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## EXPANDED OPEN LETTER

### Ivanhoe Mines and Ivanplats expand challenge of errors and misrepresentations in Globe & Mail story about Platreef mine development project in South Africa

Story's failures and dishonest newsmaking betray Globe's professed commitment to 'honesty, accuracy, objectivity and balance'

Attention: - David Walmsley, Editor-in-Chief, The Globe and Mail, Toronto, Canada  
- Sylvia Stead, Public Editor, The Globe and Mail  
- Paul Waldie, Editor, Report on Business, The Globe and Mail  
- Geoffrey York, Africa correspondent, The Globe and Mail  
- Readers of The Globe and Mail

As Ivanhoe Mines stated in its original Open Letter that was distributed on January 12, there is ample evidence to demonstrate that reporter Geoffrey York's cover story, published in The Globe and Mail's Report on Business on January 10 (*Showdown in South Africa*), is flawed by serious failures of what is purported to be standards-based journalism.

Readers are being deceived by the story's false allegations, misrepresentations and gratuitous exaggerations concerning the Platreef mine development in South Africa's Limpopo province that belie The Globe's claim that it "strives for a culture of accuracy".

Now, new information that has come to Ivanhoe Mines' attention since the distribution of the company's original Open Letter shows that the newspaper's failure to respect its own proclaimed news standards is considerably more acute than initially could be shown on January 12. The new information, including a number of additional essential and material facts, appears principally on pages two through six of this Expanded Open Letter. Pages four and five contain a review of the particularly egregious and apparently fabricated claim alleging that families do not have open access to visit and tend to relatives' graves. The entire letter may be read at [www.ivanhoemines.com](http://www.ivanhoemines.com).

Just as it ignored numerous important facts and circumstances in its January 10 story, The Globe and Mail also has avoided shouldering its responsibility and has not taken any steps to set the record straight and rectify the story's journalistic failures that, in Ivanhoe's view, constitute a desertion of The Globe's obligations to its readers. Given the information that has come to light, readers should expect corrective action from the responsible Globe editors.

As noted in Ivanhoe’s original January 12 Open Letter, one inevitable result of the numerous failures is that parts of the story serve as a soapbox for a coterie of dedicated critics of the Platreef Project, some of whose self-serving motivations curiously are ignored in the story. But, despite its 3,000-plus words, the story fails to present the view of even one ordinary citizen from among the tens of thousands who comprise the overwhelming majority in the neighbouring communities who do support the development of the Platreef mine by Ivanplats (Pty.) Ltd., a subsidiary of Ivanhoe Mines Ltd. Such an omission would have required diligence and determination. It begs the pertinent question: Why?

The current economic potential of Ivanhoe’s Platreef world-scale mineral discoveries, and the innovative comprehensiveness of the project’s broad-based black economic empowerment structure, are without peer in South Africa. One essential feature is that the combined population of approximately 150,000 people in the communities surrounding the planned mine development now effectively share a 20% ownership of the Platreef Project through a collective trust.

Obviously, such a project in such a setting will have its detractors; that’s a fact of human nature that Ivanhoe Mines and Ivanplats respect. But The Globe’s beginning-to-end exclusion of views representative of the majority of ordinary residents certainly is not balanced writing, which The Globe claims to hold among its vaunted news principles. The lack of balanced views inevitably gives readers an unfair misrepresentation of the project’s true level of community support – and that is a clear breach of the pledge in The Globe’s Editorial Code of Conduct “to provide reasonable accounts of competing views in any controversy so as to enable readers to make up their own minds”.

The following examples outline some of the story’s significant shortcomings.

### **Denying readers essential facts by denying Ivanplats a chance to comment on key aspects of allegations violates The Globe’s claimed journalistic principles**

In its pre-publication contacts with Ivanplats, The Globe never raised the specific case of the story’s emotive linchpin figure – Ms. Makgabo, the elderly woman who reportedly claimed that more than three years ago she was pressured into consenting to exploration drilling by Ivanplats on communal land that her family had used to grow food crops. According to The Globe’s account, Ms. Makgabo claimed she had been told she would lose her monthly pension if she didn’t agree to permit the drilling and accept a compensation payment from the company.

Despite the reporter’s intention to prominently feature the allegation, the reporter deliberately withheld key information from the company, including the woman’s name. This ensured that Ivanplats did not have an opportunity review details of the specific case, to directly challenge the claim or to respond fully on relevant facts relating to the known circumstances and context of this particular case before the newspaper proceeded to publish and misrepresent the allegation. The reporter’s tactic also denied readers the right to know all of the relevant facts.

The Globe resorted to a ruse of withholding information by presenting Ivanplats with a hypothetical question that was never linked to a definite allegation from a specific individual. (The question: *“If community members are claiming that these statements [involving alleged coercive pressures] were made by at least one company official, how does the company*

*respond?*”) After first seeing the question, Ivanplats did ask The Globe on December 17 to be provided with details if a specific allegation had been made. But The Globe ignored the company’s request for information.

Despite The Globe’s failure to provide requested information, Ivanplats did advise The Globe on December 17 last year that the company had no knowledge of the use of any alleged pressure tactics and never would condone any such improper conduct.

For the record, now that The Globe’s January 10, 2015, story has disclosed Ms. Makgabo as its source, and certain other limited details, Ivanplats can, and emphatically does, challenge and deny the newspaper’s reported allegation.

An Ivanplats manager who participated in the meeting with Ms. Makgabo in 2011 has stated that no coercion was involved in her acceptance of the compensation payment.

“This allegation is actually a lie,” the manager said in a direct response to questions arising from The Globe’s story. “Mrs. Makgabo was not reluctant to sign the agreement and she did not raise any concerns about it. A lot of the company’s activities had already been explained to residents of the communities by the local traditional leadership, especially the issue of temporary interruptions to normal access to the cornfields.”

The manager added: “Having been born and bred in the community, and also having worked as a teacher in the same community, I could not have waited to be cautioned by the company not to intimidate my own people. Remember, there are laws in our country that protect people’s rights and South Africans are aware of those rights. I still live in that community.”

The Globe story also insinuated that exploration drilling by Ivanplats had caused a permanent loss of food crops and that, without sufficient compensation, children related to Ms. Makgabo were not being adequately fed because their family “can’t even afford a tomato or a cabbage”. This false claim is a dishonest hoax on Globe readers and a smear against Ivanplats. Of course, The Globe never gave Ivanplats any opportunity to respond with facts related to this specific matter either before the claim was published. Again, there was no chance for an honest presentation of a differing view to give readers a more complete picture of an unusual situation.

Highly pertinent information that The Globe withheld from its readers shows that there is an unfortunate, major dispute within the extended Makgabo family over which family members rightfully were entitled to receive financial compensation from Ivanplats for any temporary interruption of food gardening caused by drilling. Ivanplats had no authority to involve itself in the intra-family dispute that involved a determination by the community’s traditional leadership. At least one family member was active in a dissenting group within the community that was challenging the traditional leadership’s authority to negotiate agreements with the Platreef Project.

It also is a matter of record that well-known Platreef critics previously have made similar and unfounded allegations of pressure tactics in attempts to discredit at least one other business entity that is independent of Ivanplats. In addition, The Globe also knew and failed to report that Ivanplats has absolutely no influence over state-controlled pensions and other social-benefit entitlements in South Africa.

The Globe's unprofessional, controversy-seeking manipulation of information in this matter is left to speak for itself.

### **Dishonest reporting also hides the fact of residents' open access to gravesites**

The Globe story claimed that "when community members want to visit their traditional farmland or the graves of their ancestors near the Platreef mine they are blocked by the company's security barrier and guards". In addition, the story quoted a Globe source as claiming that community members "can't go in there," to the site, to visit graves.

These generalized claims, implying to readers that security staff routinely prevent and hinder visits to graves by family members, are an egregious lie. The offensiveness of the unethical aspersion is compounded by the fact that the underlying false claims apparently are staked entirely on a dishonest contrivance, orchestrated by The Globe and its critic-sources, which The Globe appears to have manipulated for its story to hoodwink its readers.

Here are some pertinent facts, assembled with the help of security records from the project site, which The Globe failed to report to readers:

- The Platreef mine-licence area is criss-crossed by informal roadways and pathways that have been used by residents of surrounding communities, some for generations, to tend to food gardens and livestock, visit graves that have been randomly sited for many decades, and to make inter-community visits.
- Around the site's nine-kilometre-long perimeter, 10 established roadways remain open 24 hours a day and provide connections to a paved national highway and adjoining community roads. None of these 10 access roadways have security gates or security staff stationed at entrances. (On the date of The Globe's visit, a total of 11 unsupervised access roads were open into the site; one subsequently was closed for site work that now is in progress.) These roads are used routinely by residents for various purposes.
- Contrary to The Globe's false claim, visitors to gravesites do not have to pass through a security barricade to reach the graves. In everyday, real-life practice, most area residents do not choose to use the staffed security gate for non-project-related access to the site.
- The truth, not reported to readers by The Globe, is that there is just one roadway on the entire site that has a security boom gate and checkpoint where entering and exiting traffic is monitored by security staff. This one monitored roadway connects the current shaft-sinking construction site with a nearby main road; the majority of the traffic on the unpaved roadway is delivering materials, equipment and workers directly to the construction site. Proper management of traffic safety and security requires visitors to be checked in and out, which is standard practice at major job sites around the world. At Platreef, area residents wishing to visit gravesites on the licence area are not required to use the security checkpoint – and the overwhelming majority of them do not.
- In fact, the Globe also failed to report that there is an open, unmonitored roadway providing unsupervised access from the national highway to the entire mine-licence area just 350 metres north of the roadway that was chosen by the Globe reporter apparently to ensure

that he encountered the lone security checkpoint that does monitor traffic heading toward the construction zone.

- The Globe failed to report that a car reportedly driven by the Globe's reporter, and containing four passengers – including a well-known leader of a civic group opposed to present planning for the development of the Platreef Project – arrived at the monitored security checkpoint shortly before sunset on November 13. The visit evidently was a stunt calculated to enhance the planned story's negative bias. Security reports indicate that the visitors told security staff that they had come to clean a family gravesite and to erect a tombstone. The arrival of such a party, on such a mission at such a time of day, was a very unusual occurrence. It required gate staff to follow established protocol and contact security supervisors as part of the clearance procedure.
- Security staff have stated that the Globe reporter angrily directed obscenities at them. The reporter claimed in his Globe story that his visiting party was delayed at the gate for an hour; staff who were at the site report that the delay was approximately 30 minutes. The Globe's purported grave-tending party subsequently was cleared to enter through the security gate and the security service offered to provide lighting to assist the party at the darkening gravesite.
- Of course, the Globe reporter, in a further deception of readers, also failed to report that, having staged his planned confrontation with security staff on his way into the site, he later reportedly drove his carload of purported gravesite visitors out of the area using one of the 11 unmonitored access roadways that were available at that time, and where there were no security entry-and-exit checkpoints.
- On December 17, in reply to Globe questions, Ivanplats advised the Globe reporter that while vehicular traffic just on the principal access road to the Platreef work site must pass through a security checkpoint, to the company's knowledge, "no community members ever have been blocked from grave and/or heritage sites. The areas where the graves are located are open to all community members, whether an ordinary community member or next-of-kin." But the Globe's January 10 story ignored this accurate, balancing assertion by the company in favour of the reporter's self-serving account of his contrived stunt and the absurdly false claim by The Globe's activist-source that he is prevented from reaching his ancestor's grave. (Note that the term, "blocked," was used without qualification by the Globe reporter in his question to Ivanplats.)
- Yet, despite The Globe's misrepresentation, the story offered no evidence to show that residents ever have been denied access to the area – even if they do choose, for whatever reason, to ignore all 10 unmonitored access roads that presently are available 24 hours a day and instead opt to use the one entry road where a security checkpoint is in operation.

The facts provide a sharp contrast to the deliberate deception that The Globe has inflicted on its readers and the damaging misperception cast on the company. There was no chance for an honest presentation of what The Globe's Editorial Code of Conduct terms a "competing" view to give Globe readers a more complete picture of the true situation.

## **Failure to report key facts about compensation and discontinued food gardening**

Ivanplats had compensation agreements with four affected communities to cover drilling disruptions. More than 300 individual community residents, who held assigned blocks of nearby communal land to grow traditional produce, endorsed acknowledgements of payments they received from the company. The agreements provided residents with fair compensation in exchange for access to the land by small-scale core drill rigs that in most cases required only temporary interruptions to food gardening.

There is no foundation in fact for any suggestion that corn production and other food gardening, and livestock herding, cannot resume on land where all necessary drilling has been completed. The Globe never gave Ivanplats an opportunity to respond to any specific allegation that drilling had rendered any land beyond the actual, planned minesite permanently unusable for food production.

The Globe story failed to acknowledge, or examine, the issue of the viability of food gardening throughout the region due in part to current economics, lack of water and other factors.

The Globe also failed to report that a number of the newspaper's sources are engaged in disputes over the formation and roles of traditional authorities in regulating aspects of community life, including entitlement to, and use of, common land. As previously noted, no specific allegations of insufficient compensation ever were brought to Ivanplats' attention before they were published by The Globe.

## **Failure to contact Ivanplats staff in minesite communities for story balance**

The Globe evidently did meet with a number of critics during its visit to the communities and the site of the planned mine. But at no time before or during its visit to the Mokopane area and to the mine development site did The Globe make contact with Ivanplats or make any effort to discuss with Ivanplats' informed community staff representatives any of the claims and concerns that critics had presented to the newspaper.

This would appear to be the antithesis of open-minded journalistic enquiry. Again, The Globe's conduct speaks for itself.

## **Failure to report basic facts about strong levels of community support**

The Globe knew and failed to report that more than half of the 20 affected communities already had voted to elect members of the trust advisory council as part of the broad-based black economic empowerment (B-BBEE) structure that the company has established under South African law. In addition, most of the remaining communities are in talks to arrange their elections for trust representatives.

All 20 communities will receive the resulting benefits from their established, combined 20% ownership interest in the Platreef Project and will share the interim financial support being provided by Ivanplats, which is continuing to work with residents and representatives of all of the communities. An additional, combined 6% interest in the project is held by local entrepreneurs and the company's eligible South African employees, which also will generate additional economic benefits in the area. Readers should be aware that The Globe has never

reported on the implementation of the precedent-setting Platreef black empowerment initiative, which was announced last September.

### **False claims about police and protesters at mine development site**

The Globe falsely claimed that the Platreef Project had triggered multiple “clashes with police” and that police had dispersed “hundreds of angry protesters at the mine site” last November. This is another unsupportable exaggeration.

In fact, there has been just one confrontation with police, orchestrated by critics, and it involved far less than 100 actual protesters. The Globe knew, and failed to report, that the company had publicly stated on November 26 last year that a total of approximately 100 people were present at the protest, as confirmed by photographs, but that group also included many supporters of the project who had been duped into appearing at the protest site by critics who deliberately made false claims that the company would be recruiting people for construction work at the nearby mine development site.

### **False allegations of company “ultimatums” to government**

The Globe’s claim that Ivanplats has issued multiple “ultimatums to government” as a negotiating tactic simply is not true. The fact is that there has not been even one such ultimatum from the company to the government.

This is another matter that The Globe failed to raise with the company prior to publication of its story and so the company had no opportunity to comment on The Globe’s intended use of this false allegation. As a result, Globe readers were presented with a serious misrepresentation of the facts.

The truth is that after providing full-time pay for several hundred workers who had been idled for more than four months while the company waited for the government to activate Platreef’s mining licence, Ivanplats formally notified a labour union and project workers last October – as required under South African law – that the company may have to initiate stipulated consultation and review procedures that eventually could result in layoffs. Mine building could not begin without activation of the licence. Ivanplats has no financial income and would have been obliged to examine measures to curtail costs if the start of work had remained suspended.

This was not some kind of “hardball tactic”, as The Globe falsely alleges. South Africa’s mining law requires that companies also inform the relevant government department of intentions to initiate proceedings that could result in layoffs. There is no factual basis for The Globe’s misrepresentation of the company’s conformance with this statutory process as some sort of negotiating manoeuvre.

### **Failure to report threats of violence by protest leader who was Globe source**

Further exaggerations are contained in The Globe’s claims that critic Aubrey Langa is “a favourite target” in company news releases and has been “repeatedly attacked” in the company’s media statements. The truth is that Mr. Langa had been mentioned in one

company news release and in one public statement by the company prior to publication of The Globe's January 10 story.

Mr. Langa evidently was a major source of information for The Globe, begging the question of why there is no indication in the story that The Globe quizzed him about his endorsement and incitement of violent and other illegal acts, and his true motives in his campaign against the Platreef Project?

The Globe also chose to ignore Mr. Langa's reported reference in a South African newspaper last month to the tragic deaths of 44 people in a series of violent clashes in 2012 during a strike at the Marikana platinum mine; in that statement, Mr. Langa shockingly vowed that he and his supporters would see that "we will have another Marikana" at Ivanplats' Platreef Project.

Contrary to The Globe's unfair, contrived misrepresentations on the point, Ivanplats never has sought to provoke confrontations with critics and authorities. The company is a guest in South Africa, where it is honouring long-term commitments that have been established during the past 15 years. The company knows it must continually earn goodwill and has been able to achieve a great deal of appreciated, respectful support and cooperation through its extensive consultations with neighbouring communities. This engagement is a perpetual responsibility that will continue throughout the life of the planned Platreef Project. However, Ivanplats also has declared that the project will not be held to ransom by those who advocate violence, intimidation, disruption and disinformation, and will remain uncompromised by corruption.

The principal information exchanges between The Globe and Ivanplats prior to publication of the story are available on the Ivanhoe Mines website ([www.ivanhoemines.com](http://www.ivanhoemines.com)). They show that on December 17 Ivanplats advised The Globe that the company would stand with the facts in any telling of Platreef stories. The details presented here do show that The Globe and Mail's actions gave readers no chance to make up their own minds based on a fair and balanced presentation of the facts on a number of key issues, thereby calling into question the credibility of the newspaper's avowed ethical standards.

Signed on behalf of IVANHOE MINES

Robert Friedland, Executive Chairman  
 Lars-Eric Johansson, Chief Executive Officer  
 Marna Cloete, Chief Financial Officer  
 Mark Farren, Executive Vice President, Operations  
 Ian Cockerill, Lead Independent Director

Signed on behalf of IVANPLATS

Dr. Patricia Makhesha, Managing Director  
 Gerick Mouton, Vice President and Project Director  
 Jacob Motswaledi, General Manager, Community Relations  
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