued for five years. The Company received its new order PP in February 2006. The new order PP was due for renewal on February 1, 2011 and can be extended for a period of 3 years before conversion to a “Mining Right” is required. The renewal application was submitted at the end of 2010 and has subsequently been approved by the Department of Mineral Resources for a three year period starting June 2011.

7. Mineral property and exploration expenditures (continued)

(b) Platreef properties (continued)

In June 2001, the Company was granted the right to earn a 50% participating interest in an additional farm known as Rietfontein 2KS located adjacent to the Platreef Project. This right was granted by Anooraq Resources Corporation ("Anooraq") in exchange for the Company's agreement to make an equity investment in Anooraq and for the Company to spend Cdn$0.8 million on prospecting on this property in each of the two years commencing November 2001. This amount had been spent by November 2003.

However, Anooraq has not transferred title for the 50% interest in the property due to a dispute in respect of the expenditure incurred under the prospecting agreement. Anooraq submitted the dispute to arbitration as prescribed by the earn-in agreement.

On December 11, 2009 the parties reached a settlement which replaced and superseded the 2001 agreement. The existing joint venture (JV) between the parties is amended such that the current Rietfontein JV is extended to incorporate a defined area of Ivanplats' adjacent Turfspruit mineral property. Both parties retain their existing prospecting rights in respect of mineral properties in their own names but make these rights and technical information available to the extended JV ("the Extended JV").

The PP held by Anooraq on Rietfontein 2KS was lodged for renewal on August 23, 2011.

Under an open pit mine scenario Anooraq is awarded a 6% free carried interest in the Extended JV. Anooraq has no financial obligations under the JV terms and Ivanplats is required to fund the entire exploration programme to feasibility study with no financial recourse to Anooraq. On delivery of the feasibility study Anooraq may elect to either:

- retain a participating interest in the Extended JV and finance its pro rata share of the project development going forward; or
- relinquish its participating interest in the Extended JV in consideration for a 5% net smelter return royalty in respect of mineral products extracted from those areas of the Rietfontein mineral property forming part of the Extended JV mineral properties.

Anooraq will be entitled to appoint a member to the Extended JV technical committee.

On October 1, 2010, the Company decreased its ownership interest in Beales Limited, the parent company of Platreef Resources (Pty) Ltd., by selling a 2% interest for total consideration of $10 million and on June 7, 2011, a further 8% of the Company's interest in Beales Limited was disposed of for $279.6 million, reducing its continuing interest to 90%. As this change in ownership did not result in a change in control, it was accounted for as an equity transaction.

7. Mineral property and exploration expenditures (continued)

(c) *Mufumbwe property*

The Company took a decision to terminate exploration activities in Zambia, following the expiry of the prospecting licenses in 2007. The licenses have been renewed for the maximum time period permitted in accordance with the Act. In 2006, the carrying value of the mineral property was written down from $0.2 million.

(d) *DRC properties*

Pursuant to an Accord Preliminaire entered into on December 2, 1997, the Company became the registered holder of four Zones Exclusives de Recherches ("ZERs") permitting it to explore over two principal areas in Katanga Province in the south of the Democratic Republic of Congo ("DRC"). The areas are referred to by the Company as Lufira and Lufupa.

Due to political unrest in the DRC and the potential threat to the safety of its personnel, in May 1999 the Company exercised its right to suspend activities under the Force Majeure provisions within the Accord Preliminaire. During 2002, the Company concluded that, as a result of the lack of exploration activity, the carrying value of the property interest was impaired. As a result, the Company made an impairment provision of $0.1 million and the carrying value was written down to $1. Owing to an adequate resolution of national security concerns, the Company decided in 2003 to recommence activity in the DRC.

A new Mining Code was enacted in the DRC in 2002 and new Mining Regulations in 2003. As a result of the new laws in force, the Company had to reapply for the ground it held under the ZERs. This reapplication was duly made, with the Company obtaining, on November 11, 2003, 36 Permits des Recherches ("PR's") (exploration permits) covering approximately (but not entirely) the areas previously held under two of the ZERs. In April, 2005 the Company resolved a long-standing dispute with a third party over certain ground in the DRC previously held by the Company under the remaining two ZER's. Accordingly, a further 14 PR's were awarded to the Company. As a result the Company resumed geological exploration in the DRC on the PR's in 2004 and is exploring the 50 PR's for all minerals and precious stones except for uranium as per the new Mining Code.

The renewal process was initiated mid 2008 due to 36 PR's becoming eligible for renewal in November 2008. Per the requirements of the Mining Code 50% of the area are relinquished as part of the renewal process. The remaining 14 PR's were renewed during 2010. During 2010, three permits, of low prospectivity were strategically relinquished to enable the Company and its affiliates to apply for more prospective ground. The DRC legislation allows a maximum of 50 permits per company and affiliate companies. In 2011 an application was lodged to partially convert three PRs to an exploitation rights.

7. Mineral property and exploration expenditures (continued)

(e) Limpopo properties

In 1994, the predecessor of Africa Consolidated Minerals Exploration (Pty) Ltd. (“ACME”), a subsidiary of the Company, signed a Reconnaissance Agreement with the Lebowa Minerals Trust (“LMT”) for precious stones on certain farms in the Northern Province (now Limpopo Province) of South Africa. Pursuant to this agreement, the Company had the exclusive right to conduct exploration and to exercise an option to conclude a prospecting and option agreement with the LMT.

Due to lack of exploration activity, the Company wrote down the value of the properties in 2001 by recording an impairment provision of $1 million against the property. All agreements subsequently lapsed. In 2001 the LMT dissolved and all Mineral Rights were transferred to the State. In 2004, the Company applied for PP’s over small portions of the previously held ground due to the indications that these areas were geologically prospective from the work carried out in the 1990’s. These new applications are now governed by the new Mineral and Petroleum Resources Development Act, 2002 and the Department of Minerals and Energy (“DME”) require the participation of a Black Economic Empowerment (“BEE”) company before accepting applications.

ACME signed an agreement with a BEE company, Shanduka Exploration (Pty) Ltd. (“Shanduka”) in 2005 on the basis of a shareholding earn-in. The Company was granted 16 PP’s in 2005/6 and exploration recommenced on these properties. Fifteen licences remain active through 2012-13.

(f) Gabon properties

During late 2010 and early 2011 the Company attained exploration rights to two properties in Gabon referred to as Makokou and Ndangui both covering Achaean greenstone belts. Both permits are associated with recently defined soil geochemistry anomalies and are initially valid for a period of three years.

(g) Kipushi properties

On November 28, 2011, the Company acquired 68% of the voting shares of Kipushi Corporation SPRL, a Zinc-Copper Project in the province of Katanga, Democratic Republic of Congo (see Note 6). It is the Company’s plan to dewater the mine and resume operation before the end of 2015. The mineral property has been valued at $216.3 million at the date of acquisition.

8. Trade and other receivables

	December 31, 2011	December 31, 2010
	$	$
Trade receivables	**138**	663
Refundable taxes	**4,951**	444
Advances	**354**	245
Other	**422**	38
	5,865	1,390

9. Advances payable to Gecamines

Advances payable to Gecamines are unsecured and bear interest at LIBOR plus 4% and represent the liabilities assumed on the acquisition of Kipushi (Note 6).

	December 31, 2011	December 31, 2010
	$	$
Current (a)	**4,273**	-
Non-current (b)	**5,991**	-
	10,264	-

(a) $4.4 million of the amount is payable to Gecamines on attainment of the First Benchmark.

(b) $7.5 million is to be paid from future profits earned in Kipushi.

10. Convertible bonds

Convertible senior unsecured bonds were issued on November 10, 2011 with a principal value of $115 million and an effective interest rate of 19.05%.

The Bonds mature in three years and will be converted into Class A shares (“Conversion Shares”) at the Qualifying Initial Public Offering (IPO) issue price. Bond holders will be entitled to a bonus payment of 11.11% of the principal amount plus applicable interest at the conversion of the bonds.

10. Convertible bonds (continued)

The Bonds will earn interest at 8%, accruing daily and compounding annually in arrears, during the first 12 months. The coupon shall increase by 10.59% (to an aggregate of 18.59%) on the first anniversary, if no Qualifying IPO has occurred and increase by a further 6.92% on the second anniversary of the Closing if no Qualifying IPO has occurred. The holders of the Bonds agreed to a 180-day lock-up provision post a Qualifying IPO.

	December 31, 2011
	$
Proceeds of issue	**115,000**
Transaction fee	**(5,436)**
Interest charged at an effective interest rate of 19.05%	**2,916**
Balance at December 31, 2011	**112,480**

All amounts are non-current.

11. Trade and other payables

	December 31, 2011	December 31, 2010
	$	$
Trade payables	**6,780**	4,134
Other payables	**3,503**	788
	10,283	4,922

12. Finance costs

The finance costs of the Company can be broken down as follows:

	2011	2010	2009
	$	$	$
Interest on convertible bonds (Note 10)	**2,916**	-	-
Interest on Kipushi purchase consideration payable (Note 6 (a))	**1,170**	-	-
Interest on advances to Gecamines (Note 9)	**46**	-	-
Other financing costs	**428**	-	1
	4,560	-	1

13. Income taxes

(a) Rate reconciliation

A reconciliation of the provision for income taxes is as follows:

	2011	2010	2009
	$	$	$
Net loss for the year	**125,556**	50,909	30,397
Statutory tax rate	**26.50%**	28.50%	30.00%
Expected recovery of income taxes based on combined Canadian and provincial statutory rates	**(33,272)**	(14,509)	(9,119)
Add (deduct):			
Different effective tax rates in foreign jurisdictions	**(2,720)**	(375)	(1,913)
Tax effect of tax losses and temporary differences not recognized	**25,125**	9,034	13,425
Non-deductible expenses	**2,425**	3,402	589
Effect of change in future tax rates	**883**	76	(882)
Effect of foreign exchange on temporary differences not recognized	**7,824**	2,819	(1,852)
Income tax recovery	**265**	447	248

(b) Deferred tax balances

The Company's deferred income tax liabilities are as follows:

	2011	2010
	$	$
Property, plant and equipment	**(2,082)**	(2,082)
Mineral properties (Note 6)	**(75,701)**	-
Deferred income tax liabilities	**(77,783)**	(2,082)

13. Income taxes (continued)

(c) Unrecognized and taxable temporary differences

The Company's unrecognized deductible temporary differences and unused tax losses consist of the following amounts:

	2011	2010
	$	$
Non-capital loss carryforwards	**332,931**	238,282
Capital loss carryforwards	**2,539**	2,504
Investment in RK1 (Note 5 (b))	**11,183**	10,404
Foreign exploration expenses and share issuance costs	**5,889**	2,096
Capital assets	**242**	234
Unrecognized deductible temporary differences	**352,784**	253,520

The Company's unrecognized taxable temporary difference consists of the following amount:

	2011	2010
Investment in Rhenfield (Note 5 (a))	**1,970**	2,049
Unrecognized taxable temporary differences	**1,970**	2,049

(d) Loss carryforwards

The Company's unrecognized deferred tax assets related to unused tax losses have the following expiry dates:

		Local currency	U.S. dollar equivalent	Expiry dates
			$	
South African rand	R	924,654	114,281	(a)
Congolese franc	CDF	120,219,887	132,832	(b)
Gabonese franc	XAF	1,965,177	3,952	(a)
Canadian dollar	$	50,623	51,620	2012 to 2031
Australian dollar	$	26,819	27,291	(a)
Zambian kwacha	ZMK	8,508,894	1,691	2012 to 2016
English Pound	£	737	1,138	(a)
Namibian dollar	NAD	1,023	126	(a)
			332,931	

(a) These losses can be carried forward indefinitely, subject to continuity of trading.
(b) These losses are capitalized and set-off against future taxable income when mining operations commence.

14. Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The outstanding special warrants are included in the weighted average number of common shares outstanding as there are no restrictions outstanding preventing the special warrants from being exercised. The diluted loss per share reflects the potential dilution of common share equivalents, such as preference shares, outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. All outstanding stock options and share purchase warrants were anti-dilutive for the years ended December 31, 2011, 2010 and 2009.

15. Share capital

(a) Share-split

Effective July 28, 2011, the Company completed a share split of the issued and outstanding shares on a five for one basis. All common share, warrant and share-based option information for all periods presented, including loss per share information, have been restated to retroactively reflect the share split.

(b) Bonus shares

During the year, a total of no common shares were issued to senior executives as a performance reward in the form of bonus shares, whereas in 2010, 375,000 were issued with a deemed market value of $0.7 million.

(c) Shares issued

In January 2011, the Company closed a private placement of 7,500,000 units raising gross proceeds of $22.5 million. Each unit was priced at $3.00 and consisted of one common share, one half warrant and one liquidity right. If the Company completes an Initial Public Offering ("IPO"), each whole warrant entitles the holder to purchase one additional common share at the IPO price for a period of two years following the IPO. Due to the fact that the Company did not complete an IPO by December 31, 2011, each liquidity right granted the holder an additional 0.1 share for no additional consideration. On December 31, 2011, 750,000 liquidity rights were converted to 750,000 common shares.

15. Share capital (continued)

(c) Shares issued (continued)

The Company allocated $4.5 million to share option reserve based on the relative fair value of the warrants and liquidity rights. The value of the liquidity rights were calculated based on the underlying value of the common shares. The value of the warrants were calculated using the Black Scholes method with the following assumptions, risk free interest rate 1.69%, expected share price volatility 57.92%, expected life of warrant two years.

In November 2010, the Company closed a private placement of 4,583,335 units raising gross proceeds of $11 million. Share issue costs of $1 million were paid. Each unit was priced at $2.40 and consisted of one common share, one half warrant and one liquidity right. If the Company completes an IPO, each whole warrant entitles the holder to purchase one additional common share at the IPO price for a period of two years following the IPO. Due to the fact that the Company did not complete an IPO by December 31, 2011, each liquidity right granted the holder an additional 0.1 share for no additional consideration. On December 31, 2011, 458,330 liquidity rights were converted to shares.

The Company allocated $3.7 million to share option reserve based on the relative fair value of the warrants and liquidity rights. The value of the liquidity rights were calculated based on the underlying value of the common shares. The value of the warrants were calculated using the Black Scholes method with the following assumptions, risk free interest rate 1.45%, expected share price volatility 17.52%, expected life of warrant two years.

In November 2009, the Company closed a private placement of 16,775,555 units raising gross proceeds of $30.2 million. Share issue costs of $1 million were paid. Each unit was priced at $1.80 and consisted of one common share, one half warrant and one liquidity right. If the Company completes an IPO, each whole warrant entitles the holder to purchase one additional common share at the IPO price for a period of two years following the IPO. Due to the fact that the Company did not complete an IPO by December 31, 2010, each liquidity right granted the holder an additional 0.1 share for no additional consideration. On December 31, 2010, 1,677,555 liquidity rights were converted to shares.

The Company allocated $3.2 million to share option reserve surplus based on the relative fair value of the warrants and liquidity rights. The value of the liquidity rights were calculated based on the underlying value of the common shares and on December 31, 2010, $1.1 million was allocated from contributed surplus to share capital. The value of the warrants were calculated using the Black Scholes method with the following assumptions, risk free interest rate 1.27%, expected share price volatility 30%, expected life of warrant two years.

15. Share capital (continued)

(d) Options

Share options are granted at an exercise price equal to the estimated value of the Company's common shares on the date of the grant.

The share options granted vest in five equal stages with the first stage vesting on the date of the grant, and the remainder in four equal annual stages commencing on the first anniversary of the date of the grant. The maximum term of options awarded is five years. The share options are exercisable at the prices described below until the date the Company completes a public offering. After such date, any outstanding options may be re-priced pursuant to applicable regulatory approvals.

As at December 31, 2011, 54,550,000 shares were reserved for the future exercise of share options, of which 16,705,000 have been granted and exercised, 36,945,000 have been granted and are outstanding, and a further 900,000 are available to allocate.

A summary of changes in the Company's outstanding share options is presented below:

		2011		2010
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		$		$
Balance, beginning of year	**32,625,000**	**1.62**	30,125,000	1.58
Granted	**7,500,000**	**2.40**	5,750,000	1.62
Exercised	**(3,180,000)**	**1.57**	(2,500,000)	1.20
Forfeited	**-**	**-**	(750,000)	1.60
Balance, end of year	**36,945,000**	**1.78**	32,625,000	1.62

An expense of $10.8 million for the options granted during the year ended December 31, 2011 (2010: $2.3 million; 2009: $2.3 million) will be amortized over the vesting period, of which $5.9 million was recognized in the year ended December 31, 2011 (2010: $0.7 million; 2009: $0.6 million).

The weighted average grant-date fair value of share options granted during 2011 was $1.45 (2010: $0.40; 2009: $0.58). The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model using the following weighted average assumptions for the share option grant:

	2011	2010	2009
Risk free interest rate	**2.09%**	2.74%	2.41%
Expected volatility (i)	**90.00%**	18.00%	30.00%
Expected life	**5 years**	5 years	5 years
Expected dividends	**$Nil**	$Nil	$Nil
Forfeiture rate	**1.0%**	1.0%	1.0%

15. Share capital (continued)

(d) Options (continued)

The following table summarizes information about share options outstanding and exercisable as at December 31, 2011:

	Options outstanding		Options exercisable	
Expiry date	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
		$		$
May 1, 2012	5,000,000	1.60	5,000,000	1.60
May 10, 2012	500,000	1.60	500,000	1.60
September 9, 2012	11,370,000	1.60	11,370,000	1.60
January 1, 2013	2,500,000	1.60	2,000,000	1.60
March 18, 2013	775,000	1.60	620,000	1.60
May 28, 2014	1,100,000	1.33	660,000	1.33
August 12, 2014	1,200,000	1.33	720,000	1.33
November 10, 2014	1,250,000	1.80	500,000	1.80
March 1, 2015	500,000	1.80	200,000	1.80
April 8, 2015	750,000	1.80	300,000	1.80
May 28, 2015	625,000	1.80	250,000	1.80
September 9, 2015	3,875,000	1.80	1,550,000	1.80
February 17, 2016	7,500,000	2.40	1,500,000	2.40
	36,945,000	1.78	25,170,000	1.66

(i) Expected volatility for the year ended December 31, 2011 was based on the historical volatility of a peer company analysis and for the years ended December 31, 2010 and 2009, the expected volatility was based on the historical annualised volatility of the Canadian Venture Exchange.

(e) Warrants

As at December 31, 2011, the Company has 23,540,000 special warrants outstanding exercisable into 28,248,000 common shares. Each special warrant entitles the holder to acquire, at any time prior to completion of an IPO by the Company, one common share at no additional cost.

In January 2011, 260,000 special warrants were exercised into 312,000 common shares, in March 2011, 10,416,665 special warrants were exercised into 12,500,000 common shares and in May 2011, 3,387,505 special warrants were exercised into 4,064,995 common shares.

In December 2010, 44,095,825 special warrants were exercised into 48,789,975 common shares and in May 2010, 275,000 special warrants were exercised into 330,000 common shares. At December 31, 2010, there were 37,604,170 special warrants outstanding exercisable into 45,124,995 common shares.

15. Share capital (continued)

(e) Warrants (continued)

In November 2009, 1,237,500 special warrants were exercised into 1,485,000 common shares. At December 31, 2009, there were 81,974,995 special warrants outstanding exercisable into 94,244,970 common shares.

In prior years, the Company issued 2,705,155 warrants to purchase common shares at an exercise price of $1.02 per share at any time prior to completion of an IPO by the Company. In October 2009, 1,623,095 of these warrants were converted to shares for a consideration of $1.6 million.

In prior years, the Company issued 1,500,000 warrants to purchase common shares at an exercise price of $1.60 per share at any time prior to completion of an IPO by the Company and before June 19, 2012.

As at December 31, 2011 there were 2,582,060 warrants outstanding (2010 and 2009 - 2,582,060).

16. Reserves

	2011	2010
	$	$
Foreign currency translation reserve		
Balance at the beginning of the year	**(1,889)**	(3,033)
Exchange differences arising on translating the foreign operations	**(1,005)**	2,272
Exchange differences arising on translating joint ventures	**6**	(1,128)
Balance at the end of the year	**(2,888)**	(1,889)

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

17. Non-controlling interest

	2011	2010
	$	$
Balance at beginning of the year	**(1,162)**	-
Share of losses for the year	**(4,280)**	(70)
Additional non-controlling interest arising on disposal of interest in Beales Ltd	**(4,991)**	(1,092)
Non-controlling interest arising on the acquisition of Kipushi Corporation SPRL (see Note 6)	**80,748**	-
Common share investment in Kipushi funded on behalf of non-controlling interest (Note 6 (b)(ii))	**(1,278)**	-
Balance at end of the year	**69,037**	(1,162)

On October 1, 2010, the Company disposed of 2% of its interest in Beales Limited, the parent company of Platreef Resources (Pty) Ltd., reducing its continuing interest to 98%. The proceeds on the disposals of $10 million were received in cash. An amount of $1.1 million (being the proportionate share of the carrying amount of the net liabilities of Beales Limited) has been transferred to non-controlling interests. The amount of $11.1 million which is the sum of the non-controlling interests and the consideration received has been debited to accumulated deficit.

On June 7, 2011, a further 8% of the Company's interest in Beales Limited was disposed of, reducing its continuing interest to 90%. The proceeds on the disposals of $280 million were received in cash. An amount of $5 million (being the proportionate share of the carrying amount of the net liabilities of Beales Limited) has been transferred to non-controlling interests. The amount of $284.6 million which is the sum of the non-controlling interests and the consideration received has been debited to accumulated deficit.

The Company acquired 68% of Kipushi Corporation SPRL on November 28, 2011 as set out in Note 6. The fair value of the sum of the non-controlling interests at acquisition was $80.7 million.

18. Related party transactions

The financial statements include the financial statements of Ivanplats Limited. and its subsidiaries listed in the following table:

Name	Country of Incorporation	% equity interest as at December 31, 2011	December 31, 2010	December 31, 2009
African Minerals (Barbados) Ltd.	Barbados	**100%**	100%	100%
Ivanhoe Zambia Holdings Ltd.	British Virgin Islands	**100%**	100%	100%
African Minerals US LLC	Delaware	**100%**	100%	100%
Evershine Worldwide Ltd.	British Virgin Islands	**100%**	100%	100%
Beales Ltd.	British Virgin Islands	**90%**	98%	100%
Ivanhoe South Africa Holdings Ltd.	British Virgin Islands	**100%**	100%	100%
Gardner & Barnard Mining UK Ltd.	United Kingdom	**100%**	100%	100%
RKR Mining Ltd.	United Kingdom	**100%**	100%	100%
Cereus Holding Ltd.	British Virgin Islands	**100%**	100%	100%
Australia Nickel & Platinum Holding Company Ltd.	British Virgin Islands	**100%**	100%	100%
Rhenfield Limited	British Virgin Islands	**50%**	50%	50%
Gabon Holding Company Ltd.	Barbados	**100%**	100%	100%
Ivanhoe Namibia Holdings Ltd.	British Virgin Islands	**100%**	100%	100%
GM Mining Services Ltd.	British Virgin Islands	**100%**	100%	100%
Yunnan Mining Inc.	British Virgin Islands	**100%**	100%	100%
African Minerals (Barbados) Ltd. SPRL	Democratic Republic of Congo	**100%**	100%	100%
Ivanhoe (Zambia) Ltd.	Zambia	**100%**	100%	100%
African Minerals Holding Company Ltd.	Barbados	**100%**	100%	100%
Ivanhoe DRC Holding Company Ltd.	Barbados	**100%**	100%	100%
Ivanplats DRC Holding Company Ltd.	Barbados	**100%**	0%	0%
Kipushi Corporation SPRL	Democratic Republic of Congo	**68%**	0%	0%
Ivanhoe DRC SPRL	Democratic Republic of Congo	**100%**	0%	0%
Africa Consolidated Mineral Exploration (Pty) Ltd.	South Africa	**100%**	100%	100%
Platreef Resources (Pty) Ltd.	South Africa	**100%**	100%	100%
Ivanhoe Nickel & Platinum (SA) (Pty) Ltd.	South Africa	**100%**	100%	100%
GB Mining & Exploration (SA) (Pty) Ltd.	South Africa	**100%**	100%	100%
RK Mining (SA) (Pty) Ltd.	South Africa	**100%**	100%	100%
Ivanplats Holding Company (Pty) Ltd.	Australia	**100%**	100%	100%
INPL Gabon Mining Inc.	Canada	**100%**	100%	-
Ivanhoe (Namibia) (Pty) Ltd.	Namibia	**100%**	100%	100%
RK1 Consortium	South Africa	**25%**	25%	25%
Ivanplats Syerston (Pty) Ltd.	Australia	**100%**	100%	100%
Ivanplats Uranium (Pty) Ltd.	Australia	**100%**	100%	-
Ivanhoe Gabon SA	Gabon	**100%**	100%	-
Ivanplats Services (Pty) Ltd.	Australia	**100%**	100%	100%

18. Related party transactions (continued)

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

	2011	2010	2009
	$	$	$
Global Mining Management Corporation (a)	**2,475**	306	669
Ivanhoe Capital Aviation LLC (b)	**1,500**	900	1,200
Ivanhoe Capital Services Ltd. (c)	**422**	291	278
Global Mining Services Ltd. (d)	**95**	57	191
Ivanhoe Capital Corporation (UK) Limited (e)	**246**	127	195
I2MS.net PTE LTD (f)	**119**	132	176
Ivanhoe Australia Ltd. (g)	**127**	-	-
Ivanhoe Mines Ltd. (h)	**6**	-	-
Ivanhoe Capital Finance Ltd (i)	**360**	-	-
HCF International Advisers (j)	**211**	-	-
	5,561	1,813	2,709

	2011	2010	2009
Salaries and benefits	**3,077**	232	696
Office and administration	**457**	614	726
Travel	**1,653**	947	1,273
Consulting	**374**	20	14
	5,561	1,813	2,709

The above noted transactions 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 December 31, 2011, accounts payable included $0.8 million (2010: $0.3 million), and other long-term assets included $0.1 million (2010: $0.1 million) with related parties related by way of director or officers in common. These amounts are unsecured and non-interest bearing.

(a) Global Mining Management Corporation ("Global") is a private company based in Vancouver. Global has a director in common with the Company. Global provides administration, accounting and other services to the Company on a cost-recovery basis.

(b) Ivanhoe Capital Aviation LLC ("Aviation") is a private company 100% owned by a director of the Company. Aviation operates an aircraft for which the Company contributes toward the running costs.

(c) Ivanhoe Capital Services Ltd. ("Services") is a private company 100% owned by a director of the Company. Services provide for salaries administration and other services to the Company in Singapore and Beijing on a cost-recovery basis.

18. Related party transactions (continued)

(d) Global Mining Services Ltd. ("Mining") is a private company incorporated in Delaware 100% owned by Global. Mining provides administration and other services to the Company on a cost-recovery basis.

(e) Ivanhoe Capital Corporation (UK) Ltd. ("UK") is a private company 100% owned by a director of the Company. UK provides administration, accounting and other services in London on a cost-recovery basis.

(f) I2MS.net PTE LTD ("I2MS") is a privately owned company which is a subsidiary of Ivanhoe Mines Limited. I2MS provides IT services from Singapore on a cost-recovery basis.

(g) Ivanhoe Australia Ltd. is an Australian-based resources company focused on exploration and development. Ivanhoe Australia Ltd. has a director in common with the Company and provides consulting and other services to the Company on a cost-recovery basis.

(h) Ivanhoe Mines is a Canadian public company. Ivanhoe Mines has a director in common with the Company and provides consulting and other services to the Company on a cost-recovery basis.

(i) Ivanhoe Capital Finance Ltd. ("Finance") is a private company 100% owned by a director of the Company. Finance provided a $10 million short term loan to the company on which interest and a transaction fee was payable.

(j) HCF International Advisers ("HCF") is a leading corporate finance adviser specializing in the provision of advisory services to clients worldwide in the metals, mining, steel and related industries. HCF has a director in common with the Company and provides financial advisory services to the Company on an arm's length basis.

19. Cash flow information

Net change in non-cash working capital items:

	2011	2010	2009
	$	$	$
Net (increase) decrease in			
Trade and other receivables	**(4,475)**	(786)	(190)
Prepaid expenses	**231**	628	(236)
Net (decrease) increase in			
Trade and other payables	**5,361**	2,435	(45)
	1,117	2,277	(471)

20. Financial instruments

(a) *Fair value of financial instruments*

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

Financial instrument	Classification
Financial assets	
Cash and cash equivalents	Loans and receivables
Short-term deposits	Loans and receivables
Trade and other receivables	Loans and receivables
Long-term loan receivable	Loans and receivables
Financial liabilities	
Current tax liabilities	Other liabilities
Trade and other payables	Other liabilities
Purchase consideration payable	Fair value through profit and loss
Advances to Gecamines	Other liabilities
Convertible bond	Other liabilities

IAS 32 - "*Financial Instruments: Presentation"*, 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 obtain 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.

The purchase consideration payable is classified as Level 3 within the fair value hierarchy. The Company does not have any other assets or liabilities on the statement of financial position which are measured within the fair value hierarchy.

20. Financial instruments (continued)

(a) *Fair value of financial instruments (continued)*

The following table reconciles the Company's level 3 fair value measurements for the year ended December 31, 2011. There were no assets or liabilities included in Level 3 during the year ended December 31, 2010.

	Purchase consideration payable	Total
	$	$
Balance December 31, 2010	-	-
Additions	114,934	114,934
Accrued financing costs	1,170	1,170
Balance December 31, 2011	116,104	116,104

The Company's financial instruments include cash and cash equivalents, short-term deposits, trade and other receivables, long-term loan receivable, purchase consideration payable, convertible bond, advances payable to Gecamines, current tax liabilities and trade and other payable.

The fair value of the long-term loan receivable, and advances payable to Gecamines purchase consideration payable were determined in accordance with generally accepted pricing models based on a discounted cash flow analysis using 9.2% discount rate. The fair value of the convertible bond is determined considering the best available data regarding market conditions for such instruments. As the instruments were issued during the year ended December 31, 2011, the carrying value approximates fair value.

The fair value of the Company's remaining financial instruments were estimated to approximate their carrying values, due primarily to the immediate or short-term maturity of these financial instruments.

20. Financial instruments (continued)

(b) *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 on a timely and effective manner.

(i) Foreign exchange risk

The Company incurs certain of its expenses in currencies other than the U.S. dollar. As such, the Company is subject to foreign exchange risk as a result of fluctuations in exchange rates. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations, however, management monitors foreign exchange exposure.

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:

	December 31, 2011	December 31, 2010
	$	$
Assets		
Canadian dollar	**1,496**	1,702
Australian dollar	**80**	125
South African rand	**39,896**	4,233
British pounds	**88**	28
Liabilities		
Canadian dollar	**(18)**	25
Australian dollar	**(546)**	246
South African rand	**(3,401)**	1,151
British pounds	**-**	6

<u>Foreign currency sensitivity analysis</u>

The following table details the Company's sensitivity to a 5% increase and decrease in the U.S. dollar against the foreign currencies presented. The sensitivity analysis includes only outstanding foreign currency denominated monetary items 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 where the foreign currencies strengthen against the U.S. dollar. The opposite number will result if the foreign currencies depreciate against the U.S. dollar.

	2011	2010	2009
	$	$	$
Decrease in loss for the year	**1,880**	233	172

20. Financial instruments (continued)

(b) Financial risk management objectives and policies (continued)

(ii) 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 trade and other receivables and cash equivalents as well as long term loan receivables.

The Company reviews the recoverable amount of their receivables at each statement of financial position date to ensure that adequate impairment losses are made for unrecoverable amounts. In this regard, the Company considers that the credit risk is significantly reduced. The credit risk on cash equivalents is limited because the cash equivalents are composed of financial instruments issued by major banks and companies with high credit ratings assigned by international credit-rating agencies. Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from prior years.

The long-term loan receivable is due from Gecamines per the Kipushi purchase agreement (Note 6). The repayment of these loans will be made by offsetting against future royalties and dividends.

The following table details the Company's aging of accounts receivable:

	Less than 1 month	1 to 3 months	3 to 6 months	Over 6 months	**Total**
	$	$	$	$	**$**
As at December 31, 2011					
Trade and other receivables	-	**5,865**	-	-	**5,865**
Long-term loan receivable	-	**-**	-	7,324	**7,324**
	-	**5,865**	-	7,324	**13,189**
As at December 31, 2010					
Trade and other receivables	-	1,390	-	-	**1,390**
Long-term loan receivable	-	**-**	-	-	**-**
	-	**1,390**	-	-	**1,390**

(iii) Liquidity risk

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

20. Financial instruments (continued)

(b) Financial risk management objectives and policies (continued)

(iii) Liquidity risk (continued)

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 6 months	Over 6 months	**Total undiscounted cash flows**
	$	$	$	$	**$**
As at December 31, 2011					
Trade and other payables	-	10,283	-	-	**10,283**
Current income tax liabilities	209	-	-	-	**209**
Purchase consideration payable	-	75,000	-	50,000	**125,000**
Advances payable to Gecamines	-	4,432	-	7,500	**11,932**
					-
As at December 31, 2010					**-**
Trade and other payables	-	4,922	-	-	**4,922**
Current income tax liabilities	229	-	-	-	**229**
Purchase consideration payable	-	-	-	-	**-**
Advances payable to Gecamines	-	-	-	-	**-**

21. Capital risk management

The Company includes as capital common shares, warrant reserve and share option reserve. The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Currently the Company has cash flows from their RK1 operations, to maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including capital deployment, results from the exploration and development of its properties and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay dividends. The Company's investment policy is to invest its cash in highly liquid, short-term, interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regard to the expected timing of expenditures from operations.

The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through its current fiscal year.

22. Key management personnel compensation

The remuneration of directors and other members of key management were as follows:

	2011	2010	2009
	$	$	$
Short-term benefits	**5,341**	1,191	958
Share-based payments	**6,823**	2,920	2,364
	12,164	4,111	3,322

23. Commitments and contingencies

The tax affairs of GB Mining and Exploration SA (Pty) Ltd (“GBSA”) and Gardner & Barnard UK Limited (“GBUK”) were under investigation by the South African Revenue Authorities. As part of the consent award in the arbitration between the Company and the vendors of GBUK, the vendors of GBUK undertook to pay any tax liabilities as finally determined by a court of competent jurisdiction in South Africa for the period up to June 30, 2006 in respect of GBUK and its subsidiary, GBSA. The total assessment for the taxes prior to June 30, 2006 issued by the South African Receiver of Revenue amounted to R15 million ($2.3 million). The vendors objected to the assessment and as at December 31, 2011 the taxes are still payable. The tax appeal was heard by the Income Tax Court during May 2011 and the Company is awaiting a verdict.

As at December 31, 2011, the Company’s commitments that have not been disclosed elsewhere in the consolidated financial statements are as follows:

	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years	Total
	$	$	$	$	$
Operating leases	431	982	558	291	2,262

24. Segmented information

At December 31, 2011, the Company has three reportable operating segments, being Platreef properties, DRC properties and Kipushi.

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

For these three operating segments, the Company receives discrete financial information that is used by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance.

The operating segments are principally engaged in the exploration and development of mineral properties in the Limpopo Province of South Africa, the Democratic Republic of Congo ("DRC") and the restoration of a mine in the DRC respectively. The following is an analysis of the non-current assets by geographical area and reconciled to the Company financial statements:

	South Africa	DRC	Other	Total
	$	$	$	$
Non-current assets				
As at December 31, 2011	11,921	338,633	4,934	355,488
As at December 31, 2010	11,600	2,776	5,021	19,397

24. Segmented information (continued)

The Company's Corporate Division only earns revenues that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment as defined in IFRS 8 'Operating Segments'.

	Platreef Properties	DRC properties	Kipushi	Unallocated *(i)*		Consolidated total
	$	$		$		$
Segment assets						
As at December 31, 2011	**256,571**	**4,215**	**335,563**	**31,948**		**628,297**
As at December 31, 2010	9,976	4,561	-	25,847		40,384
Segment liabilities						
As at December 31, 2011	**3,159**	**2,888**	**203,752**	**117,324**	(iii)	**327,123**
As at December 31, 2010	3,090	3,014	-	1,129		7,233
Segment losses						
For year ended December 31, 2011	**48,828**	**47,464**	**2,404**	**27,125**		**125,821**
For year ended December 31, 2010	7,409	24,137	-	19,810	(ii)	51,356
For year ended December 31, 2009	5,119	17,279	-	8,247		30,645
Capital expenditures						
For year ended December 31, 2011	**1,079**	**1,324**	**191**	**1,222**		**3,816**
For year ended December 31, 2010	80	807	-	162		1,049
For year ended December 31, 2009	181	1,185	-	30		1,396
Exploration expenditure						
For year ended December 31, 2011	**45,834**	**45,845**	**1,816**	**3,099**		**96,594**
For year ended December 31, 2010	6,684	24,817	-	2,327		33,828
For year ended December 31, 2009	4,564	17,236	-	1,048		22,848
Interest income						
For year ended December 31, 2011	**(875)**	**-**	**-**	**(191)**		**(1,066)**
For year ended December 31, 2010	(19)	-	-	(137)		(156)
For year ended December 31, 2009	(15)	-	-	(199)		(214)
Interest expense						
For year ended December 31, 2011	-	-	**1,216**	**3,344**		**4,560**
For year ended December 31, 2010	-	-	-	-		-
For year ended December 31, 2009	-	-	-	1		1
Depreciation						
For year ended December 31, 2011	**162**	**955**	**-**	**239**		**1,356**
For year ended December 31, 2010	125	1,498	-	292		1,915
For year ended December 31, 2009	153	1,345	-	252		1,750
Share of other comprehensive loss of joint ventures						
For year ended December 31, 2011	-	-	**-**	**(6)**		**(6)**
For year ended December 31, 2010	-	-	-	1,128		1,128
For year ended December 31, 2009	-	-	-	434		434

(i) The Company's Corporate Division and other divisions that do not meet the quantitative thresholds of IFRS 8 are included in the segmental analysis under the unallocated column.

(ii) Includes an impairment charge of $11.0 million related to the Company's investment in RK1 (Note 5 (b)).

(iii) Includes the convertible bonds which are held in the Corporate Division (Note 10).

25. Subsequent events

On March 28, 2012, the Company issued convertible senior unsecured bonds with a principal value of $50 million under the same terms and conditions as the convertible bonds issued on November 10, 2011 (Note 10).

26. Approval of the financial statements

The Consolidated Financial Statements of Ivanplats Limited, for the year ended December 31, 2011 were approved and authorized for issue by the Board of Directors on March 30, 2012.