IVANHOE MINES
NEW HORIZONS

May 10, 2022

Ivanhoe Mines issues first quarter 2022 financial results, as well as review of mine construction and exploration activities

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Kamoa-Kakula Copper Mining Complex in the Democratic Republic of Congo sold 51,919 tonnes of payable copper and recognized record revenue of $519.6 million in Q1 2022

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The Kamoa-Kakula joint venture recorded record EBITDA of $399.4 million, and operating profit of $380.5 million for Q1 2022

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Kamoa-Kakula's cost of sales total $1.08 per pound of payable copper in Q1 2022, with C1 cash costs trending towards lower end of 2022 guidance at $1.21 per pound

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Kamoa-Kakula Phase 2 offtake agreements concluded

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Regional exploration drill campaign commences at the Western Foreland Copper Project in the Democratic Republic of Congo

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Kamoa-Kakula positioned to be the world's third-largest copper producer by Q4 2024, with projected annualized copper output of approximately 600,000 tonnes

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Ivanplats completes Platreef's Shaft 1 changeover to a production shaft, commences lateral mine development toward Flatreef orebody

TORONTO, CANADA – Ivanhoe Mines (TSX: IVN; OTCQX: IVPAF) today announced its financial results for the three months ended March 31, 2022. The first quarter was highlighted by many important milestones, including: the early declaration of Phase 2 commercial copper production at the Kamoa-Kakula Mining Complex; the commencement of lateral mine development toward the high-grade Flatreef platinum-group-metals orebody at Platreef; a new agreement to return the ultra-high-grade Kipushi Zinc Mine to commercial production; and the initiation of an extensive regional drilling program at the Western Foreland Copper Exploration Project. All figures are in U.S. dollars unless otherwise stated.

HIGHLIGHTS

- **Ivanhoe Mines recorded a profit of $21.5 million for Q1 2022, compared to a profit of $20.4 million for the same period in 2021. Ivanhoe Mines' share of profit from the Kamoa-Kakula copper joint venture and finance income therefrom totaling $115.4 million, were the principal contributors to the profit recorded in the first quarter.**

- **The Kamoa-Kakula Mining Complex set a new quarterly production record during the period, with 55,602 tonnes of copper in concentrate produced. Commercial production from the Phase 2 concentrator was declared on April 7, 2022.**

- **A de-bottlenecking program is underway at Kamoa-Kakula to expand processing capacity of Phase 1 and Phase 2 concentrators by 21%, to a combined 9.2 million tonnes of ore per year. Copper production from Kamoa Copper's first two phases is projected to exceed 450,000 tonnes per year by Q2 2023.**

- **Kamoa-Kakula's cost of sales per pound (lb.) of payable copper sold was $1.08/lb. for Q1 2022, while cash costs (C1) per pound of payable copper produced totaled $1.21/lb., compared to $1.12/lb. and $1.28/lb. respectively in Q4 2021.**

- **During Q1 2022, Kamoa-Kakula sold 51,919 tonnes of payable copper and recognized record EBITDA of $399.4 million and revenue of $519.6 million, with an operating profit of $380.5 million.**

- **On May 3, 2022, Ivanhoe Mines announced details of the Phase 3 expansion at Kamoa-Kakula, which will include an additional 5-million-tonnes-per-annum concentrator adjacent to new underground mines at Kamoa – named Kamoa 1 and Kamoa 2. Phase 3 will increase total processing capacity to more than 14 million tonnes of ore per annum, and grow annualized copper production to approximately 600,000 tonnes by the fourth quarter of 2024. This production level will elevate Kamoa-Kakula to the world's third-largest copper mining complex, and the largest copper mining complex in Africa.**

- **Ivanhoe Mines has a strong balance sheet with cash and cash equivalents of $562 million as at March 31, 2022, and expects that Kamoa-Kakula's expansion capital for Phase 2 and Phase 3 will be funded from copper sales and facilities at Kamoa.**

- **During the first quarter of 2022, Ivanhoe commenced a regional drilling program, expected to total approximately 95,000 metres, targeting Kamoa-Kakula-style copper mineralization on its Western Foreland licences, which cover approximately 2,407 square kilometres in close proximity to the Kamoa-Kakula mining licenses.**

- **Exploration models that successfully led to the discoveries of Kakula, Kakula West, and the Kamoa North Bonanza Zone on the Kamoa-Kakula joint-venture mining licence are being applied to the extensive Western Foreland land package by the team of exploration geologists responsible for the previous discoveries.**

- **On May 9, 2022, Ivanhoe Mines announced the completion of the Platreef Project's Shaft 1 changeover to a production shaft, as well as the first blast on the 950-metre level, which marked the commencement of lateral mine development toward the high-grade Flatreef platinum-group-metals, nickel, copper and gold orebody.**

- **In February 2022, Ivanhoe Mines announced the outstanding results of a new independent feasibility study for the Platreef Project that builds on the alternate scenario to expedite production, based on a steady-state production rate of 5.2 million tonnes per annum, confirming the viability of a new phased-development pathway to fast track Platreef into production in Q3 2024.**

- **The Platreef 2022 Feasibility Study yields an after-tax NPV8% of $1.7 billion and IRR of 18.5% at long-term consensus metal prices. At spot prices as at May 6, 2022, the after-tax NPV8% increases to $3.5 billion and the IRR increases to 27%.**

- **In February 2022, Ivanhoe Mines and Gécamines signed a new agreement to return the ultra-high-grade Kipushi Zinc Mine back to commercial production.**

- **Ivanhoe Mines announced the positive findings of an independent feasibility study for the planned resumption of commercial production at Kipushi based on a two-year construction timeline. The Kipushi feasibility study's sensitivity analysis at spot zinc prices of approximately $1.70/lb. (May 6, 2022), results in an after-tax NPV8% of $2.4 billion with an after-tax real IRR of 75.8%.**

- **On May 2, 2022, Ivanhoe Mines issued its fifth annual Sustainability Report, highlighting the company's commitment to becoming a global ESG leader in mining.**

Conference call information

Ivanhoe Mines will hold an investor conference call to discuss the Q1 2022 financial results at 4:30 p.m. South African time / 10:30 a.m. Eastern time / 7:30 a.m. Pacific time on May 10. The conference call dial-in is +1-647-794-4605 or toll free 1-888-204-4368, quote "Ivanhoe Mines Q1 2022 Financial Results" if requested. Media are invited to attend on a listen-only basis.

Link to join the live audio webcast: https://bit.ly/3DTATay

Principal projects and review of activities

1. Kamoa-Kakula Mining Complex

39.6%-owned by Ivanhoe Mines
Democratic Republic of Congo

The Kamoa-Kakula Mining Complex, a joint venture between Ivanhoe Mines and Zijin Mining, has been independently ranked as the world's fourth-largest copper deposit by international mining consultant Wood Mackenzie. The project is approximately 25 kilometres west of the town of Kolwezi and about 270 kilometres west of Lubumbashi. Kamoa-Kakula began producing copper in May 2021 and achieved commercial production on July 1, 2021.

Ivanhoe sold a 49.5% share interest in Kamoa Holding Limited (Kamoa Holding) to Zijin Mining and a 1% share interest in Kamoa Holding to privately owned Crystal River in December 2015. Kamoa Holding holds an 80% interest in the project. Since the conclusion of the Zijin transaction, each shareholder has been required to fund expenditures at Kamoa-Kakula in an amount equivalent to its proportionate shareholding interest. Ivanhoe and Zijin Mining each hold an indirect 39.6% interest in the Kamoa-Kakula Mining Complex, Crystal River holds an indirect 0.8% interest and the DRC government holds a direct 20% interest.

Kamoa-Kakula's Phase 1 and Phase 2 concentrator plants now are in commercial production.

Health and safety at Kamoa-Kakula

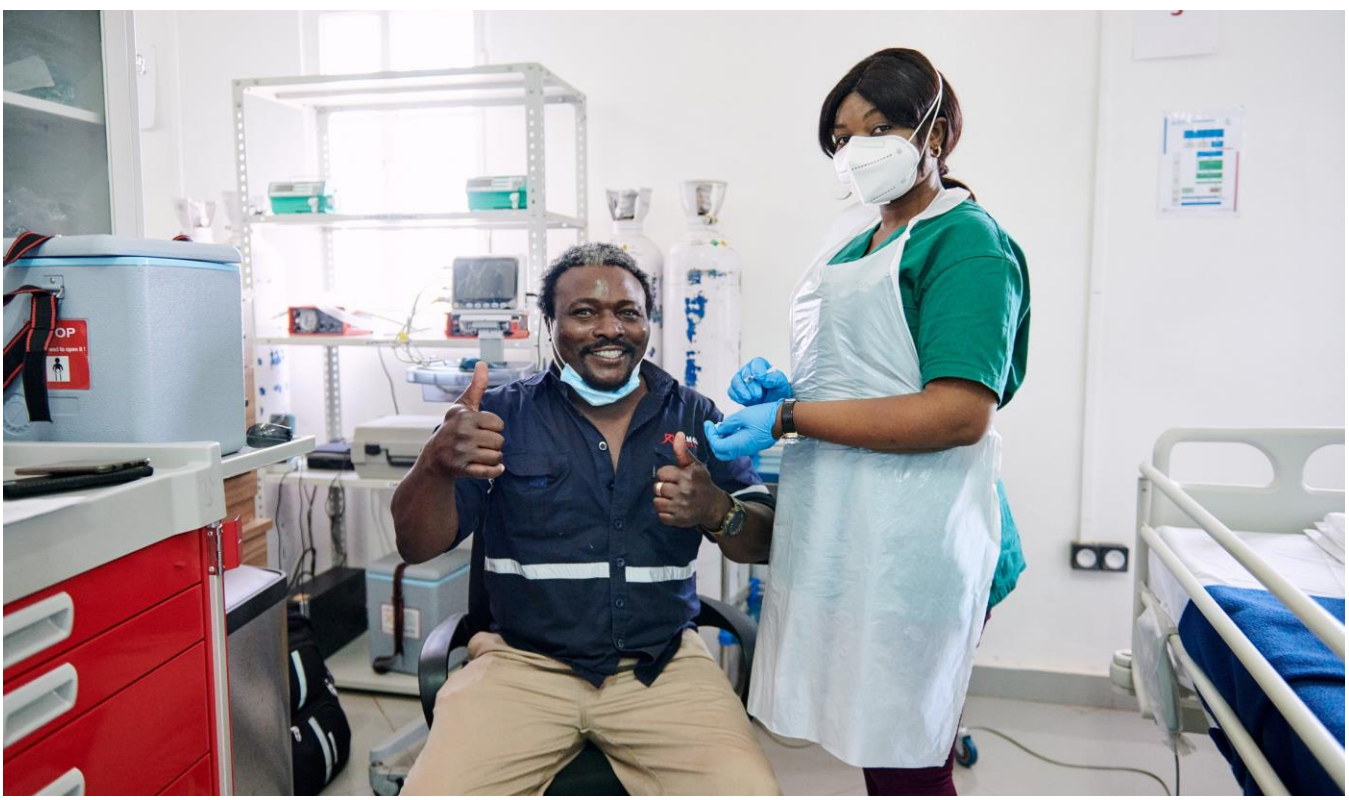
At the end of March 2022, Kamoa-Kakula reached 796,966 work hours free of a lost-time injury. Three lost-time injuries occurred in Q1 2022. The project continues to strive toward its workplace objective of zero harm to all employees and contractors.

Kamoa-Kakula has successfully focused on prevention, preparation, and mitigation in managing the risks associated with COVID-19. Large-scale testing, combined with focused preventative measures, ensured that positive cases were quickly identified, isolated, and treated, with cross contamination kept to a minimum. Kamoa-Kakula also continues to focus intensively on rolling out vaccinations across the workforce and local communities. More than two thousand employees have received at least one dose of the vaccine.

As the pandemic evolves, the medical team at the Kamoa-Kakula hospital continues to review and update risk-mitigation protocols to protect the health and safety of employees and community members.

Nursing staff inside the new medical facility at the Kamoa Hospital. (L-R) Alain Sambwe Masengo; Papy Wedialumbele Lumasa; Paulin Mwanza Umbanga; Augustin Kabedi Mujinga; Adellard Muyambo Kazenga; Salva Mujinga Tshibamba; Timothee Bwana Ngoie.

Johnny Masonga Mumba, Mine Safety Officer, receives a COVID-19 vaccination.



Kamoa-Kakula summary of operating and financial data

	Q1 2022	Q4 2021	Q3 2021
Ore tonnes milled (000's tonnes)	**1,083**	1,059	861
Copper ore grade processed (%)	**5.91%**	5.96%	5.89%
Copper recovery (%)	**87.10%**	86.40%	83.40%
Copper in concentrate produced (tonnes)	**55,602**	54,481	41,545
Payable Copper sold (tonnes)	**51,919**	53,165	41,490
Sales revenue ($'000)	**519,595**	488,536	342,584
Cost of sales per pound ($ per lb)	**1.08**	1.12	1.08
Cash cost (C1) ($ per lb)	**1.21**	1.28	1.37
EBITDA ($'000)	**399,391**	357,619	233,212

This release includes EBITDA and "C1 cash costs per pound" which are non-GAAP financial performance measures. For a detailed description of each of the non-GAAP financial performance measures used in this release, and a detailed reconciliation to the most directly comparable measure under IFRS, please refer to the Non-GAAP Financial Performance Measures section of this release and to the company's MD&A for the three months ending March 31, 2022. C1 cash costs are prepared on a basis consistent with the industry standard definitions by Wood Mackenzie cost guidelines, but are not measures recognized under IFRS. In calculating the C1 cash cost, the costs are measured on the same basis as the company's share of profit from the Kamoa Holding joint venture that is contained in the financial statements. C1 cash costs are used by management to evaluate operating performance and includes all direct mining, processing, and general and administrative costs. Smelter charges and freight deductions on sales to final port of destination, which are recognized as a component of sales revenues, are added to C1 cash cost to arrive at an approximate cost of delivered, finished metal. C1 cash costs exclude royalties and production taxes and non-routine charges, as they are not direct production costs.

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

		Q1 2022	Q4 2021	Q3 2021
Mining	($ per lb)	0.30	0.27	0.36
Processing	($ per lb)	0.15	0.17	0.16
Logistics charges (delivered to China)	($ per lb)	0.36	0.37	0.35
Treatment, refining and smelter charges	($ per lb)	0.20	0.24	0.21
General and administrative expenditure	($ per lb)	0.20	0.23	0.29
C1 cash cost per pound of payable copper produced	**($ per lb)**	**1.21**	**1.28**	**1.37**

All figures in the above tables are on a 100%-project basis. Metal reported in concentrate is prior to refining losses or deductions associated with smelter terms.

Record quarterly production of 55,602 tonnes of copper in Q1 2022; Phase 2 concentrator declared commercial production on April 7, 2022

First ore was introduced into the Phase 2 milling circuit on March 21, 2022, and first copper concentrate was produced approximately four months ahead of the originally announced development schedule. The Phase 2 concentrator plant is a mirror image of the Phase 1 plant, with a design throughput of 475 dry tonnes per hour, or 3.8 million tonnes of ore per year. Over the last six months, the Phase 1 plant has consistently exceeded design ore throughput by approximately 10% to 15%.

During the first 17 days of production, Phase 2 regularly exceeded its design throughput capacity, and continues to perform at similar throughput and recovery rates to the Phase 1 concentrator. Commercial production from the Phase 2 concentrator was declared on April 7, 2022.

Copper recoveries progressively increased from an average of approximately 81% in July 2021 to approximately 85% in September 2021. Copper flotation recoveries averaged approximately 86% in the fourth quarter of 2021 and achieved a record 88.5% in December 2021. The Phase 1, steady-state-design copper recovery is approximately 86%, depending on ore feed grade.

The Phase 1 concentrator currently is running at a throughput that is in excess of its design capacity of 3.8 million tonnes per annum by more than 15%, with 117% of design throughput achieved in December.

Kamoa-Kakula set a new quarterly production record in the first quarter of 2022 with 55,602 tonnes of copper in concentrate produced, up from the 54,481 tonnes of copper in concentrate produced in the fourth quarter of 2021 and 41,545 in the third quarter of 2021. A total of 1.08 million ore tonnes were milled during the first quarter of 2022 at an average feed grade of 5.91% copper.

An aerial view of Kamoa-Kakula's Phase 2 concentrator warehouse and tarping shed.

Augustine Kapenga, Health and Safety Officer, inspects construction of the Kakula North truck tip.

Phase 3 expansion to include additional 5 million-tonne-per-annum concentrator, adjacent to two new underground mines

Engineering and early works for the Phase 3 expansion, including a new box cut and twin declines to access new mining areas, are progressing quickly. Kamoa-Kakula's Phase 3 will consist of two new underground mines known as Kamoa 1 and Kamoa 2, as well as the initial decline development at Kakula West. A new, 5 million-tonne-per-annum concentrator (Mtpa) plant will be established adjacent to the two new mines at Kamoa.

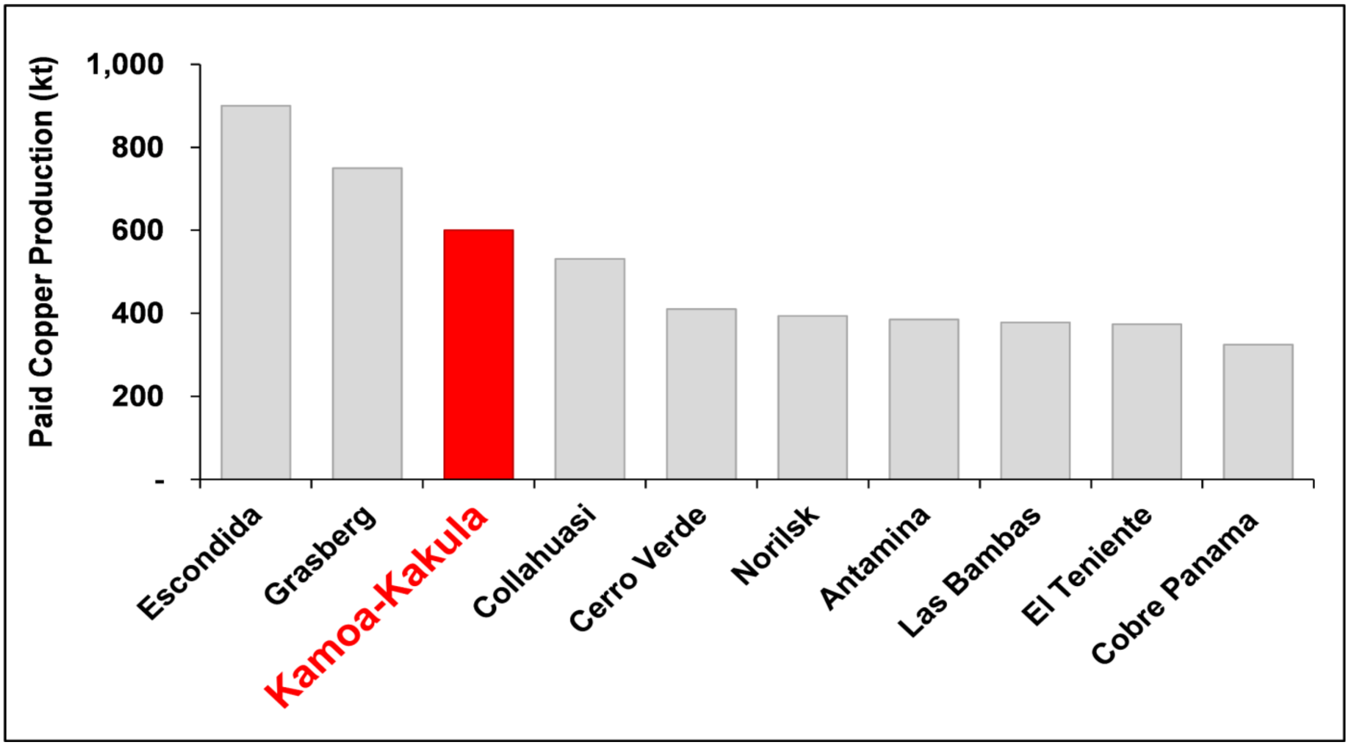
Upon commencement of Phase 3 production, Kamoa Copper will have a total processing capacity greater than 14 million tonnes per annum. The existing Phase 1 and 2 concentrators will be de-bottlenecked and operating at a combined throughput of 9.2 million tonnes of ore per year by the second quarter of 2023, which will increase annual copper production to approximately 600,000 tonnes.

Phase 3 is making solid progress, with detailed design, budgeting and engineering advancing well. Construction on the new box cut excavation is advancing rapidly at the Kamoa 1 and Kamoa 2 mines, with decline development expected to start in early May 2022, which will provide access to the main Phase 3 mining areas.

The pre-feasibility study for the Phase 3 expansion is well advanced and expected to be announced during the second half of this year, while first production is anticipated to commence by the end of 2024.

Construction progress on the new box cut and twin declines excavation is advancing quickly at the Kamoa 1 and Kamoa 2 mines.

Figure 1: Kamoa-Kakula's base-case, pro-forma Phase 3 copper production (after Phase 1 and 2 de-bottlenecking is complete) relative to the world's projected top 10 producing mines in 2022 by paid copper production.



Source: company filings, Wood Mackenzie (April 2022). Note: Kamoa-Kakula production of 600 kt copper in concentrate is based on expected Phase 1, 2 and 3 steady state production, following de-bottlenecking of both Phase 1 and 2 concentrators, and commercial ramp-up of the Phase 3 concentrator.

Kamoa-Kakula smelter basic engineering and earthworks underway

Early works on the planned direct-to-blister flash smelter at Kamoa-Kakula adjacent to the Phase 1 and Phase 2 concentrator plants is underway. The smelter is designed to use technology supplied by Metso Outotec of Espoo, Finland, and has been sized to process the bulk of the copper concentrate forecast to be produced by the Phase 1, 2 and 3 concentrator plants, with a production capacity of 500,000 tonnes per annum of approximately 99%-pure blister copper.

China Nerin Engineering Company Co., Ltd. has been appointed to carry out the basic engineering design and develop a control budget estimate for the smelter with some early works engineering and procurement activities running in parallel. Work is progressing well and tenders for all long lead item have been issued to the market.

The smelter, once in operation, will enable Kamoa-Kakula to reduce its C1 cash costs per pound of payable copper produced by approximately 10% to 20%, driven by significantly reduced transportation costs, decreasing overall volumes shipped by more than half.

Early works on the direct-to-blister flash smelter at Kamoa-Kakula adjacent to the Phase 1 and Phase 2 concentrator plants is underway.

Yann Kabeya Mubela, mining supervisor, Kamoa Copper, stands in the new box cut and twin declines excavation site.

Ore stockpiles now hold more than 4.8 million tonnes grading 4.57% copper, containing more than 220,000 tonnes of copper at the end of March 2022

Kamoa-Kakula's total high- and medium-grade ore surface stockpiles totaled approximately 4.8 million tonnes at an estimated grade of 4.57% copper as of the end of March 2022. The operation mined 1.67 million tonnes of ore grading 5.29% copper in Q1 2022, which was comprised of 1.53 million tonnes grading 5.50% copper from the Kakula Mine, including 0.65 million tonnes grading 6.90% copper from the mine's high-grade centre, and 0.14 million tonnes grading 3.08% copper from the Kansoko Mine.

Kamoa-Kamoa's Phase 1 and Phase 2 concentrator plants and the ore stockpiles at the Kakula Mine's northern decline. The direct-to-blister flash smelter is being constructed adjacent to the Phase 1 and Phase 2 concentrator plants.

Kamoa-Kakula Phase 2 off-take amendments signed

Kamoa Copper – the operating company of the joint venture between Ivanhoe Mines, Zijin Mining Group, Crystal River and the Government of the Democratic Republic of Congo – has signed amended copper concentrate and blister copper offtake agreements on competitive arm's-length commercial terms, for 100% of Kamoa-Kakula's Phase 1 and 2 copper output.

The amended terms of the existing offtake agreements with CITIC Metal (HK) Limited (CITIC Metal) and Gold Mountains (H.K.) International Mining Company Limited, a subsidiary of Zijin, extend to include 50% each of the copper products from Kamoa-Kakula's Phase 2 production, in addition to Phase 1 production currently under offtake. The offtake agreements are evergreen for the production volumes from Phase 1 and 2, including copper concentrate and blister copper resulting from processing of copper concentrates at the Lualaba Copper Smelter, but will exclude future copper products to be produced from Kamoa Copper's own smelter, when commissioned.

The offtake agreements contain standard, international commercial terms, including copper payables and treatment and refining charges referenced against the annual benchmark across the copper industry.

CITIC Metal and Zijin will continue to purchase the copper concentrate at the Kakula Mine and the blister copper at the Lualaba Copper Smelter on a free-carrier basis, meaning the buyers will be responsible for arranging freight and shipment to the final destination via African ports.

Inga II partnership to supply additional clean hydroelectric power for the Phase 3 expansion and smelter; EPC contract signed for Turbine #5 refurbishment

In July 2021, Ivanhoe Mines Energy DRC, a sister company of Kamoa Copper tasked with delivering reliable, clean, renewable hydropower to the Kamoa-Kakula Mining Complex, signed an addendum of the financing agreement under a public-private partnership with the Democratic Republic of Congo's state-owned power company, La Société Nationale d'Electricité (SNEL), to upgrade a major turbine (#5) in the existing Inga II hydropower facility on the Congo River.

This partnership successfully refurbished and modernized the Mwadingusha hydropower plant in 2021, which now provides 78 megawatts (MW) to the national grid.

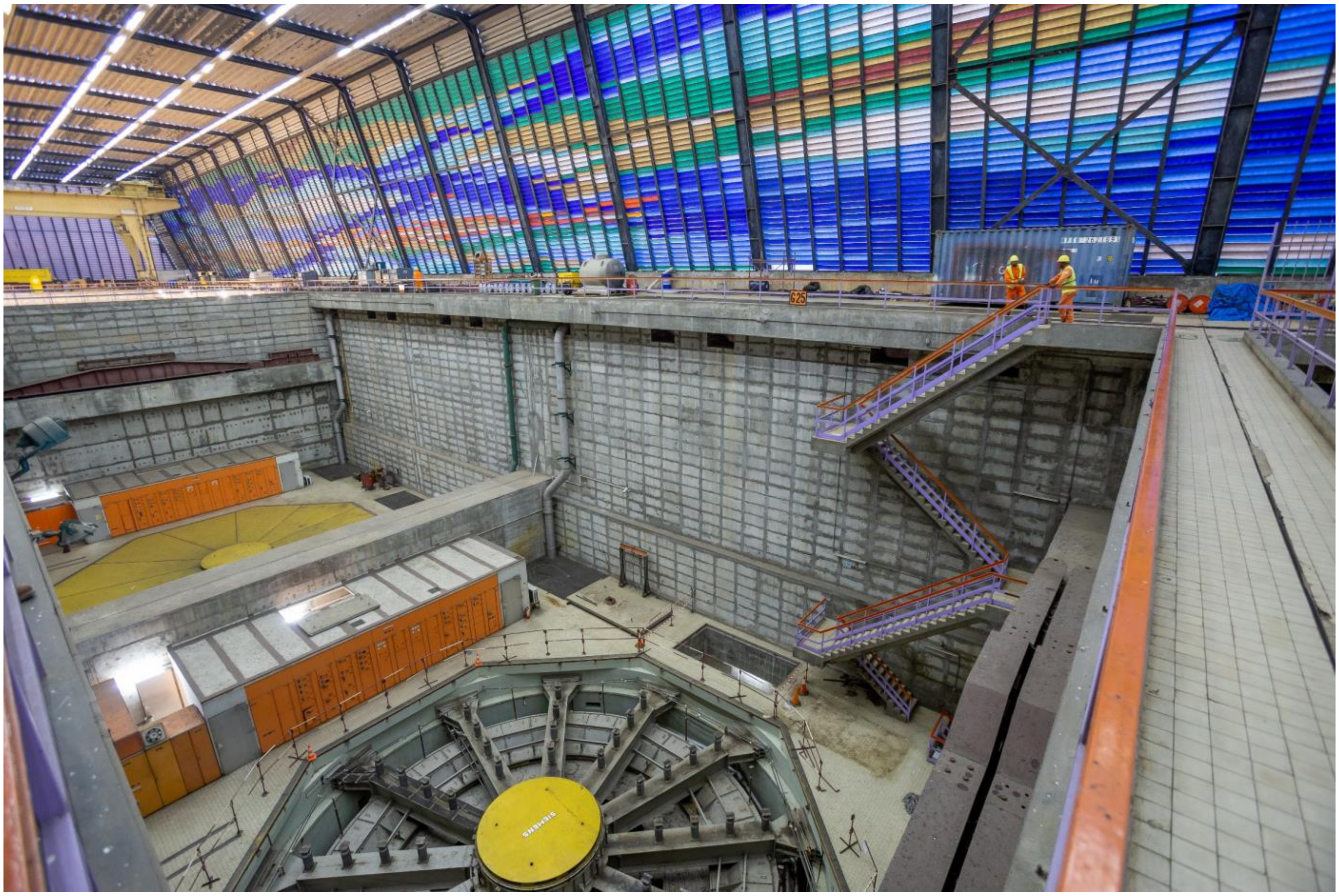
The Inga II project is expected to produce an additional 178 MW of renewable hydropower, providing the Kamoa-Kakula Mining Complex and associated smelter with sustainable electricity for Phase 3 and future expansions, while also benefitting local communities. The Inga II upgrade project is scheduled for completion in the fourth quarter of 2024.

The work at Turbine #5 will include the upgrade and replacement of all the unit line from intake equipment, turbine, speed governor, alternator, voltage regulator and transformers (water to wire).

The Inga II Turbine #5 project has much lower unitary capital cost per megawatt produced ($0.58/MW) compared to the completed Mwadingusha project ($1.45/MW).

The engineering, procurement, and construction (EPC) contract for the upgrading of Turbine #5 was signed in Heidenheim, Germany, on April 26, 2022, by SNEL and Voith Hydro, a leading German hydropower company.

Interior of the Inga II hydropower facility on the right bank of the Congo River at Inga falls, which was originally equipped between 1977 and 1982.



Kamoa-Kakula aiming to be first net-zero carbon emitter among top-tier copper mines by electrifying its mining fleet with state-of-the-art equipment powered by electric batteries or hydrogen fuel cells

In May 2021, Ivanhoe Mines announced its pledge to achieve net-zero operational greenhouse gas emissions (Scope 1 and 2) at the industry-leading Kamoa-Kakula Mining Complex.

In support of the Paris Agreement on climate change, and in the spirit of the commitments at the April 2021 Leaders Summit on Climate by the Chinese and American governments to sharply cut emissions, Ivanhoe Mines has committed to working with its joint-venture partners and leading underground mining equipment manufacturers to ensure that Kamoa-Kakula becomes the first net-zero operational carbon emitter among the world's top-tier copper producers.

Since the Kamoa-Kakula mines and concentrator plants are powered by clean, renewable hydro-generated electricity, the focus of the company's net-zero commitment is on electrifying the project's mining fleet with new, state-of-the-art equipment powered by electric batteries or hydrogen fuel cells.

Kamoa-Kakula is working closely with its mining equipment suppliers to evaluate the viability, safety and performance of new electric, hydrogen and hybrid technologies. The mine plans to introduce them into its mining fleet as soon as they become commercially available.

Empowering local communities through sustainable development

Ivanhoe Mines founded the Sustainable Livelihoods Program in 2010 to strengthen food security and farming capacity in the host communities near Kamoa-Kakula. Today, approximately 900 community farmers are benefiting from the Sustainable Livelihoods Program, producing high-quality food for their families and selling the surplus for additional income. The Sustainable Livelihoods Program, which commenced with maize and vegetable production, now includes fruit, aquaculture, poultry and honey.

Farm worker, Mapindji Kabwita Gracia, planting pineapples at the new pineapple garden.

Construction of 100 new fishponds near Kamoa-Kakula is complete, bringing the total number to 138.

Plans are underway for construction of another 100 fishponds. The project will significantly contribute toward local entrepreneurship and enhanced regional food security.

Additional non-farming-related activities continued including education programs, local economic development projects and enterprise and supplier development programs, and the supply of fresh water to a number of local communities using solar-powered boreholes. An adult literacy-training program is being undertaken by a group of community participants who have been trained as facilitators. Construction of the Muvunda Clinic progressed, with the building now is 80% complete. In addition, a group of community participants took part in, and graduated as facilitators for, an adult literacy-training program.

Implementation of the first regulatory five-year community development plan, the Cahier des Charges, has commenced. Construction of two early childhood development centres, planned for operation in September 2022, progressed well and now is 90% complete. The Muvunda poultry project also has been launched; two out of seven planned fishponds have been constructed at Mupenda; and the design of two rural health centres is underway.

Local community enterprise programs continued including brick making and sewing, which are currently being expanded, as well as landscaping and gardening, which are under review seeking to enhance business efficiency and growth. An order has been placed for a new brick-making machine, which will see the production capacity double to approximately 30,000 bricks per month.

Kajimana Muluba and Kazadi Mujinga, brick makers at the Tujenge community brick-making cooperative at Kamoa-Kakula.

Construction of 100 new fishponds near Kamoa-Kakula is complete, bringing the total number to 138.

COPPER PRODUCTION AND CASH COST GUIDANCE FOR 2022

The Kamoa-Kakula Phase 2, 3.8 million-tonne-per-annum concentrator plant successfully declared commercial production on April 7, 2022. First ore was introduced into the Phase 2 milling circuit on March 21, 2022, and first copper concentrate was produced approximately four months ahead of the originally announced development schedule. Management now expects the early commissioning of the Phase 2 concentrator plant will enable Kamoa-Kakula to reach the upper end of its 2022 copper production guidance of 290,000 to 340,000 tonnes.

The Kamoa-Kakula joint venture produced a total of 105,884 tonnes of copper in concentrate for the year ending December 31, 2021, and 55,602 tonnes in the first quarter of 2022. The figures are on a 100%-project basis and metal reported in concentrate is prior to refining losses, or deductions associated with smelter terms.

Cash costs (C1) per pound of payable copper amounted to $1.21 for the first quarter of 2022, trending towards the lower end of the full year guidance.

Guidance involves estimates of known and unknown risks, uncertainties and other factors, which may cause the actual results to be materially different.

Kamoa-Kakula 2022 Guidance

Contained copper in concentrate (tonnes)	**290,000 to 340,000**
Cash cost (C1) ($ per pound)	**1.20 to 1.40**

C1 cash cost is a non-GAAP measure used by management to evaluate operating performance and includes all direct mining, processing, and general and administrative costs. Smelter charges and freight deductions on sales to final port of destination (typically China), which are recognized as a component of sales revenues, are added to C1 cash cost to arrive at an approximate cost of delivered finished metal.

For historical comparatives, see the Non-GAAP Financial Performance Measures section of this news release.

2. Platreef Project

64%-owned by Ivanhoe Mines
South Africa

The Platreef Project is owned by Ivanplats (Pty) Ltd (Ivanplats), which is 64%-owned by Ivanhoe Mines. A 26% interest is held by Ivanplats' historically disadvantaged, broad-based, black economic empowerment (B-BBEE) partners, which include 20 local host communities with approximately 150,000 people, project employees and local entrepreneurs. A Japanese consortium of ITOCHU Corporation, Japan Oil, Gas and Metals National Corporation, and Japan Gas Corporation, owns a 10% interest in Ivanplats, which it acquired in two tranches for a total investment of $290 million.

The Platreef Project hosts an underground deposit of thick, platinum-group metals, nickel, copper and gold mineralization on the Northern Limb of the Bushveld Igneous Complex in Limpopo Province – approximately 280 kilometres northeast of Johannesburg and eight kilometres from the town of Mokopane.

On the Northern Limb, platinum-group metals mineralization is primarily hosted within the Platreef, a mineralized sequence traced for more than 30 kilometres along strike. Ivanhoe's Platreef Project, within the Platreef's southern sector, is comprised of two contiguous properties: Turfspruit and Macalacaskop. Turfspruit, the northernmost property, is contiguous with, and along strike from, Anglo Platinum's Mogalakwena group of mining operations and properties.

Since 2007, Ivanhoe has focused its exploration and development activities on defining and advancing the down-dip extension of its original discovery at Platreef, now known as the Flatreef Deposit, which is amenable to highly mechanized, underground mining methods. The Flatreef area lies entirely on the Turfspruit and Macalacaskop properties that form part of the company's mining right.

Aerial view of Platreef mine site showcasing latest construction, with Shaft 1 on the left and Shaft 2 hitch-to-collar construction on the right.

Health and safety at Platreef

As at the end of March 2022, the Platreef Project reached 836,970 lost-time, injury-free hours worked.

COVID-19 protocols are continuously reviewed and optimized and as a result, the company implemented several measures to prevent and mitigate the escalation of infections. In support of the National Department of Health's national vaccine rollout strategy, Ivanplats launched an on-site COVID-19 vaccination campaign and all Ivanplats employees and contractors have now been vaccinated. On-site testing of employees and contractors showing COVID-19 symptoms continued with 335 COVID-19 tests conducted in the first quarter of 2022.

Shaft 1 changeover to a production shaft completed; lateral underground mine development commenced

The construction of the 996-metre-level station at the bottom of Shaft 1 was completed in July 2020. Shaft 1 initially will be used to access the orebody, and is approximately 450 metres away from a high-grade area of Flatreef that is planned for bulk, mechanized mining. The three development stations that will provide initial, underground access to the high-grade orebody also have been completed on the 750-, 850- and 950-metre levels. Ivanplats completed the initial blast on Platreef's 950-metre level on April 22, 2022, marking the commencement of lateral mine development.

The auxiliary winder has been installed and commissioned. The headgear, both winders, equipping stage, conveyances and control systems comply with the highest current industry safety standards, with proven and tested safety and redundancy systems in place.

The winder used to successfully sink Shaft 1 was converted to function as the main equipping conveyance during the shaft changeover, and will serve as the permanent rock, personnel and material winder following the shaft-equipping phase. The shaft will be equipped with two cages on top of twin 12.5-tonne skips with hoisting capacity of 1 million tonnes per year, resulting from an amended configuration that does not require the cage to be interchanged mid-shift, thereby increasing the hoisting time during the initial phase of mining.

Shaft equipping commenced in May 2021 and was successfully completed in March 2022 with Shaft 1 now ready to commence rock hoisting. With the successful completion of the changeover work in the shaft, underground stations, and establishment of the ore and waste passes, lateral underground mine development commenced in April 2022 towards high-grade ore zones.

Ivanplats celebrated the first blast at Shaft 1's 950-metre level on April 22, 2022.

Platreef takes delivery of initial battery-electric vehicles, construction of first solar power plant now underway

Ivanplats initial order with Epiroc of Stockholm, Sweden, for its primary mining fleet includes emissions-free, battery-electric jumbo face drill rigs, 14-tonne battery scooptrams, battery-electric bolting rigs and 42-tonne battery dump trucks. Ivanplats has received Platreef's first battery powered underground equipment; a ST14 scooptram and a Manitou MHTX 790 telehandler, which have successfully been slung down to 950-metre level.

Construction of Platreef's initial solar-power plant is scheduled to commence in August 2022, with commissioning expected in 2023. The solar-generated power from the initial plant will be used for mine development and construction activities, as well as for charging Platreef's battery-powered underground mining fleet.

Ivanplats' first Epiroc ST14 battery Scooptram removing blasted rock from the initial access drive on the 950-metre level.

Outstanding results of new Platreef Feasibility Study

On February 28, 2022, Ivanhoe Mines announced the results of a new independent feasibility study for the Platreef Project (Platreef 2022 FS). The Platreef 2022 FS builds on the excellent results of the preliminary economic assessment (PEA) for an alternate scenario to expedite production, announced in November 2020, alongside the 2020 feasibility study.

The Platreef 2022 FS is based on a steady-state production rate of 5.2 million tonnes per annum, as well as an accelerated ramp up to steady state through the earlier development of Shaft 2. The 2022 FS is based on the detailed design and engineering scenario first presented in the 2020 PEA, confirming the viability of a new phased-development pathway to fast-track Platreef into production by the third quarter of 2024.

Highlights of the Platreef 2022 FS include:

- The Platreef 2022 FS evaluates the phased development of Platreef, with an initial 700,000-tonnes-per-annum (700-ktpa) underground mine and a 770-ktpa capacity concentrator, targeting high-grade mining areas close to Shaft 1, with an initial capital cost of $488 million.

- First concentrate production for Phase 1 is planned for Q3 2024, with the Phase 2 expansion based on the commissioning of Shaft 2 in 2027, followed by the commissioning of two 2.2-Mtpa concentrators in 2028 and 2029. This would increase the steady-state production to 5.2 Mtpa by using Shaft 2 as the primary production shaft.

- Expansion capital cost for Phase 2 is estimated at $1.5 billion, which may be partially funded by cash flows from Phase 1 and a project-financing package.

- Ivanplats' dedicated engineering teams and leading consultants are evaluating optimizations to the sinking methodology for Shaft 2 to further accelerate the availability of the shaft for hoisting, which may fast track the overall development timeline.

- Phase 1 average annual production of 113,000 ounces (oz.) of palladium, rhodium, platinum and gold (3PE+Au), plus 5 million pounds of nickel and 3 million pounds of copper.

- Phase 2 average annual production of 591,000 oz. of 3PE+Au, plus 26 million pounds of nickel and 16 million pounds of copper, which would rank Platreef as the fifth largest primary PGM producer on a palladium equivalent basis.

- Life-of-mine cash cost of $514 per ounce of 3PE+Au, net of by-products, and including sustaining capital costs, would rank Platreef as the industry's lowest cost primary PGM producer.

- After-tax net present value at an 8% discount rate (NPV8%) of $1.7 billion and an internal rate of return (IRR) of 18.5%, based on long-term consensus prices.

- At spot prices as at March 7, 2022, the after-tax NPV8% increases to $5.1 billion and the IRR increases to 33%.

Figure 2: Production and timeline schematic from the Platreef 2022 feasibility study.

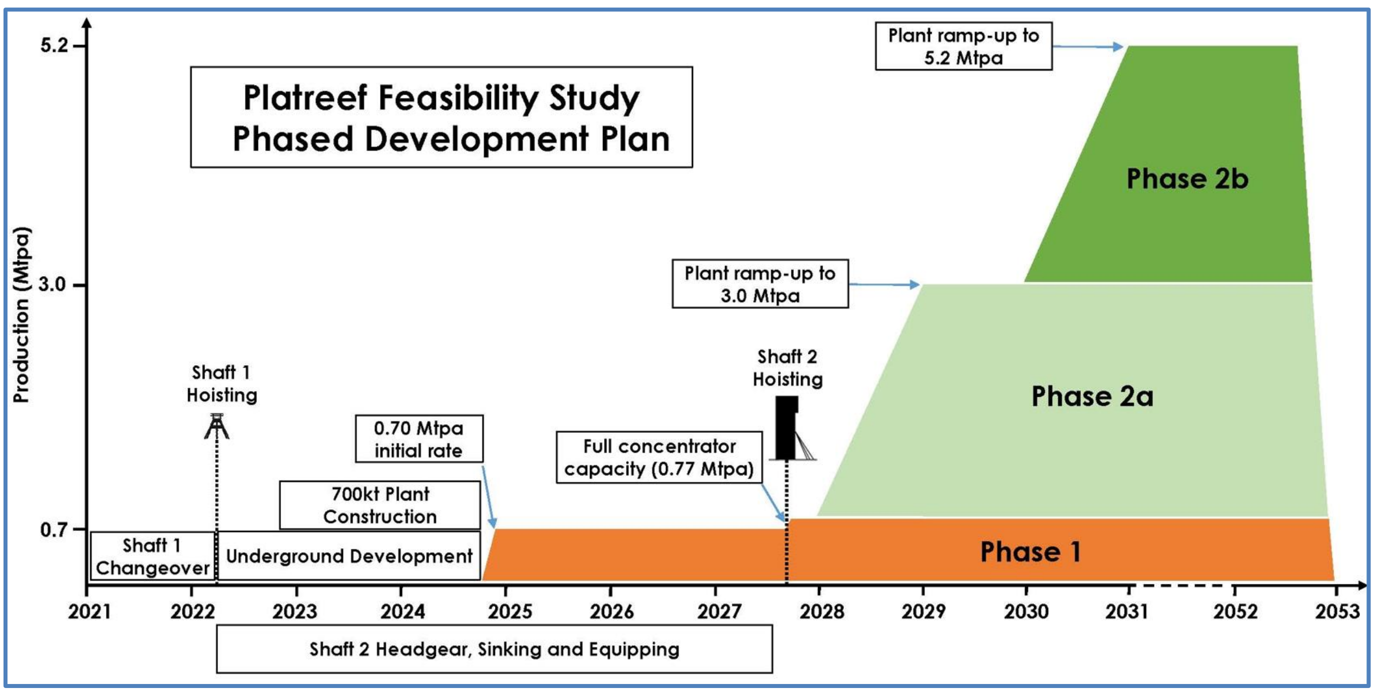
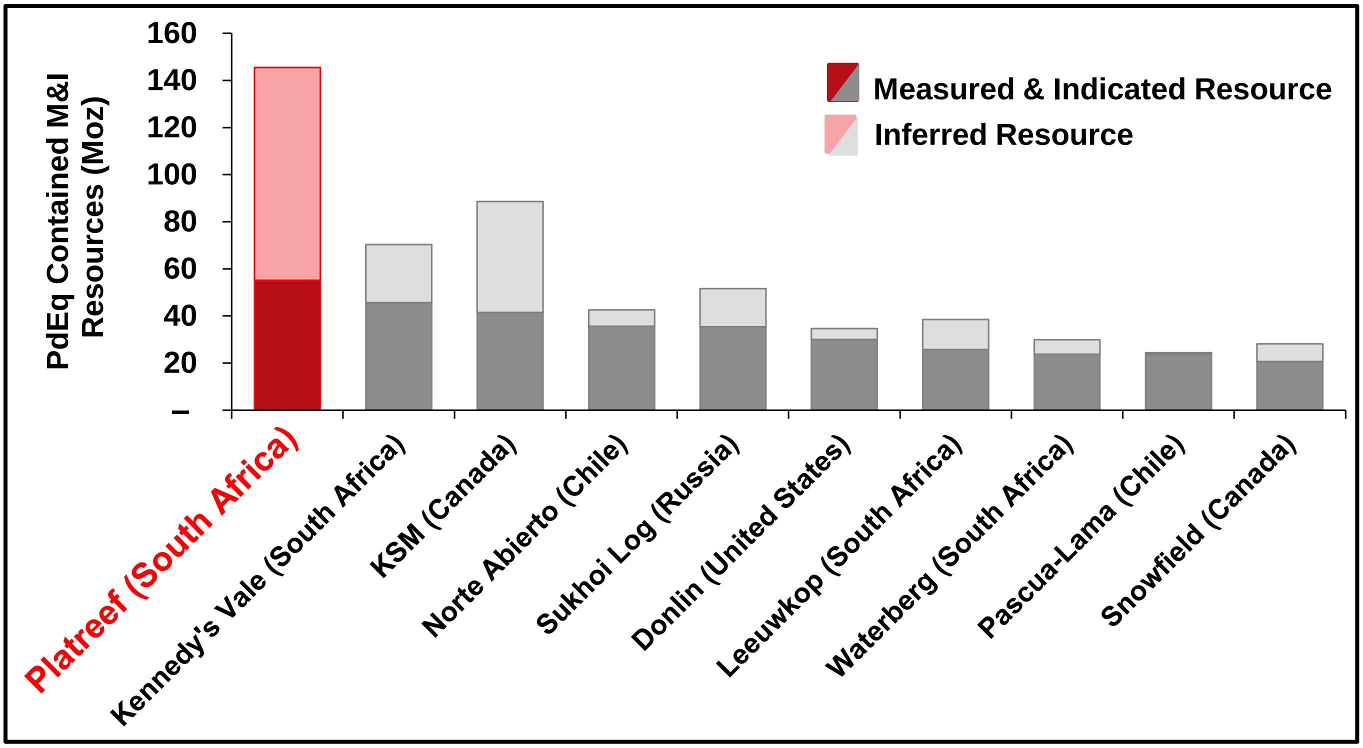


Figure 3: World's largest precious metal deposits under development ranked by contained metal in Measured and Indicated Resources.



Source: company filings, S&P Global Market Intelligence. Notes: Chart ranks the largest undeveloped primary palladium, platinum, gold, silver and rhodium projects from the S&P Global Market Intelligence database based on measured and indicated palladium equivalent resource. Palladium equivalent calculation includes palladium, platinum, gold, silver and rhodium ounces and has been calculated using spot price metal price assumptions (February 23, 2022) of US$1,095/oz. platinum, US$2,480/oz. palladium, US$18,750/oz. rhodium, US$1,909/oz. gold and US$24.55/oz. silver. Measured and Indicated resources for Platreef correspond to palladium, platinum, gold and rhodium ounces at a 1 g/t cut-off grade.

Platreef secures $200-million gold stream financing and additional $100-million palladium and platinum stream

In December 2021, Ivanplats entered into a gold, palladium and platinum stream financing with Orion Mine Finance, a leading international provider of customized financing to mining companies, and Nomad Royalty Company, a precious metals royalty company, in which Orion Mine Finance is a significant shareholder (Orion Mine Finance and Nomad Royalty Company, together, the Stream Purchasers). This transaction will fund a large portion of the Phase 1 capital costs, with first concentrate production for Phase 1 planned for the third quarter of 2024.

The stream facilities are a prepaid forward sale of refined metals, with prepayments totaling $300 million, available in two tranches with the first prepayment of $75 million received in December 2021 following the closing of the transaction, and $225 million to be paid upon satisfaction of certain conditions precedent.

Under the terms of the $200 million gold stream agreement, the Stream Purchasers will receive an aggregate total of 80% of contained gold in concentrate until 350,000 ounces have been delivered, after which the stream will be reduced to 64% of contained gold in concentrate for the remaining life of the facility. The expected life of this facility will extend from the effective date of the stream agreement until the date when 685,280 ounces of gold have been delivered to the Stream Purchasers. The Stream Purchasers will purchase each ounce of gold at a price equal to the lower of the market price of gold or $100 per ounce.

Under the terms of the $100 million palladium and platinum stream agreement, Orion Mine Finance will receive an aggregate total of 4.2% of contained palladium and platinum in concentrate until 350,000 ounces have been delivered, after which the stream will be reduced to 2.4% for the remaining life of the facility. The expected life of this facility will extend from the effective date of the stream agreement until the date when 485,115 ounces of palladium and platinum have been delivered to the purchaser, which will pay for each ounce at a price equal to 30% of the market price of palladium and platinum.

Members of the Ivanplats mining team on the 950-metre level prior to the first blast on Platreef's 950-metre level.

Conclusion of stream agreements allows Ivanplats to focus efforts on finalizing senior debt facility

Société Générale and Nedbank were appointed as mandated lead arrangers for a project debt facility in early 2021. Both the gold stream facility, and palladium and platinum stream facility, will be subordinated to any senior secured financing.

The senior debt facility is anticipated to be used only after the stream facilities are fully drawn. Ivanplats remains flexible to raise additional debt or equity at a later date, and has pre-agreed with the Stream Purchasers the inter-creditor arrangements for any future senior debt. While the stream facilities are guaranteed by Ivanplats and secured over the assets and Ivanhoe's shares of Platreef, there is no recourse to Ivanhoe Mines.

Shaft 2 headgear construction from hitch to collar well underway

Early works surface construction for Shaft 2 began in 2017, including the excavation of a surface box-cut to a depth of approximately 29 metres below surface and construction of the concrete hitch for the 103-metre-tall concrete headgear (headframe), which will house the shaft's permanent hoisting facilities and support the shaft collar.

The Shaft 2 headframe construction from hitch to collar has been completed, with the vent plenum and man-access tunnel, including the backfill, currently in progress with construction expected to be complete in August 2022. Ivanplats plans to continue the construction of the Shaft 2 headframe, and expects sinking to commence later this year, to allow optionality for possibly bringing the Phase 2 production timeline forward.

Long-term supply of bulk water for the Platreef Mine

The water requirement for the Phase 1 operation is projected to peak at approximately three million litres per day, which will then increase to nine million litres per day once the Phase 2 expansion is complete. In January 2022, Ivanplats signed new agreements for the rights to receive local, treated water to supply the bulk water needed for the phased development plan at Platreef. These agreements replace those originally signed in 2018.

Under the terms of a new offtake agreement, the Mogalakwena Local Municipality (MLM) has agreed to supply at least three million litres per day of treated effluent, up to a maximum of 10 million litres per day for 32 years, from the date of first production, sourced from the town of Mokopane's Masodi Waste Water Treatment Works, currently under construction.

Ivanplats also has signed a sponsorship agreement where Ivanplats has undertaken the commitment to complete the partially constructed Masodi Waste Water Treatment Works, which was halted in 2018. Ivanplats anticipates spending approximately ZAR 215 million ($14 million) to complete the works, whereby Ivanplats' financial contribution will take the form of a sponsorship in favour of the municipality. Ivanplats will purchase the treated water at a reduced rate of ZAR 5 per thousand litres. Arrangements are underway to re-commence the construction works in the third quarter of 2022, which are scheduled to take approximately 18 months.

Development of human resources and job skills

Implementation of the Platreef Project's second Social and Labour Plan (SLP) is underway. Ivanplats plans to build on the first SLP and continue with its training and development suite, including 15 new mentors, internal skills training for 78 staff members, a legends program to prepare retiring employees with new/other skills, community adult education training for host community members, core technical skills training for at least 100 community members, portable skills training, and more. The Platreef Project also continues to support several educational programs and provide free Wi-Fi in host communities.

Equipping of the mine's permanent training academy is progressing well, with the official launch planned later this year. Classrooms and offices at the training academy have been installed and the training and e-learning program has been instituted. The cadetship program was launched in 2021, providing learnership opportunities to 50 local students. Through this program, youth from the local community are afforded the opportunity to obtain a National

Certificate in Health and Safety, as well as mining competencies, such as utility vehicle operations from the Murray & Roberts Training Academy. The cadetship program seeks to enhance gender diversity within the mine's workforce, with 54% of the students being female.

Local economic development projects will contribute to community water-source development through the Mogalakwena Municipality boreholes program. Other projects, which will be conducted in partnership with other parties, include the refurbishment and equipping of a health clinic in Tshamahansi Village.

The enterprise and supplier development (ESD) commitments comprise of expanding the existing kiosk and laundry facilities. New equipment has been installed at the laundry facilities which increased capacity allows the laundry to service the laundry needs of both the company and all on-site contractors. The planned kiosk expansion project will incorporate three separate facilities on site. The process of identifying local entrepreneurs to manage the kiosks is underway. A five-year integrated business accelerator and funding project assists community members to obtain help with development and supplier readiness. The outsourced business accelerator program is firmly entrenched in ESD activities and is being enhanced with in-house training by the ESD department. The funding project, which has also been adopted by on-site contractors, continues to provide cash flow assistance to local suppliers.

3. Kipushi Project

68%-owned by Ivanhoe Mines
Democratic Republic of Congo

The Kipushi zinc-copper-germanium-silver-lead mine in the Democratic Republic of the Congo is adjacent to the town of Kipushi and approximately 30 kilometres southwest of Lubumbashi. It is located on the Central African Copperbelt, approximately 250 kilometres southeast of the Kamoa-Kakula Mining Complex and less than one kilometre from the Zambian border.

Ivanhoe acquired its 68% interest in the Kipushi Project in November 2011, through Kipushi Holding that is 100%-owned by Ivanhoe Mines. The balance of 32% in the Kipushi Project is held by the state-owned mining company, Gécamines.

Kipushi Holding and Gécamines have signed a new agreement to return the ultra-high-grade Kipushi Mine back to commercial production. Kipushi will be the world's highest-grade major zinc mine, with an average grade of 36.4% zinc over the first five years of production.

The new agreement sets out the commercial terms that will form the basis of a new Kipushi joint-venture agreement, establishing a robust framework for the mutually beneficial operation of the Kipushi Mine for years to come, and is subject to execution of definitive documentation.

Activities in 2022 to date included the award of the mining contract for early works, repair of underground access roads required for future workings and recruitment of the key staff required for development. The company expects to proceed with the ordering of long-lead equipment and other construction activities once the revised joint venture agreement is signed and financing arrangements are in place. Financing and offtake discussions are advancing with a number of interested parties.

Significant progress has been made in recent years to modernize the Kipushi Mine's underground infrastructure as part of preparations for the mine to resume commercial production.

Highlights of the new agreement include:

- Kipushi Holding will transfer 6% of the share capital and voting rights in the Kipushi Project to Gécamines, after which Kipushi Holding and Gécamines will hold 62% and 38%, respectively.

- From January 25, 2027, 5% of the share capital and voting rights in the Kipushi Project shall be transferred from Kipushi Holding to Gécamines, after which Kipushi Holding and Gécamines will hold 57% and 43%, respectively.

- In the event that, after the 6% and 5% transfers, part of the Kipushi Project's share capital is required to be transferred to the State or to any third party pursuant to an applicable legal or regulatory provision, Gécamines shall transfer the number of the Kipushi Project shares required, and Kipushi Holding shall retain 57% ownership in the Kipushi Project.

- Once a minimum of the current proven and probable reserves and up to 12 million tonnes has been mined and processed, an additional 37% of the share capital and voting rights in the Kipushi Project shall be transferred from Kipushi Holding to Gécamines, after which Kipushi Holding and Gécamines will hold 20% and 80%, respectively.

- A new supervisory board and executive committee will be established with appropriate shareholder representation.

- New initiatives will be implemented, focusing on the development of Congolese employees, including individual development, the identification of future leaders, succession planning and the promotion of gender equality across the workforce.

- A framework for tendering for the offtake of zinc concentrates produced by the Kipushi Mine has been established, which includes Gécamines' participation.

- Kipushi Holding will continue to fund the Kipushi Project with the shareholder loan and/or procure financing from third parties for the development of the project. The interest on the shareholder loan will be 6%, which will be applicable from January 1, 2022, on the existing balance and any further advances. Under the terms of the current shareholder loan agreement, the shareholder loan carries interest of LIBOR plus 4%, which is applicable to 80% of the advanced amounts with the remaining 20% interest-free. As of March 31, 2022, the balance of the shareholder loan owing to Kipushi Holding, including accrued interest, was approximately $540 million.

Health and safety at Kipushi

At the end of March 2022, the Kipushi Project reached 4,365,235 work hours free of lost-time injuries. It has been more than three years since the last lost-time injury occurred at the project.

Community enrichment and development

The Kipushi Project has built a new potable water station to provide a free daily supply of water to the municipality of Kipushi. This daily supply to the Kipushi municipality community members includes power supply, disinfectant chemicals, routine maintenance, security and emergency repair of leaks to the primary reticulation to the benefit of an estimated 100,000 people, excluding those from rural areas. Approximately 1,000 cubic metres of potable water is pumped hourly and continuously to consumers on a daily basis.

50 boreholes of potable water are planned to be drilled around the Kipushi district over five years, to reach areas not served by current distribution. Four new water wells have been drilled, bringing the total to 16 solar-powered potable water wells, which have been installed by the Kipushi Project in the district.

The Kipushi Project continues to support educational initiatives through ongoing renovations at the Mungoti School, and the granting of bursaries and scholarships to students from Kipushi. Preparations for the new intake of beneficiaries for the bursary and scholarship program are underway. A local orphanage was presented with a donation of books and over 300 beneficiaries participated in an adult literacy and education program.

The sewing training centre project established by the Kipushi Project continued producing cloth face masks, donating approximately 2,000 masks a month to host communities. The sewing initiative has also been producing uniforms and other garments which are planned for distribution to local orphans and widows.

The Kipushi Project continued its efforts to combat COVID-19 through a vaccination campaign in collaboration with the local police and the health zone.

Nathalie Kikaba (right), Senior Economic Development Manager, Kipushi Project, with local community members collecting water at the Kaponda solar-powered water well.

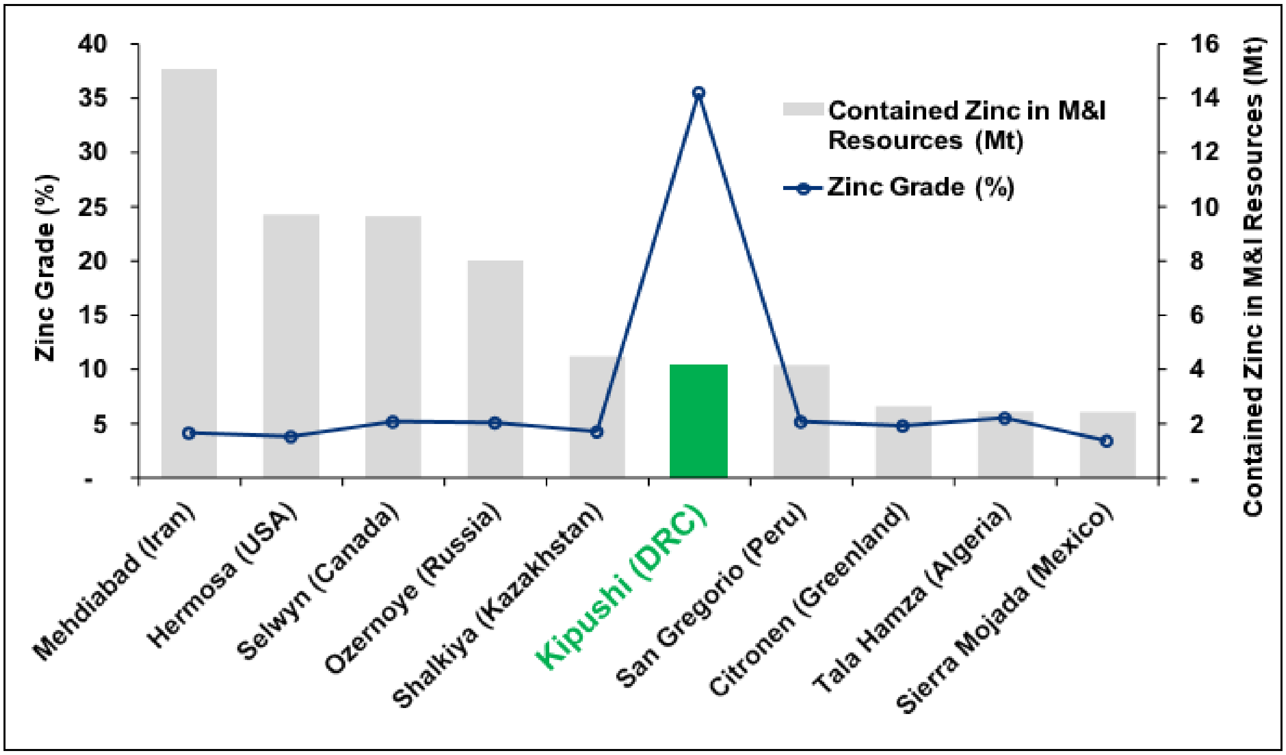
Kipushi feasibility study issued, heralding the planned re-start of the historic mine, with a two-year development timeline and exceptional economic results

On February 14, 2022, Ivanhoe Mines announced the positive findings of an independent, feasibility study for the planned resumption of commercial production at Kipushi.

The Kipushi 2022 feasibility study builds on the results of the pre-feasibility study published by Ivanhoe Mines in January 2018. The redevelopment of Kipushi is based on a two-year construction timeline, which utilizes the significant existing surface and underground infrastructure to allow for substantially lower capital costs than comparable development projects. The estimated pre-production capital cost, including contingency, is $382 million.

The 2022 feasibility study focuses on the mining of Kipushi's zinc-rich Big Zinc and Southern Zinc zones, with an estimated 11.8 million tonnes of Measured and Indicated Mineral Resources grading 35.3% zinc. Kipushi's exceptional zinc grade is more than twice that of the world's next-highest-grade zinc project, according to Wood Mackenzie, a leading, international industry research and consulting group (see Figure 4).

Figure 4: World's top 10 zinc projects, by contained zinc.



Source: Wood Mackenzie, January 2022. Note: All tonnes and metal grades of individual metals used in the equivalency calculation of the above-mentioned projects (except for Kipushi) are based on public disclosure and have been compiled by Wood Mackenzie. All metal grades have been converted by Wood Mackenzie to a zinc equivalent grade at Wood Mackenzie's respective long-term price assumptions.

The 2022 feasibility study envisages the recommencement of underground mining operations, and the construction of a new concentrator facility on surface with annual processing capacity of 800,000 tonnes of ore, producing on average 240,000 tonnes of zinc contained in concentrate.

Highlights of the 2022 feasibility study results for the Kipushi Mine include:

- The 2022 feasibility study evaluates the development of an 800-ktpa underground mine and concentrator, with an increased resource base compared to the pre-feasibility study, extending the mine life to 14 years.

- Existing surface and underground infrastructure allows for significantly lower capital costs than comparable development projects, with the principal development activity being the construction of a conventional concentrator facility and new supporting infrastructure on surface in a two-year timeline.

- Pre-production capital costs, including contingency, estimated at $382 million.

- Life-of-mine average zinc production of 240,000 tonnes per annum, with a zinc grade of 32%, is expected to rank Kipushi among the world's major zinc mines (Figure 3), once in production, with the highest grade by some margin.

- Life-of-mine average C1 cash cost of $0.65/lb. of zinc is expected to rank Kipushi, once in production, in the second quartile of the cash cost curve for zinc producers globally.

- At a long-term zinc price of $1.20/lb., the after-tax net present value (NPV) at an 8% real discount rate is $941 million, with an after-tax real internal rate of return (IRR) of 40.9% and project payback period of 2.3 years.

The Kipushi 2022 feasibility study was independently prepared on a 100%-project basis by OreWin Pty. Ltd., MSA Group (Pty.) Ltd., SRK Consulting (Pty) Ltd. and METC Engineering.

Project development and infrastructure

Significant progress has been made in recent years to modernize the Kipushi Mine's underground infrastructure as part of preparations for the mine to resume commercial production, including the upgrading of a series of vertical mine shafts to various depths, with associated headframes, as well as underground mine excavations and infrastructure. The underground infrastructure also includes a series of high-capacity pumps to manage the mine's water levels, which now are easily maintained at the bottom of the mine.

Members of Kipushi's development team are all smiles after Ivanhoe Mines and Gécamines signed a new agreement to return the ultra-high-grade mine to production.

Shaft 5 is eight metres in diameter and 1,240 metres deep and has been upgraded and re-commissioned. The main personnel and material winder has been upgraded and modernized to meet international industry standards and safety criteria. The Shaft 5 rock-hoisting winder also is fully operational, with new rock skips, new head- and tail-ropes, and attachments installed. The two newly manufactured rock conveyances (skips) and the supporting frames (bridles) have been installed in the shaft to facilitate the hoisting of rock from the main ore and waste storage silos feeding rock on the 1,200-metre level.

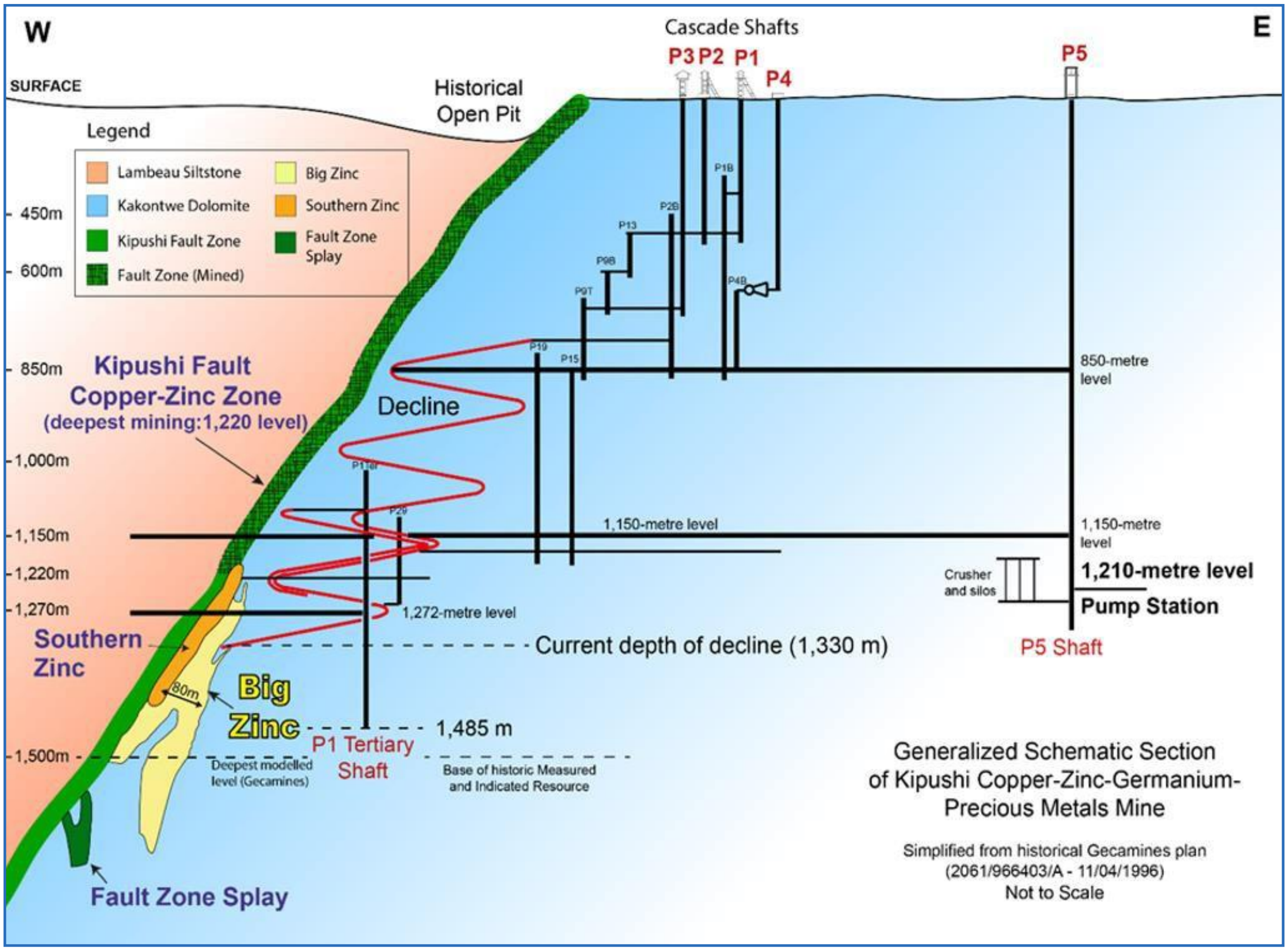
Recently upgraded underground mine with easy access to stopes allows for rapid production ramp-up

Mining at Kipushi historically has been carried out from the surface to a depth of approximately 1,220 metres. Shaft 5 (P5) is planned to be the main production shaft with a maximum hoisting capacity of 1.8 million tonnes per annum and provides the primary access to the lower levels of the mine, including the Big Zinc Zone, through the 1,150-metre haulage level.

Mining will be performed using highly productive, mechanized methods and cemented rock fill will be utilized to fill open stopes. Material generated underground will be trucked to the base of the P5 shaft, crushed and hoisted to surface. Personnel and equipment access also are via the P5 shaft. The Big Zinc Zone will be accessed by way of the existing decline, without significant new development required. As the existing decline already is below the first planned stoping level, it is relatively quick to develop the first zinc stopes for the ramp up of mine production.

Elvis Mugombe, a member of Kipushi's dedicated team of employees, is looking forward to a resumption of commercial production.

Figure 5: Schematic section of Kipushi Mine. Shaft 5 (P5) is planned to be the main production shaft with a maximum hoisting capacity of 1.8 Mtpa.



4. Western Foreland Exploration Project

90%- and 100%-owned by Ivanhoe Mines
Democratic Republic of Congo

Ivanhoe's DRC exploration group is targeting Kamoa-Kakula-style copper mineralization through a regional exploration and drilling program on its Western Foreland exploration licences, located to the north, south and west of the Kamoa-Kakula Mining Complex. Ivanhoe's Western Foreland Exploration Project consists of 17 licences that cover a combined area of approximately 2,407 km^2.

Exploration models that successfully led to the discoveries of Kakula, Kakula West, and the Kamoa North Bonanza Zone on the Kamoa-Kakula joint-venture mining licence are being applied to the extensive Western Foreland land package by the same team of exploration geologists responsible for the previous discoveries.

Exploration drilling in the first quarter of 2022 focused on wide-scale regional dip sections along the axis of the Western Foreland permits at approximately 10 kilometre intervals. The drilling was designed to provide detailed stratigraphic and structural information ahead of processing and interpreting the geophysical surveys. The drill holes currently are being surveyed with downhole geophysical tools to provide density, conductivity and velocity information. Additional drilling focused on shallow drilling east of the Makoko Discovery area attempting to extend mineralization to the west and define potential additional resources. In total 4,429 metres were drilled during the quarter.

No surface sampling was completed during the first quarter of 2022 due to wet season weather conditions. Surface sampling and mapping is planned to resume during the second quarter of 2022 once remote access becomes easier.

Geophysical airborne surveys such as magnetics, gravity and electromagnetics recommenced in the fourth quarter 2021. The electromagnetic survey and additional gravity survey were 46% complete by the end of 2021 and were postponed until the 2022 wet season weather conditions improve sufficiently for flying. Continued interpretation and processing of completed surveys is underway and will be used to better understand the structural domains and basin architecture. Ground gravity survey work is still in progress and will be used in conjunction with the airborne gravity to provide increased definition where required.

Ivanhoe's 2022 Western Foreland exploration expenditure is provisionally planned at $25 million. The main component of this expenditure is exploration drilling, with more than 50,000 metres of shallow (depth of less than 150 metres), air core, reverse-circulation and diamond drilling focussed on defining sub-outcrop positions and obtaining bedrock samples under the Kalahari sand cover. In addition, up to 45,000 metres of deeper regional drilling covering the entire 2,407-square-kilometre land package also is provisionally planned, some of which is dependent upon exploration success. Drilling activities are expected to pick up with the onset of dry season weather in May 2022.

Helicopter pilot Michael Juckes (left) and New Resolution Geophysics' Field Processor Jurie Human, conducting an airborne electro-magnetic survey over Ivanhoe's Western Foreland Exploration Project.

SELECTED QUARTERLY FINANCIAL INFORMATION

	Three months ended			
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
	$'000	$'000	$'000	$'000
Share of profit (loss) from joint venture	87,109	78,391	41,404	(9,960)
Finance income	31,505	27,978	26,437	25,095
Gain (loss) on fair valuation of financial asset	3,358	184	(53)	(629)
(Loss) gain on fair valuation of embedded derivative liability	(66,400)	(88,500)	54,900	(85,700)
Deferred tax (expense) recovery	(1,347)	74 069	(50)	978
Exploration and project evaluation expenditure	(12,243)	(15,800)	(15,677)	(11,972)
Finance costs	(7,391)	(10,539)	(10,451)	(10,110)
Share-based payments	(7,389)	(7,490)	(5,117)	(4,068)
General administrative expenditure	(6,238)	(10,658)	(6,731)	(13,165)
Profit (loss) attributable to:				
Owners of the Company	26,394	45,833	89,806	(104,452)
Non-controlling interests	(4,854)	2,333	(4,456)	(4,161)
Total comprehensive income (loss) attributable to:				
Owners of the Company	45,495	29,774	72,470	(92,793)
Non-controlling interest	(2,858)	632	(6,277)	(2,901)
Basic profit (loss) per share	0.02	0.04	0.07	(0.09)
Diluted profit (loss) per share	0.02	0.04	0.07	(0.09)

	Three months ended			
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
	$'000	$'000	$'000	$'000
Gain on fair valuation of financial liability	25,600	-	-	-
Finance income	22,780	21,032	20,241	18,672
Deferred tax recovery (expense)	44	(356)	(201)	(98)
Exploration and project evaluation expenditure	(8,722)	(13,754)	(9,972)	(9,018)
General administrative expenditure	(7,919)	(6,973)	(4,868)	(7,464)
Share of loss from joint venture	(4,093)	(6,151)	(7,323)	(6,597)
Share-based payments	(3,327)	(4,824)	(4,250)	(4,180)
Finance costs	(1,791)	(1 464)	(69)	(70)
Profit (loss) attributable to:				
Owners of the Company	24,055	(5 463)	(901)	(4,341)
Non-controlling interests	(3,646)	(5,447)	(4,423)	(3,928)
Total comprehensive income (loss) attributable to:				
Owners of the Company	20,339	33,170	3,032	3,458
Non-controlling interest	(4,102)	(1,349)	(4,049)	(3,123)
Basic profit (loss) per share	0.02	0.00	(0.00)	(0.00)
Diluted profit (loss) per share	0.02	0.00	(0.00)	(0.00)

The following table summarizes selected financial information for the prior eight quarters. Ivanhoe had no operating revenue in any financial reporting period. All revenue from commercial production at the Kamoa-Kakula Mining Complex is recognized within the Kamoa Holding joint venture. Ivanhoe did not declare or pay any dividend or distribution in any financial reporting period.

DISCUSSION OF RESULTS OF OPERATIONS

Review of the three months ended March 31, 2022, vs. March 31, 2021

The company recorded a total comprehensive income of $42.6 million for Q1 2022 up from $16.2 million for the same period in 2021. The comprehensive income for Q1 2022 included an exchange gain on translation of foreign operations of $21.1 million, resulting from the strengthening of the South African Rand by 9% from December 31, 2021, to March 31, 2022, compared to an exchange loss on translation of foreign operations recognized in Q1 2021 of $4.2 million.

The Kamoa-Kakula Mining Complex sold 51,919 tonnes of payable copper in Q1 2022 realizing revenue of $519.6 million for the Kamoa Holding joint venture. The company recognized income in aggregate of $115.4 million from the joint venture in Q1 2022, which can

	Three months ended March 31,	
	2022	**2021**
	$'000	**$'000**
Company's share of profit (loss) from joint venture	87,109	(4,093)
Interest on loan to joint venture	28,289	21,180
Company's income recognized from joint venture	**115,398**	**17,087**

be summarized as follows:

The company's share of profit from the Kamoa Holding joint venture was $87.1 million in Q1 2022 compared to a loss of $4.1 million in Q1 2021. The following table summarizes the company's share of profit (loss) of the joint venture for the three months ended March 31, 2022, and for the same period in 2021:

	Three months ended March 31,	
	2022	2021
	$'000	$'000
Revenue from contract receivables	467,453	–
Remeasurement of contract receivables	52,142	–
Revenue	**519,595**	–
Cost of sales	(123,370)	–
Gross profit	**396,225**	–
General and administrative costs	(15,768)	–
Exploration expenses	–	(377)
Profit (loss) from operations	**380,457**	**(377)**
Finance costs	(54,643)	(21,171)
Finance income and other	5,504	1,207
Profit (loss) before taxes	**331,318**	**(20,341)**
Current tax expense	(5,215)	–
Deferred tax (expense) recovery	(104,829)	9,894
Profit (loss) after taxes	**221,274**	**(10,447)**
Non-controlling interest of Kamoa Holding	(45,295)	2,178
Profit (loss) for the period attributable to joint venture partners	175,979	(8,269)
Company's share of profit (loss) from joint venture (49.5%)	**87,109**	**(4,093)**

As explained in the accounting for the convertible notes section on page 41, the company recognized a loss on fair valuation of the embedded derivative financial liability of $66.4 million for Q1 2022, compared to a gain on fair valuation of the embedded derivative financial liability of $25.6 million for Q1 2021. Finance cost increased from $1.8 million for Q1 2021 to $7.4 million for the same period in 2022, the majority of which related to the interest on the convertible notes.

Finance income for Q1 2022 amounted to $31.5 million and was $8.7 million more than for the same period in 2021 ($22.8 million). Included in finance income is the interest earned on loans to the Kamoa Holding joint venture to fund operations that amounted to $28.3 million for Q1 2022, and $21.2 million for the same period in 2021, and increased as the accumulated loan balance increased.

Exploration and project evaluation expenditure amounted to $12.2 million in Q1 2022 and $8.7 million for the same period in 2021. Exploration and project evaluation expenditure related to exploration at Ivanhoe's Western Foreland exploration licences and amounts spent at the Kipushi Project, which was on reduced activities and incurred limited cost of a capital nature in the periods. The main classes of expenditure at the Kipushi Project in Q1 2022 and for the same period in 2021 are set out in the following table:

	Three months ended March 31, 2022	2021
	$'000	$'000
Kipushi Project		
Salaries and benefits	2,969	1,745
Other expenditure	2,288	1,782
Depreciation	1,871	1,864
Electricity	909	878
Studies and contracting work	529	18
Other additions to property, plant and equipment	295	–
Total project expenditure	8,861	6,287
Exclude:		
Other additions to property, plant and equipment	(295)	–
Exploration and project evaluation expenditure in the loss from operating activities	8,566	6,287

The finance costs in the Kamoa Holding joint venture relate to shareholder loans where each shareholder is required to fund Kamoa Holding in an amount equivalent to its proportionate shareholding interest. The company is advancing Crystal River's portion on its behalf in return for an increase in the promissory note due to Ivanhoe.

Financial position as at March 31, 2022, vs. December 31, 2021

The company's total assets increased by $132.2 million, from $3,218.2 million as at December 31, 2021, to $3,350.4 million as at March 31, 2022. The main reason for the increase in total assets was attributable to the increase in the company's investment in the Kamoa Holding joint venture by $115.4 million from $1,641.8 million as at December 31, 2021, to $1,757.2 million as at March 31, 2022.

The company's share of profit from the joint venture amounted to $87.1 million, while the interest on the loan to the joint venture amounted to $28.3 million from December 31, 2021, to March 31, 2022. The company's investment in the Kamoa Holding joint venture can be broken down as follows:

	March 31, 2022	December 31, 2021
	$'000	$'000
Company's share of net assets of the joint venture	343,381	256,260
Loan advanced to joint venture	1,413,825	1,385,535
Total investment in joint venture	1,757,206	1,641,795

Prior to commencing commercial production in July 2021, the Kamoa Holding joint venture principally used loans advanced to it by its shareholders to advance the Kamoa-Kakula Mining Complex through investing in development costs and other property, plant and equipment. The net assets of the Kamoa Holding joint venture, and the company's share thereof, can be broken down as follows:

	March 31, 2022		December 31, 2021	
	100%	**49.5%**	**100%**	**49.5%**
	$'000	**$'000**	**$'000**	**$'000**
Assets				
Property, plant and equipment	2,128,979	1,053,845	2,000,818	990,405
Mineral property	802,021	397,000	802,021	397,000
Trade receivables	243,227	120,397	198,513	98,264
Non-current inventory	224,809	111,280	190,154	94,126
Long term loan receivable	197,859	97,940	197,122	97,575
Indirect taxes receivable	176,295	87,266	152,099	75,289
Cash and cash equivalents	139,996	69,298	22,031	10,905
Consumable stores	138,380	68,498	94,459	46,757
Prepaid expenses	93,682	46,373	127,328	63,027
Current inventory	25,586	12,665	20,978	10,384
Right-of-use asset	18,515	9,165	21,161	10,475
Non-current deposits	1,689	836	1,689	836
Deferred tax asset	-	-	17,904	8,862
Liabilities				
Shareholder loans	(2,855,416)	(1,413,431)	(2,798,282)	(1,385,149)
Trade and other payables	(175,193)	(86,721)	(219,475)	(108,640)
Deferred tax liability	(86,919)	(43,025)	-	-
Equipment finance facility	(76,577)	(37,906)	(72,296)	(35,787)
Rehabilitation provision	(34,871)	(17,261)	(35,742)	(17,692)
Other provisions	(28,545)	(14,129)	(15,681)	(7,762)
Lease liability	(20,681)	(10,237)	(23,287)	(11,527)
Income taxes payable	(13,486)	(6,675)	(8,265)	(4,091)
Provisional payment facility	(9,920)	(4,910)	(5,117)	(2,532)
Non-controlling interest	(195,731)	(96,887)	(150,436)	(74,465)
Net assets of the joint venture	**693,699**	**343,381**	**517,696**	**256,260**

Going forward, all Phase 1 and Phase 2 operating costs and the majority of Phase 3 capital expenditures are expected to be funded from copper sales and facilities in place at Kamoa-Kakula. Cash generated in excess of operational and expansion requirements is expected to be utilized to commence shareholder loan repayments.

	Three months ended March 31,	
	2022	2021
	$'000	$'000
Kamoa Holding joint venture		
Expansion capital	109,167	–
Sustaining capital	25,709	–
Initial capital	9,009	151,829
Total development costs	143,885	151,829
Borrowing costs capitalized	8,904	21,601
Total additions to property, plant and equipment for Kamoa Holding	152,789	173,430
Less depreciation, disposals and foreign exchange translation	(24,628)	(5,888)
Net increase in property, plant and equipment of Kamoa Holding	128,161	167,542

The Kamoa Holding joint venture's net increase in property, plant and equipment from December 31, 2021, to March 31, 2022, amounted to $128.2 million and can be further broken down as follows:

Ivanhoe's cash and cash equivalents decreased by $46.2 million, from $608.2 million as at December 31, 2021, to $562.0 million as at March 31, 2022. The company utilized $23.8 million of its cash in operating activities and spent $19.2 million acquiring property, plant and equipment. The company also invested $13.3 million in acquiring a strategic equity stake in Renergen Ltd., a South African emerging energy and helium producer.

The company's total liabilities increased by $80.8 million to $922.0 million as at March 31, 2022, from $841.2 million as at December 31, 2021, with the increase mainly due to the increase in the embedded derivative liability linked to the convertible senior notes described on page 41.

The net increase in property, plant and equipment amounted to $54.5 million, with additions of $19.4 million to project development and other property, plant and equipment. Of this total, $18.5 million pertained to development costs and other acquisitions of property, plant and equipment at the Platreef Project.

The main components of the additions to property, plant and equipment – including capitalized development costs – at the Platreef Project for the three months ended March 31, 2022, and for the same period in 2021, are set out in the following table:

	Three months ended March 31,	
	2022	**2021**
	$'000	**$'000**
Platreef Project		
Shaft 1 changeover and construction	9,583	1,761
Salaries and benefits	3,053	1,767
Shaft 2 construction works	2,256	5
Administrative and other expenditure	1,379	1,278
Studies and contracting work	985	988
Site costs	861	587
Social and environmental	222	306
Infrastructure	6	–
Total development costs	18,345	6,692
Other additions to property, plant and equipment	108	59
Total additions to property, plant and equipment for Platreef	18,453	6,751

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

Accounting for the convertible notes closed in March 2021

The company closed a private placement offering of $575.0 million of 2.50% convertible senior notes maturing in 2026 on March 17, 2021. Upon conversion, the convertible notes may be settled, at the company's election, in cash, common shares or a combination thereof. Due to this election right and conversion feature, the convertible notes have an embedded derivative liability that is measured at fair value with changes in value being recorded in profit or loss, as well as the host loan that is accounted for at amortized cost.

The convertible senior notes are senior unsecured obligations of the company, which will accrue interest payable semi-annually in arrears at a rate of 2.50% per annum and will mature on April 15, 2026, unless earlier repurchased, redeemed or converted. The initial conversion rate of the notes is 134.5682 Class A common shares of the company per $1,000 principal amount of notes, or an initial conversion price of approximately $7.43 (equivalent to approximately C$9.31) per common share.

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

- During any calendar quarter commencing after the calendar quarter ending on June 30, 2021 (and only during such calendar quarter), if the last reported sale price of the company's Class A common shares for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; or

- During the five consecutive business day period after any ten consecutive trading day period (the "measurement period") in which the trading price per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the company's Class A common shares and the conversion rate on each such trading day; or

- If the company calls any or all of the notes for redemption in certain circumstances or upon the occurrence of certain corporate events.

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

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

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

The effective interest rate of the host liability was deemed to be 9.39% and the interest recognized on the convertible notes amounted to $10.2 million in Q1 2022, $3.1 million of which was borrowing costs capitalized. The carrying value of the host liability was $447.6 million as at March 31, 2022, up from $437.4 million as at December 31, 2021.

The derivative liability had a fair value of $150.5 million on closure of the convertible notes offering and increased to $244.2 million as at December 31, 2021, and increased further to $310.6 million as at March 31, 2022, resulting in a loss on fair valuation of embedded derivative liability of $66.4 million for Q1 2022. The change in the fair value of the embedded derivative liability is largely due to the changes in the closing share price of the company's common shares at the different reporting dates.

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

	March 17, 2021	March 31, 2021	December 31, 2021	March 31, 2022
Share price	C$7.00	C$6.47	C$10.32	C$11.66
Credit spread	630 basis points	610 basis points	356 basis points	277 basis points
Volatility	42%	42%	40%	40%
Borrowing cost	50 basis points	50 basis points	25 basis points	25 basis points
Fair value of derivative liability	$150.5 million	$124.9 million	$244.2 million	$310.6 million

Transaction costs on the convertible notes offering relating to the embedded derivative liability amounted to $3.7 million and was expensed and included in the profit and loss for Q1 2021.

LIQUIDITY AND CAPITAL RESOURCES

The company had $562.0 million in cash and cash equivalents as at March 31, 2022. At this date, the company had consolidated working capital of approximately $615.4 million, compared to $654.8 million as at December 31, 2021.

The Platreef Project entered into a gold, palladium and platinum stream financing in December 2021 that will fund a large portion of the Phase 1 capital costs. The stream facilities are a prepaid forward sale of refined metals, with prepayments totaling $300 million, available in two tranches with the first prepayment of $75 million received in December 2021 following the closing of the transaction and $225 million to be paid upon satisfaction of certain conditions precedent.

The company's main objectives for the remainder of 2022 at the Platreef Project are the continued development of the project towards the completion of its first phase currently scheduled for Q3 2024, as well as the continuation of the construction of the Shaft 2 headframe to allow optionality for possibly bringing Phase 2 forward. At Kipushi, with the finalization of the feasibility study and the development plan agreed, Ivanhoe expects to proceed with the ordering of long-lead equipment and other construction activities once the new joint venture agreement is signed and financing arrangements are in place. With Phase 1 and Phase 2 commercial production achieved at the Kamoa-Kakula Mining Complex, the focus now will be operational efficiency and de-bottlenecking the Phase 1 and 2 operations, as well as progressing the Phase 3 expansion.

The company has forecast to spend $150 million on further development at the Platreef Project; $80 million on development at the Kipushi Project; and $28 million on corporate overheads for the remainder of 2022. Exploration activities at the Western Foreland exploration project in the DRC and other targets will continue in 2022 with an initial budget of $21 million for the remainder of 2022 on Western Forelands and $7 million on other targets. At the Kamoa Holding joint venture, all operating and capital expansion costs are expected to be funded from copper sales and facilities in place at Kamoa.

The planned capital expenditure for 2022 can be broken down as follows:

Capital expenditure	Planned for 2022	Incurred in Q1 2022	Remaining for 2022
	$'000	$'000	$'000
Platreef Project			
Initial capital (Phase 1)	142,953	16,197	126,756
Expansion capital (Phase 2)	25,209	2,256	22,953
	168,162	**18,453**	**149,709**
Kipushi Project			
Initial capital	79,621	–	79,621
	79,621	**–**	**79,621**
Kamoa-Kakula Mining Complex (1)			
Phase 2 and other expansion capital	469,216	105,645	363,571
Phase 3 and smelter early works (2)	486,028	3,522	482,506
Sustaining capital	83,406	25,709	57,697
	1038,650	**134,876**	**903,774**

Notes: (1) Amounts in the above table for the Kamoa-Kakula Mining Complex are on a 100%-project basis. (2) The amount for Phase 3 and smelter early works are initial budgets only and will be augmented on completion of the updated pre-feasibility study expected in Q3 2022.

On March 17, 2021, the company closed a private placement offering of $575 million of 2.50% convertible senior notes maturing in 2026. The convertible senior notes are senior unsecured obligations of the company, which will accrue interest payable semi-annually in arrears at a rate of 2.50% per annum and will mature on April 15, 2026, unless earlier repurchased, redeemed or converted. The notes will be convertible at the option of holders, prior to the close of business on the business day immediately preceding October 15, 2025, only under certain circumstances and during certain periods, and thereafter, at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. Upon conversion, the notes may be settled, at the company's election, in cash, common shares or a combination thereof. The carrying value of the host liability was $447.6 million and the fair value of the embedded derivative liability was $310.6 million as at March 31, 2022.

The company has a mortgage bond outstanding on its offices in London, United Kingdom, of £3.2 million ($4.3 million). The bond is fully repayable on August 28, 2025, secured by the property and incurs interest at a rate of GBP 1-month LIBOR plus 1.9% payable monthly in arrears. Only interest will be payable until maturity.

In 2013, the company became party to a loan payable to ITC Platinum Development Limited, which had a carrying value of $34.6 million as at March 31, 2022, and a contractual amount due of $35.3 million. The loan is repayable once the Platreef Project has residual cash flow, which is defined in the loan agreement as gross revenue generated by the Platreef Project, less all operating costs attributable thereto, including all mining development and operating costs. The loan attracts interest of USD 3-month LIBOR plus 2% calculated monthly in arrears. Interest is not compounded. The difference of $0.7 million between the contractual amount due and the carrying value of the loan is the benefit derived from the low-interest loan.

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

	Payments Due By Period				
Contractual obligations as at March 31, 2022	**Total $'000**	**Less than 1 year $'000**	**1-3 years $'000**	**4-5 years $'000**	**After 5 years $'000**
Convertible notes	581,577	6,577	-	575,000	-
Debt	39,511	-	-	4,227	35,284
Lease commitments	1,514	620	894	-	-
Total contractual obligations	**622,602**	**7,197**	**894**	**579,227**	**35,284**

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

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

NON-GAAP FINANCIAL PERFORMANCE MEASURES

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

C1 cash costs and C1 cash costs per pound are non-GAAP financial measures. These are disclosed to enable investors to better understand the performance of the Kamoa-Kakula Mining Complex in comparison to other copper producers who present results on a similar basis.

C1 cash costs are prepared on a basis consistent with the industry standard definitions by Wood Mackenzie cost guidelines but are not measures recognized under IFRS. In calculating the C1 cash cost, the costs are measured on the same basis as the company's share of profit from the Kamoa Holding joint venture that is contained in the financial statements. C1 cash costs are used by management to evaluate operating performance and include all direct mining, processing, and general and administrative costs. Smelter charges and freight deductions on sales to final port of destination, which are recognized as a component of sales revenues, are added to C1 cash cost to arrive at an approximate cost of finished metal. C1 cash costs and C1 cash costs per pound, exclude royalties and production taxes and non-routine charges, as they are not direct production costs.

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

	Kamoa-Kakula Q1 2022	Kamoa-Kakula Q4 2021
	$'000	**$'000**
Cost of sales	**123,370**	**130,853**
Logistics, treatment and refining charges	48,841	48,054
General and administrative expenditure	15,768	9,926
Royalties and production taxes	(28,576)	(32,545)
Depreciation	(15,236)	(11,443)
Movement in finished goods inventory	3	3,685
General and administrative expenditure of other group entities	(228)	281
C1 cash costs	**143,942**	**148,811**
Cost of sales per pound of payable copper sold ($ per lb)	1.08	1.12
C1 cash costs per pound of payable copper produced ($ per lb)	1.21	1.28

All figures above are on a 100% basis.

EBITDA

EBITDA is a non-GAAP financial measure, which excludes income tax, finance costs, finance income and depreciation from net profit.

Ivanhoe believes that Kamoa-Kakula's EBITDA is a valuable indicator of the Kamoa-Kakula Mining Complex's ability to generate liquidity by producing operating cash flow to fund its working capital needs, service debt obligations, fund capital expenditures and distribute cash to its shareholders. EBITDA also is frequently used by investors and analysts for valuation purposes. EBITDA is intended to provide additional information to investors and analysts and does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA differently.

Reconciliation of profit (loss) after tax to EBITDA:

	Three months ended March 31,	
	2022	**2021**
	$'000	**$'000**
Profit (loss) after taxes	**221,274**	(10,447)
Finance costs	**54,643**	21,171
Finance income	**(1,806)**	(1,230)
Current and deferred tax expense	**110,044**	(9,894)
Depreciation	**15,236**	-
EBITDA	**399,391**	(400)

All figures above are for the Kamoa Holding joint venture on a 100% basis.

Qualified Persons and NI 43-101 Technical Reports

Disclosures of a scientific or technical nature regarding the revised capital expenditure and development scenarios at the Kamoa-Kakula Mining Complex in this news release have been reviewed and approved by Steve Amos, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of NI 43-101. Mr. Amos is not considered independent under NI 43-101 as he is the Head of the Kamoa Project. Mr. Amos has verified the technical data disclosed in this news release.

Other disclosures of a scientific or technical nature in this news release have been reviewed and approved by Stephen Torr, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of NI 43-101. Mr. Torr is not considered independent under NI 43-101, as he is the Vice President, Geosciences. Mr. Torr has verified the other technical data disclosed in this news release.

Ivanhoe has prepared a current, independent, NI 43-101-compliant technical report for each of the Kipushi Project and the Kamoa-Kakula Project, which are available under the company's SEDAR profile at www.sedar.com:

- The Kamoa-Kakula Integrated Development Plan 2020 dated October 13, 2020, prepared by OreWin Pty Ltd., China Nerin Engineering Co., Ltd., DRA Global, Epoch Resources, Golder Associates Africa, KGHM Cuprum R&D Centre Ltd., Outotec Oyj, Paterson and Cooke, Stantec Consulting International LLC, SRK Consulting Inc., and Wood plc., covering the company's Kamoa-Kakula Mining Complex; and

- The Kipushi 2022 Feasibility Study dated February 14, 2022, prepared by OreWin Pty Ltd., MSA Group (Pty) Ltd., SRK Consulting (South Africa) (Pty) Ltd, and METC Engineering, covering the company's Kipushi Project.

- The Platreef 2022 Feasibility Study dated February 28, 2022, prepared by OreWin Pty Ltd., Mine Technical Services, SRK Consulting Inc., DRA Projects (Pty) Ltd and Golder Associates Africa, covering the company's Platreef Project.

These technical reports include relevant information regarding the effective dates and the assumptions, parameters and methods of the mineral resource estimates on the Platreef Project, the Kipushi Project and the Kamoa-Kakula Mining Complex cited in this news release, as well as information regarding data verification, exploration procedures and other matters relevant to the scientific and technical disclosure contained in this news release in respect of the Platreef Project, Kipushi Project and Kamoa-Kakula Mining Complex.

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Forward-looking statements

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

Such statements include without limitation, the timing and results of: (i) statements regarding the expected increase in processing capacity resulting from the planned de-bottlenecking program and the cost thereof; (ii) statements regarding copper production from Kamoa Copper's first two phases are projected to exceed 450,000 tonnes per year by Q2 2023; (iii) statements regarding the expectation that the majority of Kamoa-Kakula's expansion capital expenditures on Phase 2 and Phase 3 will be funded from copper sales and facilities in place at Kamoa; (iv) statements that based on current market conditions, it is anticipated that Ivanhoe Mines will start to receive shareholder loan repayments from Kamoa-Kakula in 2022; (v) statements regarding Ivanhoe's 2022 Western Foreland exploration expenditure is provisionally planned at $25 million and that the main component of this expenditure is exploration drilling, with more than 50,000 metres of shallow (depth of less than 150 metres), air core, reverse circulation and diamond drilling as well as up to an additional 45,000 metres of deeper regional drilling covering the entire 2,407-square-kilometre land package, some of which is dependent upon exploration success; (vi) statements regarding the planned resumption of commercial production at Kipushi based on a two-year construction timeline; (vii) statements regarding Kamoa-Kakula's Phase 3 consisting of two new underground mines known as Kamoa 1 and Kamoa 2, as well as the initial decline development at Kakula West and a new, 5 million-tonne-per-annum concentrator plant being established adjacent to the two new mines at Kamoa; (viii) statements regarding upon commencement of Phase 3 production, Kamoa Copper will have a total processing capacity greater than 14 million tonnes per annum, as the existing Phase 1 and 2 concentrators will be de-bottlenecked and operating at a combined throughput of 9.2 million tonnes of ore per year by the second quarter of 2023; (ix) statements regarding construction progress on the new box cut excavation advancing quickly at the Kamoa 1 and Kamoa 2 mines, with decline development expected to start in early May 2022, which will provide access to the major Phase 3 mining areas; (x) statements regarding the pre-feasibility study for the Phase 3 expansion being well advanced and expected to be announced during the third quarter of this year, while first production is expected to commence by the end of 2024; (xi) statements regarding the smelter, once in operation, will enable Kamoa-Kakula to reduce its C1 cash costs per pound of payable copper produced by approximately 10% to 20%, driven by significantly reduced transportation costs, decreasing overall volumes shipped by more than half; (xii) statements regarding Turbine 5 is expected to produce 162 MW of renewable hydropower, providing the Kamoa-Kakula Mining Complex and the planned, associated smelter with abundant, sustainable electricity for future expansions; xiii) statements regarding Kamoa-Kakula aiming to become the first net-zero carbon emitter among the top-tier copper mines by electrifying its mining fleet with state-of-the-art equipment powered by electric batteries or hydrogen fuel cells and that the mine plans to introduce them into its mining fleet as soon as they become commercially available; (xiii) statements regarding management now expects that the early commissioning of the Phase 2 concentrator plant will enable Kamoa-Kakula to reach the upper end of its 2022 copper production guidance of 290,000 to 340,000 tonnes; (xiv) statements regarding production guidance of between 290,000 and 340,000 tonnes of contained copper in concentrate for 2022 from the Kamoa-Kakula Mining Complex; (xv) statements regarding cash cost guidance of between $1.20 to $1.40 per pound for 2022 from the Kamoa-Kakula Mining Complex; (xvi) statements regarding new independent feasibility study for the Platreef Project and statements confirming the viability of a new phased development pathway to fast-track Platreef into production by Q3 2024; (xvii) statements regarding the senior debt facility for the Platreef Project including that it is anticipated to be used only after the stream facilities are fully drawn; (xviii) statements that Platreef's shaft will be equipped with two cages on top of two 12.5-tonne skips with hoisting capacity of 1 million tonnes per year and that an amended configuration does not require the cage to be interchanged mid-shift, thereby increasing the hoisting time during the initial phase of mining; (xix) statements regarding construction of Ivanhoe's first solar power plant at the Platreef Mine being scheduled for Q2 2022, with commissioning expected in early 2023; (xx) statements regarding the Shaft 2 construction of the vent plenum and man-access tunnel, including the backfill, currently being in progress with construction expected to be complete in August 2022 and that Ivanplats plans to continue the construction of the Shaft 2 headframe, and expects raise bore pilot drilling to commence later this year, to allow optionality for possibly bringing the Phase 2 production timeline forward; (xxi) statements regarding the water requirement at Platreef for the Phase 1 operation is projected to peak at approximately three million litres per day, which will then increase to nine million litres per day once the Phase 2 expansion is complete; (xxii) statements regarding Ivanplats purchasing the treated wastewater from the Masodi Treatment Works at a reduced rate of R5 per thousand litres; (xxiii) statements that arrangements are underway to re-commence the construction works of the Masodi Treatment Works in Q3 2022 and that it will take approximately 18 months; (xxiv) statements regarding implementation of the Platreef Project's second Social and Labour Plan (SLP); (xxv) statements regarding equipping of the Platreef's permanent training academy is continuing, with the official launch being planned for 2022; (xxvi) statements regarding the new agreement signed between Kipushi Holding and Gécamines to return the ultra-high-grade Kipushi Mine back to commercial production; (xxvii) statements that Kipushi Holding will continue to fund the Kipushi Project with the shareholder loan and/or procure financing from third parties for the development of the project; (xxviii) statements regarding 50 boreholes of potable water are planned to be drilled around the Kipushi district over five years, to reach areas not served by the current distribution; (xxix) statements regarding surface sampling at the Western Foreland Exploration Project and mapping being planned to resume during Q2 2022 once remote access becomes easier; (xxx) statements regarding Ivanhoe's 2022 Western Foreland exploration expenditure being provisionally planned at $25 million and that the main component of this expenditure is exploration drilling, with more than 50,000 metres of shallow (depth of less than 150 metres), air core, reverse circulation and diamond drilling focussed on defining sub-outcrop positions and obtaining bed-rock samples under the Kalahari sand cover and that in addition, up to 45,000 metres of deeper regional drilling covering the entire 2,407-square-kilometre land package also is provisionally planned, some of which is dependent upon exploration success; and (xxxi) statements regarding the main objectives for 2022, the 2022 budget and the planned capital expenditure for 2022.

As well, all of the results of the feasibility study for the Kakula copper mine, the Kakula-Kansoko 2020 pre-feasibility study and the updated and expanded Kamoa-Kakula Mining Complex preliminary economic assessment, the Platreef 2022 feasibility study, and the Kipushi 2022 feasibility study, constitute forward-looking statements or information, and include future estimates of internal rates of return, net present value, future production, estimates of cash cost, proposed mining plans and methods, mine life estimates, cash flow forecasts, metal recoveries, estimates of capital and operating costs and the size and timing of phased development of the projects.

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

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

Forward-looking statements and information involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indicators of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements or information, including, but not limited to, the factors discussed below and under "Risk Factors", and elsewhere in this news release, as well as unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts with the company to perform as agreed; social or labour unrest; changes in commodity prices; and the failure of exploration programs or studies to deliver anticipated results or results that would justify and support continued exploration, studies, development or operations.

Although the forward-looking statements contained in this news release are based upon what management of the company believes are reasonable assumptions, the company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this news release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this news release.

The company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the factors set forth below in the "Risk Factors" section in the company's MD&A for the three months ended March 31, 2022.