

May 19, 2016

## **STATEMENT**

### **Ivanhoe Mines condemns promotion of false and dishonest claims by Mining Watch Canada**

JOHANNESBURG, SOUTH AFRICA – Ivanhoe Mines condemns in the strongest terms possible the attempt by Mining Watch Canada – and its dishonest associates in South Africa – to spread falsehoods about the Platreef mine development project in the South African province of Limpopo. The recycled and false allegations published by Mining Watch Canada yesterday are not new and previously have been rebutted by Ivanhoe Mines and its South African subsidiary, Ivanplats. However, it is important to restate Ivanhoe Mines' position for the benefit of shareholders, the media and the public at large.

Ivanhoe Mines is disappointed, although not surprised, that Mining Watch Canada has chosen to act as a Canadian blinkered cheerleader for the falsehoods and misrepresentations that have been perpetuated, and violent acts that have been staged, by South African activist Aubrey Langa who previously has been convicted by South African courts of furnishing false information, robbery and attempted murder. Mr. Langa is recognized for waging what one prominent South African newspaper recently described as his “single-minded campaign” against the Platreef mine currently being developed by Ivanplats in Limpopo province.

Ivanplats is 64%-owned by Ivanhoe Mines, 26%-owned by South African broad-based black economic empowerment partners – consisting of 20% belonging to 20 local communities with a combined population of approximately 150,000, 3% in the hands of historically disadvantaged project employees and a further 3% held by local entrepreneurs. The final 10% is owned by a Japanese consortium.

One fact that speaks volumes about Mining Watch Canada's conduct is that the anti-mining organization has never contacted senior representatives of Ivanhoe Mines or Ivanplats and sought to openly discuss any purported concerns. Instead, Mining Watch Canada chose to grandstand and seek to mislead shareholders, other stakeholders and the media by issuing a news release, riddled with false allegations, just hours before Ivanhoe Mines' scheduled Annual General Meeting today in Vancouver. It is an irresponsible tactic that deserves condemnation and mocks Mining Watch's pretence that it acts in the “public interest”. If Mining Watch had sought to discuss these wild allegations with Ivanhoe Mines or Ivanplats, Mining Watch would have realized the deceptive practices of some of the people it seems to have partnered with.

Much of the Mining Watch May 18 news release is a recitation of false allegations and unsupported claims by Mr. Langa and his cohorts in their dishonest campaign against the development of the Platreef mine. The release even provides Mr. Langa's telephone number as a recommended information source. Mr. Langa's record, including his criminal convictions, is well known in South Africa but has been conveniently suppressed by Mining Watch. His conduct has been addressed in a number of previous statements by Ivanhoe Mines.

Ivanhoe Mines has always recognized that the ongoing support of neighbouring communities is essential to the success of the Platreef Project. Ivanplats' staff, over a period of more than 15 years, have established productive working relationships with residents and traditional leaders in the 20 communities that surround the site of the planned mine. Ivanplats has done its utmost to ensure that its engagements with host communities and other stakeholders are conducted in a fair and transparent manner – and it will continue to do so in future.

Contrary to claims promoted by Mining Watch, Ivanplats has demonstrated the utmost respect for historical gravesites and has fully complied with all prescriptions laid down by the relevant authorities. Furthermore, Ivanplats did fence off the sites once the required permissions were obtained from next-of-kin; and the South African Heritage Resources Agency provided inputs during the Environmental Authorization application. In addition, a recent audit by the Department of Mineral Resources confirmed that no unauthorized blasting has been conducted at the mine development site. These are well-established matters of fact.

Ivanplats was granted a mining right, or licence, for Platreef by South Africa's Department of Mineral Resources on May 30, 2014, which took legal effect on November 4, 2014. The Limpopo Department of Economic Development, Environmental Affairs and Tourism issued an environmental authorization to Ivanplats on June 27, 2014, under terms of the National Environmental Management Act, 1998.

The consultation requirements for the approval of a mining right and an Environmental and Social Impact Assessment are very onerous. Ivanplats did consult extensively with the public and these licences were duly granted by two different government departments. Mr. Langa filed various appeals with different government bodies, including the Department of Mineral Resources. Following official reviews, none of Mr. Langa's objections were upheld by the relevant authorities.

Mr. Langa's egregious dishonesty in his attacks on the Platreef Project appears to have reached a new low with his exploitive claim of an association between the ongoing development of the project and the reported wounding of a purported community activist in an alleged firearm incident last month. As far as Ivanhoe Mines is aware, there is not a whit of evidence to support Mr. Langa's malicious and defamatory allegations. We understand that local police are continuing their investigation of the reported firearm incident.

Almost one month ago, on April 22, the Bench Marks Foundation – a faith-based organization owned by the churches in South Africa – issued a news release that publicly apologized for having previously suggested that Ivanplats may have had some role in the activist's injury.

The Bench Marks news release declared, in part, "We do not in any way suggest that the company (Ivanplats) was involved in the incidents" surrounding the reported shooting. The release added: "Any insinuation in earlier media releases is regretted and the Bench Marks Foundation apologizes for that."

Ivanplats has earned, and respects, the support of the overwhelming majority of the residents of Mokopane. Critics of the planned Platreef Mine constitute only a small group that consistently numbers no more than 100 people who stage organized protests. That group is led by individuals who have self-serving agendas and who do not have legitimate concerns relating to the community at large, nor do they have any significant support from the approximately 150,000 people who make up the host communities around the mine development project.

The Platreef mine never can be the sole answer to the socio-economic problems facing the communities of Mokopane, where poverty and unemployment pose huge challenges for all of the people in the area. However, Ivanhoe Mines is confident that this multi-billion-rand development project not only will become a major mining operation but it also will contribute significantly to job creation, skills training and economic development opportunities, impacting positively on the lives of people living in Mokopane and area communities.

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