Condensed consolidated interim financial statements of

Ivanplats Limited

March 31, 2013
(Stated in U.S. dollars)

(Unaudited)

Ivanplats Limited
March 31, 2013

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Ivanplats Limited

Condensed consolidated interim statements of comprehensive loss

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

	Notes	Three months ended March 31, 2013	2012
		$	$
Expenses			
Exploration and project expenditure		**32,131**	33,087
Salaries and benefits		**2,718**	1,122
Share-based payments	16	**2,238**	1,213
Office and administration		**1,442**	805
Travel		**815**	551
Professional fees		**709**	228
Legal		**470**	56
Other expenditure		**826**	205
Loss from operating activities		**41,349**	37,267
Other income		**(35)**	(36)
Interest income		**(854)**	(835)
Finance costs	14	**223**	6,822
Loss before income taxes		**40,683**	43,218
Income tax expense			
Current		**75**	-
LOSS FOR THE PERIOD		**40,758**	43,218
Other comprehensive loss (income)			
Items that may subsequently be reclasified to loss:			
Exchange differences on translation of foreign operations		**1,632**	(2,243)
Other comprehensive loss (income) for the period, net of tax		**1,632**	(2,243)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**42,390**	40,975
Loss attributable to:			
Owners of the Company		**35,820**	40,718
Non-controlling interest		**4,938**	2,500
		40,758	43,218
Total comprehensive loss attributable to:			
Owners of the Company		**37,867**	38,654
Non-controlling interest		**4,523**	2,321
		42,390	40,975
Basic and diluted loss per share	15	**0.07**	0.10
Weighted average number of basic and diluted shares outstanding	15	**528,775,264**	410,570,481

See accompanying notes to the condensed consolidated interim financial statements.

Ivanplats Limited

Condensed consolidated interim statements of financial position as at

(stated in thousands of U.S. dollars)
(Unaudited)

		March 31, 2013	December 31, 2012	January 1, 2012
		$	$	$
ASSETS				
Non-current assets				
Property, plant and equipment	4	**23,609**	23,506	16,278
Mineral properties	5	**259,277**	259,277	259,277
Goodwill	6	**67,358**	67,358	75,701
Long-term loan receivable	8	**23,575**	23,024	7,324
Other assets		**565**	504	248
Total non-current assets		**374,384**	373,669	358,828
Current assets				
Trade and other receivables	9	**3,516**	3,545	6,272
Prepaid expenses		**15,433**	9,638	1,164
Short-term deposits	10	**80,019**	80,000	80,039
Cash and cash equivalents	10	**216,596**	259,830	185,891
Total current assets		**315,564**	353,013	273,366
Total assets		**689,948**	726,682	632,194
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	16	**793,771**	793,657	260,272
Warrant reserve	16	**7,949**	7,949	46,069
Share option reserve	16	**22,190**	20,066	23,136
Currency translation reserve	17	**(4,908)**	(3,356)	(2,888)
Accumulated deficit		**(288,002)**	(252,182)	(94,452)
Equity attributable to owners of the Company		**531,000**	566,134	232,137
Non-controlling interest	18	**42,415**	47,465	69,037
Total equity		**573,415**	613,599	301,174
Non-current liabilities				
Advances payable to Gecamines	11	**6,691**	6,553	5,991
Convertible bond		**-**	-	112,480
Purchase consideration payable		**-**	-	41,366
Deferred tax liabilities		**77,783**	77,783	77,783
Total non-current liabilities		**84,474**	84,336	237,620
Current liabilities				
Advances payable to Gecamines	11	**4,747**	4,685	4,273
Purchase consideration payable		**-**	-	74,738
Current borrowings	12	**3,607**	3,873	3,786
Trade and other payables	13	**23,459**	19,994	10,394
Current tax liabilities		**246**	195	209
Total current liabilities		**32,059**	28,747	93,400
Total liabilities		**116,533**	113,083	331,020
Total equity and liabilities		**689,948**	726,682	632,194

Commitments and contingencies (Note 22)

Ivanplats Limited

Condensed consolidated interim statements of changes in equity

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

(Unaudited)

	Share capital									
	Number of shares	Amount	Number of warrants	Warrant reserve	Share option reserve	Currency translation reserve	Accumulated deficit	Equity attributable to owners	Non-controlling interest	Total equity
		$		$	$	$	$	$	$	$
Balances, January 1, 2012	**381,588,670**	**260,272**	**40,551,500**	**46,069**	**23,136**	**(2,888)**	**(94,452)**	**232,137**	**69,037**	**301,174**
Loss for the period	-	-	-	-	-	-	(40,718)	(40,718)	(2,500)	(43,218)
Other comprehensive income	-	-	-	-	-	2,064	-	2,064	179	2,243
Total comprehensive loss	-	-	-	-	-	2,064	(40,718)	(38,654)	(2 321)	(40,975)
Transactions with owners										
Accretion of common share investment funded on behalf of non-controlling interest	-	-	-	-	-	-	-	-	(40)	(40)
Share based payments charged to operations	-	-	-	-	1,213	-	-	1,213	-	1,213
Options exercised	1,670,000	3,462	-	-	(710)	-	-	2,752	-	2,752
Warrants converted to shares	28,248,000	37,126	(23,540,000)	(37,126)	-	-	-	-	-	-
Balances, March 31, 2012	**411,506,670**	**300,860**	**17,011,500**	**8,943**	**23,639**	**(824)**	**(135,170)**	**197,448**	**66,676**	**264,124**
Balances, January 1, 2013	**528,641,979**	**793,657**	**13,941,940**	**7,949**	**20,066**	**(3,356)**	**(252,182)**	**566,134**	**47,465**	**613,599**
Loss for the period	-	-	-	-	-	-	(35,820)	(35,820)	(4,938)	(40,758)
Other comprehensive loss	-	-	-	-	-	(1,552)	-	(1,552)	(80)	(1,632)
Total comprehensive loss	-	-	-	-	-	(1,552)	(35,820)	(37,372)	(5,018)	(42,390)
Transactions with owners										
Accretion of common share investment funded on behalf of non-controlling interest	-	-	-	-	-	-	-	-	(32)	(32)
Share based payments charged to operations (Note 16)	-	-	-	-	2,238	-	-	2,238	-	2,238
Options exercised (Note 16)	173,850	114	-	-	(114)	-	-	-	-	-
Balances, March 31, 2013	**528,815,829**	**793,771**	**13,941,940**	**7,949**	**22,190**	**(4,908)**	**(288,002)**	**531,000**	**42,415**	**573,415**

Ivanplats Limited

Condensed consolidated interim statements of cash flows

(stated in thousands of U.S. dollars)
(Unaudited)

	Notes	Three months ended March 31, 2013	2012
		$	$
Cash flows from operating activities			
Loss before income taxes		**(40,683)**	(43,218)
Items not involving cash			
Share-based payments	16	**2,238**	1,213
Depreciation and amortization	4	**874**	428
Interest income and finance costs		**(631)**	5,987
Unrealized foreign exchange loss (gain)		**378**	(52)
Gain on disposal of property, plant and equipment		**(6)**	(8)
		(37,830)	(35,650)
Change in non-cash working capital items	20	**(2,300)**	8,391
Interest received		**303**	653
Interest paid		**(56)**	(91)
Net cash used in operating activities		**(39,883)**	(26,697)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**7**	10
Property, plant and equipment acquired	4	**(1,843)**	(250)
Other assets acquired		**(70)**	-
Increase in investment in short-term deposits		**(19)**	(93)
Net cash used in investing activities		**(1,925)**	(333)
Cash flows from financing activities			
Repayment of current borrowings		**(265)**	**-**
Issuance of convertible bonds		**-**	53,389
Transaction costs paid on convertible bond		**-**	(23)
Options exercised		**-**	2,752
Net cash (used in) generated by financing activities		**(265)**	56,118
Effect of foreign exchange rate changes on cash and cash equivalents		**(1,161)**	2,037
Net cash (outflow) inflow		**(43,234)**	31,125
Cash and cash equivalents, beginning of period		**259,830**	185,891
Cash and cash equivalents, end of period		**216,596**	217,016
Cash and cash equivalents consists of			
Cash		**165,902**	199,109
Short-term fixed deposits		**50,694**	17,907
		216,596	217,016

Supplemental cash flow information (Note 20)

1. Basis of presentation and continuing operations

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

The registered and records office of the Company are located at Suite 654-999 Canada Place, Vancouver, British Columbia, V6C 3E1.

These consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are also prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. The Company has incurred losses since inception and has an accumulated deficit of $288.0 million at March 31, 2013. Continuation of the Company as a going concern is dependent upon establishing profitable operations, the confirmation of economically recoverable reserves, and the ability of the Company to obtain further financing to develop properties. Although the Company has been successful in raising funds in the past, there can be no assurance that it will be able to raise sufficient funds in the future, in which case, the Company may be unable to meet its obligations as they come due in the normal course of business. In the event the Company was unable to continue as a going concern, then material adjustments would be required to the carrying value of the assets and liabilities in the statement of financial position.

2. Significant accounting policies

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year end reporting purposes. Results for the period ended March 31, 2013, are not necessarily indicative of future results. The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its most recent annual consolidated financial statements as at and for the year ended December 31, 2012 except for the adoption of the new and amended accounting policies mentioned in Note 3.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2012.

2. Significant accounting policies (continued)

(b) *Significant accounting estimates*

The preparation of condensed consolidated interim financial statements in conformity with IAS 34 requires the Company's management to make estimates and assumptions concerning the future. The resulting accounting estimates can, by definition, only approximate the actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

(c) *Significant accounting judgements*

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

Significant accounting judgements are, amongst other things, the determination of the functional currency as well as the translation of foreign operations from their currencies to the Company's presentation currency.

As part of its process in determining the classification of its interests in other entities, the Company applies judgment in interpreting these interests such as (i) the determination of the level of control or significant influence held by the Company (ii) the standard's applicability to the operations, (iii) the legal structure and contractual terms of the arrangement, (iv) concluding whether the Company has rights to assets and liabilities or to net assets of the arrangement, and (v) when relevant, other facts and circumstances.

(d) *Future accounting changes*

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended December 31, 2013:

- IFRS 7 (Amendment) Outline the disclosures when applying IFRS 9, the new financial instruments standard (i).
- IFRS 9 New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets and liabilities (i).
- IAS 32 (Amendment) Clarification of the application of the requirements of offsetting financial assets and financial liabilities. (ii)

(i) Effective for annual periods beginning on or after January 1, 2015
(ii) Effective for annual periods beginning on or after January 1, 2014

The Company has not yet adopted these new and amended standards and is currently assessing the impact of adoption.

3. Application of new and revised standards

(a) Newly adopted accounting standards

The following standards became effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company adopted these standards and they did not have a material impact on its consolidated financial statements, except as discussed in Note 3 (b).

- *IFRS 7, Financial Instruments: Disclosures:* IFRS 7 enhances the disclosure required when offsetting financial assets and liabilities. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

- *IFRS 10, Consolidated Financial Statements:* IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27, *Consolidated and Separate Financial Statements,* and *SIC-12, Consolidation – Special Purpose Entities*.

- *IFRS 11, Joint Arrangements:* IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes current IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities-Non – Monetary Contributions by Venturers.*

- *IFRS 12, Disclosure of Interests in Other Entities:* IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. In general, the application of IFRS 12 will result in more extensive disclosures in the annual consolidated financial statements.

- *IFRS 13, Fair Value Measurements:* IFRS 13 defines fair value, sets out in a single IFRS framework for measuring value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. This will result in additional disclosures for condensed interim and annual consolidated financial statements.

- *IAS 1, Presentation of Financial Statements:* In June 2011, the IASB issued amendments to IAS 1 that require an entity to group items presented in the statement of comprehensive income on the basis of whether they may be reclassified to earnings subsequent to initial recognition. For those items presented before taxes, the amendments to IAS 1 also require that the taxes related to the two separate groups be presented separately. The amendments are effective for annual periods beginning on or after July 1, 2012 and will result in changes to the presentation of financial statements.

- *IAS 19 – Employee Benefits:* On June 16, 2011 the IASB issued amendments to IAS 19. The amendments will improve the recognition and disclosure requirements for defined benefit plans.

3. Application of new and revised standards (continued)

(a) Newly adopted accounting standards (continued)

- *IAS 27, Separate Financial Statements:* IAS 27 has been updated to require an entity presenting separate financial statements to account for those investments at cost or in accordance with *IFRS 9 Financial Instruments*. The new IAS 27 excludes the guidance on the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent, which is within the scope of the current IAS 27 Consolidated and Separate Financial Statements, and is replaced by IFRS 10.

- *IAS 28, Investments in Associates and Joint Ventures:* IAS 28 has been updated and it is to be applied by all entities that are investors with joint control of, or significant influence over, an investee. The scope of the current IAS 28 Investments in Associates does not include joint ventures.

- *IFRIC 20 – Stripping Costs in the Production Phase of a Mine:* In October 2011, the IASB issued IFRIC 20 which clarifies the requirements for accounting for the costs of stripping activity in the production phase when two benefits accrue: (i) usable ore that can be used to produce inventory and (ii) improved access to further quantities of material that will be mined in future periods.

(b) Application of new and revised Standards on consolidation, joint arrangements, associates and disclosures

The Company adopted IFRS 11, "Joint Arrangements" effective January 1, 2013. This standard replaces IAS 31, "Interests in Joint Ventures" and SIC 13, "Jointly controlled entities – non-monetary contributions by venturers". The standard is applicable to all entities that have an interest in arrangements that are jointly controlled. In accordance with the transition requirements, interests, previously defined as jointly controlled entities that were proportionately consolidated, are re-measured using the carrying amount of the assets and liabilities at the beginning of the immediately preceding period, that is, January 1, 2012, in order to arrive at the initial equity investment. In terms of IFRS 11, there are two types of joint arrangements:

Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and whereby each party has rights to the net assets of the arrangement. Joint control is considered to be when all parties to the joint venture are required to reach unanimous consent over decisions about relevant business activities pertaining to the contractual arrangement. Interests in joint ventures are recognized as an investment and accounted for using the equity method of accounting.

3. Application of new and revised standards (continued)

(b) Joint Arrangements (continued)

Joint Operations

A joint operation is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and whereby each party has rights to the assets and liabilities relating to the arrangement. Joint control is considered to exist when all parties to the joint venture are required to reach unanimous consent over decisions about relevant business activities pertaining to the contractual arrangement. Interests in joint operations are accounted for by recognizing the Corporation's share of assets, liabilities, revenues, and expenses incurred jointly.

Upon the application of IFRS 11, the Company reviewed and assessed the legal form and terms of the contractual arrangements in relation to the Company's investments in joint arrangements. The application of IFRS 11 has changed the classification and subsequent accounting of the Company's investments in each of Rhenfield Limited and the RK1 consortium, which were classified as joint ventures under the previous standard and were accounted for using the equity method. Under IFRS 11, Rhenfield Limited and the RK1 consortium are treated as the Company's joint operations and are accounted for such that each joint operator recognises and measures the assets and liabilities (and the related revenues and expenses) in relation to its interest in the arrangement in accordance with the applicable Standards.

The change in accounting of the Company's investment in Rhenfield Limited and the RK1 consortium has been applied in accordance with the relevant transitional provisions. Such a change in accounting has affected the amounts reported in the Company's consolidated financial statements (see the tables below).

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

3. Application of new and revised standards (continued)

(c) Impact on profit (loss) for the period of the application of the above new and revised standards

	Three months ended March 31, 2013	2012
	$	$
Increase (decrease) in office and administration expenditure	**62**	(32)
(Decrease) increase in share of losses from joint ventures	**(85)**	3
Loss from operating activities	**(23)**	(29)
Increase in finance costs	**23**	29
LOSS FOR THE PERIOD	**-**	-
Increase in exchange differences on translation of foreign operations	**198**	3
Decrease in share of other comprehensive (income) loss of joint ventures	**(198)**	(3)
Other comprehensive loss for the period	**-**	-
Increase (decrease) in profit for the year	**-**	-
Increase (decrease) in profit for the year attributable to:		
Owners of the Company	**-**	-
Non-controlling interests	**-**	-
	-	-

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

3. Application of new and revised standards (continued)

(d) Impact on net assets and equity as at January 1, 2012 of the application of the above new and revised standards

	As at January 1, 2012 as previously reported	IFRS 11 adjustments	As at January 1, 2012 as restated
	$	$	$
Property, plant and equipment	9,329	6,949	16,278
Mineral properties	259,277	-	259,277
Goodwill	75,701	-	75,701
Investment in joint ventures	3,609	(3,609)	-
Long-term loan receivable	7,324	-	7,324
Other assets	248	-	248
Trade and other receivables	5,865	407	6,272
Prepaid expenses	1,118	46	1,164
Short-term deposits	80,039	-	80,039
Cash and cash equivalents	185,787	104	185,891
Total assets	628,297	3,897	632,194
Advances payable to Gecamines	(10,264)	-	(10,264)
Convertible bond	(112,480)	-	(112,480)
Purchase consideration payable	(116,104)	-	(116,104)
Deferred tax liabilities	(77,783)	-	(77,783)
Current borrowings	-	(3,786)	(3,786)
Trade and other payables	(10,283)	(111)	(10,394)
Current tax liabilities	(209)	-	(209)
Total liabilities	(327,123)	(3,897)	(331,020)
Impact on net assets	**301,174**	**-**	**301,174**
Impact on equity	**(301,174)**	**-**	**(301,174)**

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

3. Application of new and revised standards (continued)

(e) Impact on net assets and equity as at December 31, 2012 of the application of the above new and revised standards

	As at December 31, 2012 as previously reported	IFRS 11 adjustments	As at December 31, 2012 as restated
	$	$	$
Property, plant and equipment	16,515	6,991	23,506
Mineral properties	259,277	-	259,277
Goodwill	67,358	-	67,358
Investment in joint ventures	3,608	(3,608)	-
Long-term loan receivable	23,024	-	23,024
Other assets	504	-	504
Trade and other receivables	3,534	11	3,545
Prepaid expenses	9,575	63	9,638
Short-term deposits	80,000	-	80,000
Cash and cash equivalents	259,389	441	259,830
Total assets	722,784	3,898	726,682
Advances payable to Gecamines	(11,238)	-	(11,238)
Deferred tax liabilities	(77,783)	-	(77,783)
Current borrowings	-	(3,873)	(3,873)
Trade and other payables	(19,969)	(25)	(19,994)
Current tax liabilities	(195)	-	(195)
Total liabilities	(109,185)	(3,898)	(113,083)
Impact on net assets	**613,599**	**-**	**613,599**
Impact on equity	**(613,599)**	**-**	**(613,599)**

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

4. Property, plant and equipment

	Land	Office equipment	Furniture and fixtures	Motor vehicles	Plant, equipment and buildings	Total
	$	$	$	$	$	$
Cost						
Balance as at December 31, 2011	4,462	2,524	1,129	4,517	11,909	24,541
Additions	1,179	1,303	198	1,420	5,260	9,360
Disposals	-	(476)	(29)	(188)	(432)	(1,125)
Foreign exchange translation	16	(113)	(3)	(49)	85	(64)
Balance as at December 31, 2012	5,657	3,238	1 295	5,700	16,822	32,712
Additions	-	704	101	366	672	1,843
Disposals	-	-	-	-	(1)	(1)
Foreign exchange translation	(200)	(203)	(56)	(85)	(508)	(1,052)
Balance as at March 31, 2013	5,457	3,739	1 340	5,981	16,985	33,502
Accumulated depreciation and impairment						
Balance as at December 31, 2011	616	1,605	311	2,466	3,265	8,263
Depreciation	-	520	134	761	448	1,863
Disposals	-	(473)	(29)	(136)	(284)	(922)
Foreign exchange translation	-	(40)	23	(48)	67	2
Balance as at December 31, 2012	616	1,612	439	3,043	3,496	9,206
Depreciation	-	204	43	212	415	874
Disposals	-	-	-	-	1	1
Foreign exchange translation		(96)	(20)	(14)	(58)	(188)
Balance as at March 31, 2013	616	1,720	462	3,241	3,854	9,893
Carrying value						
December 31, 2012	5,041	1,626	856	2,657	13,326	23,506
March 31, 2013	4,841	2,019	878	2,740	13,131	23,609

5. Mineral properties

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

	March 31, 2013	December 31, 2012
	$	$
Platreef property, South Africa	**6,940**	6,940
Kipushi properties, DRC	**252,337**	252,337
	259,277	259,277

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

6. Goodwill

	March 31, 2013	December 31, 2012
	$	$
Goodwill with the acquisition of Kipushi	**67,358**	67,358
	67,358	67,358

The goodwill arose on the acquisition of 68% of the voting shares of Kipushi Corporation SPRL ("Kipushi"), a Zinc-Copper project in the Democratic Republic of Congo, and is carried at cost as established at the date of acquisition less accumulated impairment losses, if any.

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

There has been no impairment on the goodwill to date and no indication that it may be impaired as at March 31, 2013 and December 31, 2012. The reduction in goodwill during the 2012 financial year was as a result of the amendment of the Kipushi purchase agreement.

7. Joint operations

The Company has a 50% interest in Rhenfield Limited, a British Virgin Islands registered company. Rhenfield Limited purchased a building in London, England which the Company uses for office space.

The Company has a 25% interest in the RK1 consortium ("RK1") through its subsidiaries Gardner and Barnard Mining (UK) Limited ("GBUK") and RKR Mining (UK) Ltd. and their subsidiaries, the remainder of which is held 50% by Aquarius Platinum Limited and 25% by Sylvania Resources Limited, operating at the Aquarius Kroondaal platinum mine on the western limb of the Bushveld Complex in South Africa's North West Province. The RK1 Consortium is managed and operated by a subsidiary of Aquarius Platinum Limited and processes PGE bearing tailings dumps and tailing streams of neighbouring chromite mines in the Kroondal area at its chromite tailings retreatment plant.

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

8. Long-term loan receivable

On completion of the purchase agreement for Kipushi on November 28, 2011, certain loans receivable by the seller were ceded to the Company which included the social development loan of up to $30 million. The remaining $20 million was requested and advanced to Gecamines during November 2012. The fair value of the receivable has been estimated by the Company by calculating the present value of the future expected cash flows using a risk free discount rate of 10.6%, which is deemed to be as follows:

	March 31, 2013	December 31, 2012
	$	$
Social development loan	**23,575**	23,024
	23,575	23,024

9. Trade and other receivables

	March 31, 2013	December 31, 2012
	$	$
Trade receivables	**206**	95
Refundable taxes	**2,706**	2,842
Advances	**544**	527
Other	**60**	81
	3,516	3,545

10. Cash and cash equivalents and short term deposits

As at March 31, 2013, the cash and cash equivalents of $216.6 million (December 31, 2012 - $259.8 million) included $116.4 million (December 31, 2012 - $121.3 million) which are subject to contractual restrictions for the Platreef property and were not available for the Company's general corporate purposes. The short-term deposits of $80.0 million (December 31, 2012 - $80.0 million) are subject to the same contractual restrictions.

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

11. Advances payable to Gecamines

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

	March 31, 2013	December 31, 2012
	$	$
Current (a)	**4,747**	4,685
Non-current (b)	**6,691**	6,553
	11,438	11,238

(a) The current portion of the advances payable became payable during the 2012 financial year as per the amended Kipushi purchase agreement.

(b) The non-current portion is to be paid from future profits earned in Kipushi. Using prevailing market interest rate of 9.2%, the fair value of the loan is estimated at $6.7 million, while the contractual amount due is $8.1 million. The difference of $1.4 million between the current carrying value and the contractual amount due is the benefit derived from the low-interest rate loan.

12. Current borrowings

	March 31, 2013	December 31, 2012
	$	$
Citibank loan	**3,607**	3,873
	3,607	3,873

The borrowings of $3.6 million (£2.37 million) was originally a five year mortgage bond, fully repayable in May 2012, secured by the Rhenfield property, that incurs interest at a rate of LIBOR plus 1.2% payable monthly in arrears. During June 2012, the loan facility was extended for three years with an interest rate of LIBOR plus 2.25%, but only for the amount of £2.36 million creating a shortfall of £0.1 million which will be settled over the 12 months following June 2012.

13. Trade and other payables

	March 31, 2013	December 31, 2012
	$	$
Trade payables	**13,614**	14,552
Trade accruals	**8,588**	4,360
Other payables	**1,257**	1,082
	23,459	19,994

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

14. Finance costs

The finance costs of the Company are summarized as follows:

	Three months ended March 31,	
	2013	2012
	$	$
Interest on convertible bonds	**-**	5,224
Interest on Kipushi purchase consideration payable	**-**	1,289
Interest on advances payable to Gecamines (Note 11)	**200**	258
Interest on current borrowings (Note 12)	**23**	29
Other financing costs	**-**	22
	223	6,822

15. Loss per share

The basic loss per share is computed by dividing the loss by the weighted average number of common shares outstanding during the period. The outstanding special warrants are included in the weighted average number of common shares outstanding as there are no restrictions outstanding preventing the special warrants from being exercised. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. All outstanding stock options and share purchase warrants were anti-dilutive for the three months ended March 31, 2013 and 2012.

16. Share capital

(a) Options

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

As at March 31, 2013, 37,035,000 share options have been granted and exercised, and 23,390,000 have been granted and are outstanding.

All share options granted prior to December 31, 2012, vest in five equal stages with the first stage vesting on the date of the grant, and the remainder in four equal annual stages commencing on the first anniversary of the date of the grant. The maximum term of options awarded is five years.

The Company has established a new amended and restated equity incentive plan. Options granted under this plan shall vest in four equal parts, representing 25% of the options, commencing on the one year anniversary of the date of grant and on each of the three anniversaries thereafter. All options granted after December 31, 2012 was granted under the new amended and restated equity incentive plan.

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

16. Share capital (continued)

(a) Options (continued)

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

	March 31, 2013		**December 31, 2012**	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		$		$
Balance, beginning of period	**21,497,000**	**2.21**	36,945,000	1.78
Granted	**2,150,000**	**4.89**	4,725,000	3.00
Exercised	**(250,000)**	**1.60**	(20,080,000)	1.61
Forfeited	**(7,000)**	**2.40**	(93,000)	2.40
Balance, end of period	**23,390,000**	**2.47**	21,497,000	2.21

An expense of $3.2 million for the options granted during the year to date will be amortized over the vesting period, of which $0.3 million was recognized in the three months ending March 31, 2013.

The weighted average grant-date fair value of share options granted during 2013 was $1.50 (2012: $1.60). The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model using the following weighted average assumptions:

	Three months ended	
	March 31, 2013	March 31, 2012
Risk free interest rate	**1.17%**	1.13%
Expected volatility (i)	**71.27%**	93.62%
Expected life	**3.75 years**	5 years
Expected dividends	**$Nil**	$Nil
Forfeiture rate	**1.0%**	1.0%

(i) Expected volatility was based on a historical volatility of a peer group analysis.

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

16. Share capital (continued)

(a) Options (continued)

The following table summarizes information about share options outstanding and exercisable as at March 31, 2013:

	Options outstanding		Options exercisable	
Expiry date	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
		$		$
April 12, 2013	525,000	1.60	525,000	1.60
May 2, 2013	10,000	2.40	10,000	2.40
May 28, 2014	1,100,000	1.33	880,000	1.33
August 12, 2014	1,200,000	1.33	900,000	1.33
November 10, 2014	1,250,000	1.80	1,000,000	1.80
March 1, 2015	200,000	1.80	100,000	1.80
April 8, 2015	750,000	1.80	450,000	1.80
May 28, 2015	625,000	1.80	375,000	1.80
September 9, 2015	3,475,000	1.80	1,925,000	1.80
February 17, 2016	7,380,000	2.40	4,428,000	2.40
February 24, 2017	125,000	3.00	50,000	3.00
March 22, 2017	100,000	3.00	40,000	3.00
April 1, 2017	1,000,000	3.00	200,000	3.00
April 20, 2017	2,500,000	3.00	500,000	3.00
September 1, 2017	1,000,000	3.00	200,000	3.00
January 11, 2018	1,850,000	4.90	-	4.90
February 1, 2018	200,000	4.81	-	4.81
February 6, 2018	100,000	4.90	-	4.90
	23,390,000	2.47	11,583,000	2.05

(b) Warrants

As at March 31, 2013, the Company has 13,941,940 warrants outstanding exercisable into 15,336,133 common shares. Each warrant entitles the holder to purchase 1.1 common shares for every warrant held at the IPO price for a period of two years following the IPO. These warrants became exercisable into common shares on October 23, 2012, the date of the offering, and will expire on October 22, 2014 if not exercised by this date.

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

17. Currency translation reserve

	March 31, 2013	December 31, 2012
	$	$
Balance at the beginning of the period	**(3,356)**	(2,888)
Exchange differences arising on translation of the foreign operations	**(1,552)**	(468)
Balance at the end of the period	**(4,908)**	(3,356)

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

18. Non-controlling interest

	March 31, 2013	December 31, 2012
	$	$
Balance at beginning of the period	**47,465**	69,037
Share of comprehensive loss for the period	**(5,018)**	(13,152)
Common share investment in Kipushi funded on behalf of non-controlling interest	**(32)**	(133)
Non-controlling interest arising on disposal of interest in African Minerals Barbados Limited SPRL	**-**	(8,287)
Balance at end of the period	**42,415**	47,465

On September 11, 2012, the Company disposed of 5% of its interest in African Minerals Barbados Limited SPRL for no consideration, reducing its continuing interest to 95%. An amount of $8.3 million (being the proportionate share of the carrying amount of the net liabilities of African Minerals Barbados Limited SPRL) has been transferred to non-controlling interests. The amount of $8.3 million which is the sum of the non-controlling interests and the consideration received has been debited to accumulated deficit.

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

19. Related party transactions

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

		% equity interest as at	
Name	**Country of Incorporation**	**March 31, 2013**	December 31, 2012
African Minerals (Barbados) Ltd.	Barbados	**100%**	100%
Beales SARL	Luxembourg	**90%**	90%
Beales Finance Limited	Ireland	**100%**	100%
Rhenfield Limited	British Virgin Islands	**50%**	50%
Gabon Holding Company Ltd.	Barbados	**100%**	100%
African Minerals (Barbados) Ltd. SPRL	Democratic Republic of Congo	**95%**	95%
Ivanhoe (Zambia) Ltd.	Zambia	**100%**	100%
African Minerals Holding Company Ltd.	Barbados	**100%**	100%
Ivanhoe DRC Holding Company Ltd.	Barbados	**100%**	100%
Ivanplats DRC Holding Company Ltd.	Barbados	**100%**	100%
Kipushi Corporation SPRL	Democratic Republic of Congo	**68%**	68%
Ivanplats Energy DRC SPRL	Democratic Republic of Congo	**100%**	100%
Ivanplats DRC Exploration SPRL	Democratic Republic of Congo	**100%**	100%
Ivanplats DRC Services SPRL	Democratic Republic of Congo	**100%**	100%
Africa Consolidated Mineral Exploration (Pty) Ltd.	South Africa	**100%**	100%
Platreef Resources (Pty) Ltd.	South Africa	**100%**	100%
Ivanplats SA (Pty) Ltd.	South Africa	**100%**	100%
GB Mining & Exploration (SA) (Pty) Ltd.	South Africa	**100%**	100%
RK Mining (SA) (Pty) Ltd.	South Africa	**100%**	100%
Ivanplats Holding Company (Pty) Ltd.	Australia	**100%**	100%
Ivanhoe (Namibia) (Pty) Ltd.	Namibia	**100%**	100%
RK1 Consortium	South Africa	**25%**	25%
Ivanplats Syerston (Pty) Ltd.	Australia	**100%**	100%
Ivanplats Uranium (Pty) Ltd.	Australia	**100%**	100%
Ivanhoe Gabon SA	Gabon	**100%**	100%
Ivanplats Services (Pty) Ltd.	Australia	**100%**	100%

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

19. Related party transactions (continued)

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

	Three months ended March 31,	
	2013	2012
	$	$
Global Mining Management Corporation (a)	**1,355**	363
Ivanhoe Capital Aviation LLC (b)	**300**	300
Ivanhoe Capital Services Ltd. (c)	**160**	156
I2MS.net PTE LTD (d)	**149**	72
Global Mining Services Ltd. (e)	**106**	103
Ivanhoe Capital Corporation (UK) Limited (f)	**46**	129
Ivanhoe Australia Ltd. (g)	**-**	69
Turquoise Hill Resources Ltd. (h)	**-**	18
HCF International Advisors (i)	**-**	55
	2,116	1,265
Salaries and benefits	**1,463**	734
Office and administration	**317**	82
Travel	**312**	302
Consulting	**24**	147
	2,116	1,265

The above noted transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at March 31, 2013, trade and other payables included \$0.8 million (December 31, 2012: \$1.0 million) with related parties related by way of director or officers in common. These amounts are unsecured and non-interest bearing.

(a) Global Mining Management Corporation ("Global") is a private company based in Vancouver. The Company holds an equity interest in Global, and has each of a director and significant shareholder in common therewith. Global provides administration, accounting and other services to the Company on a cost-recovery basis.

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

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

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

19. Related party transactions (continued)

(d) I2MS.net PTE LTD ("I2MS") is a private company 100% owned by Turquoise Hill Resources Ltd., formerly Ivanhoe Mines Ltd. I2MS provides IT services to the Company on a cost-recovery basis.

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

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

(g) Ivanhoe Australia Ltd. is an Australian-based, ASX listed, resource company which provides consulting and other services to the Company on a cost-recovery basis. Ivanhoe Australia Ltd. had a director in common with the Company until April 19, 2012.

(h) Turquoise Hill Resources Ltd., formerly Ivanhoe Mines Ltd., is a Canadian-based, TSX listed resource company which provides consulting and other services to the Company on a cost-recovery basis. Turquoise Hill Resources Ltd. has a director and a significant shareholder in common with the Company.

(i) HCF International Advisers ("HCF") is a corporate finance adviser specialising in the provision of advisory services to clients worldwide in the metals, mining, steel and related industries. HCF has a director in common with the Company and provides financial advisory services to the Company.

20. Cash flow information

Net change in non-cash working capital items:

	Three months ended March 31,	
	2013	2012
	$	$
Net (increase) decrease in		
Trade and other receivables	**29**	(461)
Prepaid expenses	**(5,795)**	(4,743)
Net (decrease) increase in		
Trade and other payables	**3,466**	13,595
	(2,300)	8,391

21. Financial instruments

(a) *Fair value of financial instruments*

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

Financial instrument	Classification
Financial assets	
Cash and cash equivalents	Loans and receivables
Short-term deposits	Loans and receivables
Trade and other receivables	Loans and receivables
Long-term loan receivable	Loans and receivables
Financial liabilities	
Trade and other payables	Other liabilities
Current borrowings	Other liabilities
Advances to Gecamines	Other liabilities

IAS 32 - "*Financial Instruments: Presentation"*, requires an explanation about how fair value is determined for assets and liabilities measured in the financial statements at fair value and established a hierarchy into which these assets and liabilities must be grouped based on whether inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtain from independent sources, while unobservable inputs reflect the Company's assumptions. The two types of inputs create the following fair value hierarchy:

- Level 1: observable inputs such as quoted prices in active markets;
- Level 2: inputs, other than the quoted market prices in active markets, which are observable, either directly and/or indirectly; and
- Level 3: unobservable inputs for the asset or liability in which little or no market data exists, therefore require an entity to develop its own assumptions.

The Company does not have any assets or liabilities on the statement of financial position which are measured within the fair value hierarchy.

The Company's financial instruments include cash and cash equivalents, short-term deposits, trade and other receivables, long-term loan receivable, current borrowings, advances payable to Gecamines and trade and other payable.

The fair value of the long-term loan receivable and advances payable to Gecamines were determined in accordance with generally accepted pricing models based on a discounted cash flow analysis using a 9.2% discount rate.

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

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

21. Financial instruments (continued)

(b) Financial risk management objectives and policies

The risks associated with the Company's financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Foreign exchange risk

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

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities at the respective statement of financial position dates are as follows:

	March 31, 2013	December 31, 2012
	$	$
Assets		
Canadian dollar	**15,633**	6,700
Australian dollar	**186**	183
South African rand	**15,923**	11,349
British pounds	**122**	78
Liabilities		
Canadian dollar	**(36)**	(105)
Australian dollar	**(42)**	(528)
South African rand	**(1,619)**	(2,411)
British pounds	**(46)**	-

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in the U.S. dollar against the foreign currencies presented. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the period for a 5% change in foreign currency rates. A positive number indicates a decrease in loss for the year where the foreign currencies strengthen against the U.S. dollar. The opposite number will result if the foreign currencies depreciate against the U.S. dollar.

	2013	2012
	$	$
Decrease in loss for the period	**1,506**	763

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

21. Financial instruments (continued)

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

(ii) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with trade and other receivables and cash equivalents as well as long term loan receivables.

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

The long-term loan receivable is due from Gecamines per the Kipushi purchase agreement (Note 8). The repayment of these loans will be made by offsetting against future royalties and dividends.

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

	Less than 1 month	1 to 3 months	3 to 6 months	Over 6 months	**Total**
	$	$	$	$	**$**
As at March 31, 2013					
Trade and other receivables	-	3,516	-	-	**3,516**
Long-term loan receivable	-	-	-	23,575	**23,575**
	-	3,516	-	23,575	**27,091**
As at December 31, 2012					
Trade and other receivables	-	3,545	-	-	**3,545**
Long-term loan receivable	-	-	-	23,024	**23,024**
	-	3,545	-	23,024	**26,569**

(iii) Liquidity risk

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

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

21. Financial instruments (continued)

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

(iii) Liquidity risk (continued)

The following table details the Company's expected remaining contractual maturities for its financial liabilities. The table is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to satisfy the liabilities.

	Less than 1 month	1 to 3 months	3 to 6 months	Over 6 months	**Total undiscounted cash flows**
	$	$	$	$	**$**
As at March 31, 2013					
Trade and other payables	-	23,459	-	-	**23,459**
Current income tax liabilities	246	-	-	-	**246**
Current borrowings	3,607	-	-	-	**3,607**
Advances payable to Gecamines	4,747	-	-	8,109	**12,856**
As at December 31, 2012					
Trade and other payables	-	19,994	-	-	**19,994**
Current income tax liabilities	195	-	-	-	**195**
Current borrowings	3,873	-	-	-	**3,873**
Advances payable to Gecamines	4,685	-	-	7,997	**12,682**

22. Commitments and contingencies

The tax affairs of GB Mining and Exploration SA (Pty) Ltd ("GBSA") and Gardner & Barnard UK Limited ("GBUK") were under investigation by the South African Revenue Authorities. As part of the consent award in the arbitration between the Company and the vendors of GBUK, the vendors of GBUK undertook to pay any tax liabilities as finally determined by a court of competent jurisdiction in South Africa for the period up to June 30, 2006 in respect of GBUK and its subsidiary, GBSA. The total assessment for the taxes prior to June 30, 2006 issued by the South African Receiver of Revenue ("SARS") amounted to R15 million ($1.8 million). The vendors objected to the assessment and appeal was successful for R11 million ($1.3 million), but dismissed for taxes payable of R4 million ($0.5 million). The vendor is planning to appeal the ruling on the R4 million ($0.5 million) in the Supreme Court of Appeal of South Africa.

Due to the size, complexity and nature of the Company's operations, various legal and tax matters arise in the ordinary course of business. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated. In the opinion of management, these matters will not have a material effect on the consolidated financial statements for the Group.

As at March 31, 2013, the Company's commitments that have not been disclosed elsewhere in the condensed consolidated interim financial statements are as follows:

	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years	Total
	$	$	$	$	$
Operating leases	400	910	121	-	1,431
Advancement of interest free loan	4,224	-	-	-	4,224
	4,624	910	121	-	5,655

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

23. Segmented information

At March 31, 2012, the Company has three reportable operating segments, being Platreef properties, DRC properties and Kipushi.

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

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

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

The operating segments are principally engaged in the exploration and development of mineral properties in the Limpopo Province of South Africa, the Democratic Republic of Congo ("DRC") and the restoration of a mine in the DRC respectively.

The following is an analysis of the non-current assets by geographical area and reconciled to the Company financial statements:

	South Africa	DRC	Other	Total
	$	$	$	$
Non-current assets				
As at March 31, 2013	12,764	352,758	8,862	374,384
As at December 31, 2012	13,427	351,501	8,741	373,669

(Stated in U.S. dollars unless otherwise noted; tabular amounts in thousands)

23. Segmented information (continued)

	Platreef Properties	Kamoa properties	Kipushi	Unallocated *(i)*	Consolidated total
	$	$	$	$	$
Segment assets					
As at March 31, 2013	**211,625**	**8,405**	**355,347**	**114,571**	**689,948**
As at December 31, 2012	216,543	6,846	351,273	152,020	726,682
Segment liabilities					
As at March 31, 2013	**1,974**	**8,407**	**97,913**	**8,239**	**116,533**
As at December 31, 2012	1,460	8,618	93,578	9,427	113,083
Segment losses					
Three months ended March 31, 2013	**4,997**	**14,449**	**11,307**	**10,005**	**40,758**
Three months ended March 31, 2012	12,351	17,469	4,014	9,384	43,218
Capital expenditures					
Three months ended March 31, 2013	**473**	**627**	**534**	**209**	**1,843**
Three months ended March 31, 2012	153	18	1	78	250
Exploration and project expenditure					
Three months ended March 31, 2013	**3,515**	**13,120**	**11,201**	**4,295**	**32,131**
Three months ended March 31, 2012	11,779	16,852	3,888	568	33,087
Interest income					
Three months ended March 31, 2013	**69**	**-**	**583**	**202**	**854**
Three months ended March 31, 2012	559	-	223	53	835
Finance costs					
Three months ended March 31, 2013	**-**	**-**	**200**	**23**	**223**
Three months ended March 31, 2012	22	-	1,547	5,253	6 822
Depreciation					
Three months ended March 31, 2013	**101**	**301**	**281**	**191**	**874**
Three months ended March 31, 2012	62	265	-	101	428

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

24. Approval of the financial statements

The condensed consolidated interim financial statements of Ivanplats Limited, for the three months ended March 31, 2013 were approved and authorized for issue by the Board of Directors on May 8, 2013.

Ivanplats

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED
MARCH 31, 2013

DATED: MAY 8, 2013

INTRODUCTION

This management's discussion and analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements of Ivanplats Limited ("Ivanplats" or the "Company") for the three months ended March 31, 2013, which have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") and the audited consolidated financial statements of Ivanplats for the years ended December 31, 2012, 2011 and 2010, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures stated herein are in U.S. dollars, unless otherwise specified.

The effective date of this MD&A is ***May 8, 2013***. Additional information relating to the Company is available on SEDAR. Certain statements contained in the MD&A are forward-looking statements that involve risks and uncertainties. See "*Forward-Looking Statements*" and "*Risk Factors*".

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws, including without limitation, the timing and results of: (i) an updated PEA at the Kamoa Project; (ii) a pre-feasibility study at the Kamoa Project; (iii) a mining right application and a bulk sample application at the Platreef Project; (iv) the creation of a BBBEE program for the Platreef Project; (v) a PEA and pre-feasibility study at the Platreef Project; (vi) efforts to upgrade historical resource estimates at the Kipushi Project; and (vii) the de-watering program at the Kipushi Project. Such statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, 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 MD&A.

This MD&A also contains references to estimates of Mineral Resources. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. 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 may ultimately prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on: (i) fluctuations in copper, nickel, platinum group elements ("PGE"), gold, zinc 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 (vi) the possible failure to receive required permits, approvals and licenses.

Forward-looking statements 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, including, but not limited to, the factors discussed below and under "Risk Factors", as well as unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts with the Company to perform as agreed; social or labour unrest; changes in commodity prices; and the failure of exploration programs or studies to deliver anticipated results or results that would justify and support continued exploration, studies, development or operations.

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

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the factors set forth below in the "Risk Factors" section beginning on page 26 and elsewhere in this MD&A.

REVIEW OF OPERATIONS

The Company is a mineral exploration and development company. The Company's financial performance is primarily affected by ongoing exploration and development activities being conducted at its three material properties. The Company has no producing properties and does not have operating revenues, subject to any amounts it may earn from its investment in the RK1 Consortium, which are not material to its operations. The Company expects to fund all of its exploration and development activities through debt and equity financing until operating revenues commence. The Company's material properties consist of:

- Kamoa, the Company's 2008 world-scale copper discovery in a previously unknown extension of the Central African Copperbelt in the DRC. (See "*Kamoa Project*".)

- Platreef, a discovery of platinum-group elements, nickel, copper and gold on the Northern Limb of South Africa's Bushveld Complex, which contains the Flatreef Deposit. Discovered in 2010, Flatreef is a zone of high-grade mineralization that lies within a flat, to gently dipping, portion of the Platreef and potentially is amenable to highly mechanized underground mining methods. (See "*Platreef Project*".)

- Kipushi, the historic, high-grade zinc-copper mine, also on the Copperbelt in the DRC, acquired in 2011 and now being dewatered and upgraded to support a future return to production of copper, zinc and other metals following the end of an 18-year care-and-maintenance program in 2011. (See "*Kipushi Project*".)

In addition, Ivanplats holds ~9,000 square kilometres of prospecting licences in Katanga, DRC, within which the company has advanced more than 15 prospects to drill-ready status for the upcoming 2013 field season. Ivanplats also is preparing to drill at least two lode gold prospects on its exploration licences in Gabon.

Ivanplats continues to evaluate other opportunities as part of its objective to become a broadly based, international mining company.

Kamoa Project

Kamoa is world's largest undeveloped high-grade copper discovery

The Kamoa Project is a newly discovered, very large, stratiform copper deposit with adjacent prospective exploration areas within the Central African Copperbelt, approximately 25 kilometres west of the town of Kolwezi and about 270 kilometres west of the Katangan provincial capital of Lubumbashi. Ivanplats holds its 95% interest in the Kamoa Project through a subsidiary company, African Minerals Barbados Limited SPRL (AMBL). A 5%, non-dilutable interest in AMBL was transferred to the DRC government on September 11, 2012, for no consideration, pursuant to the DRC Mining Code. Ivanplats also has offered to sell an additional 15% interest to the DRC government on commercial terms to be negotiated.

Kamoa is the world's largest undeveloped, high-grade copper deposit; it also is one of the world's largest undeveloped copper deposits. On January 17, 2013, an updated mineral resource was announced that increased Kamoa's Indicated Mineral Resources to a total of 739 million tonnes grading 2.67% copper and containing 43.5 billion pounds of copper. This was an increase of 115% over the previous September 2011 estimate of 348 million tonnes grading 2.64% copper and containing 20.2 billion pounds of copper. Both estimates used a 1% copper cut-off grade and a minimum vertical mining thickness of three metres.

In addition to the Indicated Mineral Resources, the new estimate included Inferred Mineral Resources of 227 million tonnes grading 1.96% copper and containing 9.8 billion pounds of copper, also at a 1% copper cut-off grade and a minimum vertical mining thickness of three metres.

The latest Kamoa resource estimate was prepared by AMEC, based on core from 555 holes drilled to December 10, 2012, in accordance with CIM Guidelines and under the direction of AMEC's Technical Director Dr. Harry Parker.

At a higher, 2% copper cut-off grade, Kamoa's Indicated Resources now total 550 million tonnes grading 3.04% copper and containing 36.9 billion pounds of copper. At the 2% cut-off, Kamoa also has 93 million tonnes of Inferred Resources grading 2.64% copper, which contains an estimated 5.4 billion pounds of copper.

The current base-case, 5.0-million-tonne-per-annum mine plan estimates the production of an average of 143,000 tonnes of copper per year in the first 10 years. The mine plan represents a preliminary economic assessment. It is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral Resources are not mineral reserves and do not have demonstrated economic viability.

Mining rates of up to 20 million tonnes a year seen possible

In August 2012, the DRC government granted mining licences for the Kamoa Project that cover a total of 400 square kilometres. The licences are valid for 30 years and can be renewed at 15-year intervals.

The new resource model will form the basis of an updated preliminary economic assessment (PEA) due for completion in 2013. Several throughput scenarios are being modelled and the optimal case will form the basis of the updated PEA. Given the Kamoa Project's significant estimated Mineral Resource tonnage and its large lateral extent, potential mining rates of up to 20 million tonnes per annum may be possible through operating in multiple mining areas and a series of production expansions to maximize extraction capacity.

Metallurgical testwork is ongoing at XPS in Sudbury, Canada. Copper recoveries for most of the various ore types tested range from 80% to 90%, with the major ore type producing recoveries of 87%. Concentrate compositions from the various ore types are suitable for smelting.

Studies are underway to finalize all engineering and commercial aspects for the upgrading of the Koni and Mwadingusha hydroelectric power stations. These studies are expected to be completed in Q4 2013. Discussions are ongoing with the DRC government to secure further hydroelectric power for the Kamoa Project. In addition, Ivanplats and La Société Nationale d'Électricité (SNEL), the DRC's state-owned power company, signed a Memorandum of Understanding on April 10, 2013, for the refurbishment of a third existing power plant - Nzilo.

Drilling during Q1 2013 focused on programs related to pre-feasibility studies, including civil geotechnical and condemnation drilling for mine infrastructure, hydro-geological pump testing, resource infill drilling in Kamoa Ouest and Kansoko Centrale and metallurgical drilling for the variability program. A total of 8,698 metres were drilled during the quarter, including 7,750 metres of infill drilling in both Kamoa Ouest and Makalu. These holes were drilled to study variability in the mineral resource and were sampled for the Phase 4 metallurgical studies.

Additional studies are underway to further advance the geotechnical, engineering and metallurgical understanding of Kamoa in support of a pre-feasibility study, including work on the mine, smelter and concentrator. Further hydrological drilling and testing will begin in the second half of 2013 to improve the Kamoa Project's hydrological models.

Platreef Project

New independent estimate boosts resources at Flatreef Deposit

The Platreef Project, in South Africa's Limpopo province, is 90%-owned by Ivanplats and 10%-owned by a Japanese consortium of Itochu Corporation, Japan Oil, Gas and Metals National Corporation (JOGMEC) and JGC Corporation. The Japanese consortium's 10% interest in the Platreef Project was acquired in two tranches for a total investment of $290 million.

The Platreef Project includes the recently discovered underground Flatreef Deposit of thick, platinum-group elements (PGE), nickel and copper mineralization in the Northern Limb of the Bushveld Complex, approximately 280 kilometres northeast of Johannesburg.

In the Northern Limb, such mineralization primarily is hosted within the Platreef, a mineralized sequence that is traced more than 30 kilometres along strike. Ivanplats' Platreef Project within the southern sector of the Platreef is comprised of three contiguous properties: Turfspruit, Macalacaskop and Rietfontein. The northernmost property, Turfspruit, is contiguous with, and along strike from, Anglo Platinum's Mogalakwena group of properties and mining operations.

Since 2007, Ivanplats has focused its exploration activities on defining and advancing the down-dip extension of its original Platreef discovery, now known as the Flatreef Deposit, that potentially is amenable to underground mining methods. This area lies entirely on the Turfspruit and Macalacaskop properties.

In March 2013, Ivanplats received a new independent Technical Report in support of its February 6, 2013, news release that outlined a major expansion and upgrade of the previously declared underground mineral resources for the Flatreef Deposit. The Technical Report was prepared by AMEC E&C Services of Reno, Nevada, in accordance with CIM Definition Standards and Best-Practice Guidelines and National Instrument 43-101 standards, under the direction of AMEC Technical Director Dr. Parker.

At a 2.0-gram-per-tonne (g/t) 4PE cut-off grade, AMEC estimated that the Flatreef Deposit contains Indicated Mineral Resources of 214 million tonnes grading 4.1 g/t platinum, palladium, gold and rhodium (4PE), 0.34% nickel and 0.17% copper, containing an estimated 28.5 million ounces of platinum, palladium, gold and rhodium, 1.61 billion pounds of nickel and 794 million pounds of copper. At the same cut-off of 2.0 g/t 4PE, Inferred Mineral Resources total 415 million tonnes grading 3.5 g/t 4PE, 0.33% nickel and 0.16% copper, containing an estimated additional 47.2 million ounces of platinum, palladium, gold and rhodium, 3.0 billion pounds of nickel and 1.5 billion pounds of copper.

The resources estimate was based on results from 399 UMT-series drill holes and 34 re-logged drill-holes from the open-pit drilling program.

At a higher cut-off grade of 3.0 g/t 4PE, Flatreef is estimated to contain Indicated Mineral Resources totalling 137 million tonnes grading 5.09 g/t 4PE, 0.38% nickel and 0.19% copper, containing an estimated 22.4 million ounces of platinum, palladium, gold and rhodium, 1.13 billion pounds of nickel and 558 million pounds of copper. At the same cut-off of 3 g/t 4PE, Inferred Mineral Resources total 211 million tonnes grading 4.6 g/t 4PE, 0.38% nickel and 0.18% copper, containing an estimated, additional 31.4 million ounces of platinum, palladium, gold and rhodium, 1.76 billion pounds of nickel and 855 million pounds of copper.

The updated resources contained in the Technical Report are shown in full in Table 1.

Table1: Mineral Resource Statement for Mineral Resources amenable to Selective Mining Methods; Effective Date March 13, 2013, Harry M. Parker, RM.SME, and Timothy O. Kuhl, RM.SME.

Indicated Mineral Resources								
Tonnage and Grades								
Cutoff 4PE	**Mt**	**Pt (g/t)**	**Pd (g/t)**	**Au (g/t)**	**Rh (g/t)**	**4PE (g/t)**	**Ni (%)**	**Cu (%)**
3 g/t	137.0	2.273	2.314	0.347	0.153	5.086	0.375	0.185
2 g/t	214.4	1.830	1.886	0.290	0.124	4.129	0.341	0.168
1 g/t	387.0	1.275	1.339	0.214	0.087	2.916	0.282	0.139
Contained Metal								
Cutoff 4PE		**Pt (Moz)**	**Pd (Moz)**	**Au (Moz)**	**Rh (Moz)**	**4PE (Moz)**	**Ni (Mlbs)**	**Cu (Mlbs)**
3 g/t		10.0	10.2	1.5	0.7	22.4	1,133.4	558.4
2 g/t		12.6	13.0	2.0	0.9	28.5	1,610.3	794.2
1 g/t		15.9	16.7	2.7	1.1	36.3	2,408.4	1,189.3
Inferred Mineral Resources								
Tonnage and Grades								
Cutoff 4PE	**Mt**	**Pt (g/t)**	**Pd (g/t)**	**Au (g/t)**	**Rh (g/t)**	**4PE (g/t)**	**Ni (%)**	**Cu (%)**
3 g/t	211.4	2.085	2.063	0.336	0.143	4.627	0.378	0.183
2 g/t	415.0	1.565	1.592	0.268	0.108	3.534	0.331	0.163
1 g/t	1054.8	0.960	1.018	0.175	0.068	2.221	0.254	0.130
Contained Metal								
Cutoff 4PE		**Pt (Moz)**	**Pd (Moz)**	**Au (Moz)**	**Rh (Moz)**	**4PE (Moz)**	**Ni (Mlbs)**	**Cu (Mlbs)**
3 g/t		14.2	14.0	2.3	1.0	31.4	1,763.6	855.2
2 g/t		20.9	21.2	3.6	1.4	47.2	3,030.7	1,488.6
1 g/t		32.6	34.5	5.9	2.3	75.3	5,916.7	3,022.2

(1) Mineral Resources estimated assuming underground selective mining methods are exclusive of the Mineral Resources estimated assuming mass mining methods. The 2 g/t 4PE cut-off is considered the base case for scoping studies in progress; the 3 g/t 4PE cut-off is also being considered.

(2) Mineral Resources are reported on a 100% basis.

(3) Mineral Resources are stated from approximately -200 m to 650 m elevation.

(4) Assumed commodity prices are Ni: $8.81/lb, Cu: $2.73/lb, Pt: $1,699/oz, Pd: $667/oz, Au: $1,315/oz, and Rh: $2,065/oz. It has been assumed that payable metals would be 82% from smelter/refinery and that mining costs (average $40/t) and process, G&A, and concentrate transport costs (average $12.5/t for a 3 Mt/a operation) would be covered. The process recoveries vary with block grade but typically would be 85-90% for Pt, Pd and Rh; 65% for Au; 60% for Ni and 80% for Cu.

The Flatreef Deposit is characterized by its very large vertical thicknesses of high-grade mineralization. The grade shells used to constrain mineralization in the indicated resource area have average true thicknesses of approximately 24 metres at a 2 g/t 3PE (platinum-palladium-gold) cut-off grade, with an equivalent average resource grade of 4.1 g/t 4PE for a grade-thickness of 98 grams-metre per tonne and an average true thickness of approximately 17 metres at a 3 g/t 3PE cut-off grade with an equivalent average resource grade of 5.1 g/t 4PE for a grade-thickness of 51 grams-metre per tonne. In contrast, most of the world's platinum production comes from the Bushveld's Merensky and Upper Group 2 reefs, which average 4.0 to 10.0 g/t 4PE but have narrow thicknesses that average 0.4 to 1.5 metres, for a grade-thickness range of <5 to 15 grams-metre per tonne of PGE.

Ivanplats is focusing its Platreef Project development work on the Mineral Resources contained in the Flatreef Deposit. Given the thickness of the Flatreef's mineralization, the Company is investigating mining scenarios that concentrate on highly mechanized mining methods.

Mining Right Application being prepared for application in Q2 2013

Operations at the Platreef Project during Q1 2013 and to date in Q2 2013 primarily have focused on the generation and compilation of the Mining Right Application (MRA). The MRA is comprised of a number of different reports, including a Mine Works Program, a Social and Labour Plan and the broad-based black economic empowerment (BBBEE) structure. Ivanplats expects to submit its MRA to the Department of Mineral Resources (DMR) during Q2 2013. A Bulk Sample Application, in which Ivanplats proposes to construct an exploration shaft on the property and take a bulk sample from the Flatreef Deposit, was filed in September 2012 and is awaiting approval.

As part of the preparation of its MRA filing, Ivanplats is working with its advisers and regulatory authorities to ensure that it meets South African ownership requirements prescribed by the Mining Charter. Ivanplats is committed to the highest standards of community engagement and participation and intends to fashion the Platreef Project ownership in line with a BBBEE model, with the major beneficiaries being local communities, employees and a trust for women and children.

The purpose of the Social and Labour Plan is to address skills training and sustainable local economic development projects. Community liaison offices have been opened in five of the eight directly affected communities to provide information and establish direct communications with residents interested in the Company's development plans. The offices also will be used to continue with the skills and business survey, which was commenced last year. Survey data will be recorded to assist the with the planning of future training and development initiatives. A stakeholder engagement forum was established during Q1 2013 involving various independent community groups. The forum has met twice, improving transparency within the greater community. Training and development plans outlined in the Social and Labour Plan will commence in due course and will focus primarily on Ivanplats staff until the Mining Right is granted.

Ivanplats received a Section 93 directive from the DMR during Q4 2012, that halted exploration activity, including drilling, at the Platreef Project site until the project's current community compensation agreements are ratified by the Department of Rural Development and Land Reform (DRDLR). The DRDLR now has issued a compliance letter to the DMR, indicating the validity of the project's compensation agreements, and the DMR is reviewing Ivanplats' request that it be permitted to resume exploration.

Results from recent metallurgical testwork by Mintek have indicated that 4PE recoveries of 85.2% and nickel recoveries of 73.6% are achievable at saleable concentrate grades of 119.2 g/t 4E PGM and 10.8% nickel. The concentrate is suitable for flash smelting using the Outotec DON process as well as roasting followed by conventional electric furnace smelting and converting.

Ivanplats is preparing a preliminary economic assessment, based on the recently updated Mineral Resource statement, which it expects to release by Q3 2013. Talks are underway with two potential shaft-sinking contractors in anticipation of the approval of the Platreef Bulk Sample Application. A contract has been signed with DRA Mineral Projects (Pty.) Ltd. of South Africa, to conduct the Pre-Feasibility Study planned for completion during Q1 2014.

Exploration discovers Flatreef extension

During 2012, Ivanplats completed an airborne geophysical survey over the Platreef Project to identify possible extensions of the Flatreef Discovery. Proprietary geophysical modelling of the survey results appears to have identified a significant southward extension of the Flatreef.

The southwest extension target area was tested with three initial diamond-drill holes. All three holes intersected PGE-nickel-copper mineralization typical of the Flatreef at the predicted depths of between 668 metres and 815 metres below surface, extending the area of Flatreef mineralization and confirming the effectiveness of the Company's geophysical modelling.

The results of this program were released in November 2012. AMEC used the drilling results to estimate the potential tonnage and grade of an exploration target for this new area (Target 1) and determined it could contain 31 to 62 million tonnes grading 3.36 to 5.03 g/t 4PE, 0.26% to 0.38% nickel and 0.13% to 0.19% copper over an area of 2.5 square kilometres, outside the currently stated resources.

In addition, AMEC restated a previous exploration target to the southwest of Zone 1. This Target 2 contains an estimated additional 50 to 220 million tonnes grading 2.9 to 4.1 g/t 4PE, 0.24% to 0.32% nickel and 0.12% to 0.16% copper over an area of 7.6 square kilometres.

The two exploration targets are conceptual in nature and there has not been sufficient exploration to define the targets as Mineral Resources. It is uncertain if further exploration will result in these exploration targets being delineated as Mineral Resources.

Kipushi Project

Drilling planned to establish resources in unmined Big Zinc Zone

The Kipushi Project, also located in the DRC's Katanga province, southeast of the Company's Kamoa Discovery, is adjacent to the town of Kipushi and approximately 30 kilometres southwest of the provincial capital of Lubumbashi. Ivanplats acquired its 68% interest in the Kipushi Project in November 2011; the balance of 32% is held by Gécamines, the DRC's state-owned mining company.

The Kipushi Project hosts a historical high-grade, underground zinc-copper mine in the Central African Copperbelt, which produced approximately 60 million tonnes grading 11% zinc and 7% copper between 1924 and 1993. The mine also produced 12,673 tonnes of lead and approximately 278 tonnes of germanium between 1956 and 1978. Most of these metals were mined from the Kipushi Fault Zone. The mine was managed on a care-and-maintenance program between 1993 and 2011.

The Big Zinc Zone, discovered by Gécamines prior to 1993 in the footwall of the Kipushi Fault Zone, remains unmined. Historical estimates of the Big Zinc's resources between the mine's 1,295- and 1,500-metre levels total 4.7 million tonnes averaging 39% zinc and 0.76% copper. Several exploration holes confirmed the continuation of the Big Zinc Zone below the 1,640-metre level. Estimates of Kipushi's historical resources above the 1,500-metre level total approximately 17 million tonnes, averaging 16.7% zinc and 2.3% copper, which include the Big Zinc's historical resources.

A Qualified Person has not done sufficient work to classify the historical estimates as current Mineral Resources and Ivanplats is not treating such estimates as current Mineral Resources. The historical resources noted above are derived from an estimate prepared by Techpro Mining and Metallurgy in 1997 and are presented at an Indicated level. A discussion of the material assumptions, parameters and methods relating to the historical resource estimate, as well as a discussion of relevance, reliability and other information regarding the estimate, is included in the Kipushi Technical Report, dated September 2012 and prepared by IMC Group Consulting Ltd., which is available at www.sedar.com.

Ivanplats intends to conduct an underground drilling program at Kipushi aimed at confirming and expanding the Big Zinc Zone and extensions to the historically mined Kipushi Fault Zone and bringing the historical resources to National Instrument 43-101 standards.

Pumping capacity being expanded to advance dewatering

Dewatering of the existing mine workings is continuing. The water level was approximately 978 metres below surface at the end of Q1 2013. Corroded sections of steelwork and equipment are being replaced as the water level recedes. New flight pumps installed in April 2013 raised the pumping rate to 2,700 cubic metres per day and additional pumping capacity is currently being installed to further increase the pumping rate to a planned 3,400 cubic metres per day.

Measures are being taken to improve the delivery of materials to the site. Agreements are in place to supply additional electrical power and emergency generating sets on site have been restored to operation to help provide back up. An environmental baseline study has been completed and the final report is being prepared by a third-party consultant.

Geological relogging of existing drill cores on the Big Zinc Zone is complete and modelling is underway. Ongoing relogging of drill cores through the Kipushi Fault Zone is expected to be completed in Q2 2013.

Samples for metallurgical testwork have been collected from the existing drill core from the Big Zinc Zone. Comminution and flotation testwork has been initiated; initial flotation results are promising.

Regional Exploration

Democratic Republic of Congo

During Q1 2013, Ivanplats' Regional Exploration Group completed an assessment of its 2012 activities, and began planning for the 2013 field season. More than 15 prospects are at drill stage, and will be prioritized for drilling this year. Highlights include: (i) Nzilo, which hosts broad zones of Kamoa-style copper mineralization and remains untested along strike; (ii) Kengere, which has not been evaluated since 2006 when several holes intersected high-grade Kipushi-style zinc mineralization; and (iii) Mulomba East where 2012 drilling intersected multiple zones of copper mineralization associated with carbonate veins and albite alteration, with strong analogies to the Kansanshi Mine in northern Zambia.

Gabon

Ivanplats holds two exploration permits within poorly explored greenstone belts in Gabon. These permits cover untested gold-in-soil anomalies adjacent to extensive placer gold workings. During Q1 2013, reports were received for the 2012 season and plans drawn up for up to 3,000 metres of diamond drilling, primarily at Ndangui. Drilling is scheduled to begin in June.

Management and Board changes

In January, Ivanplats appointed Steve Garcia as Executive Vice President and Chief Development Officer. Mr. Garcia will lead the development of the Company's three principal projects: the Platreef platinum-palladium-gold-nickel-copper project in South Africa and the Kamoa copper and Kipushi zinc-copper projects in the Democratic Republic of Congo. Mr. Garcia, who has more than 30 years of experience in large-scale mine construction and operations, is based in Johannesburg. He is working closely with Mike Gray - who joined Ivanplats in 2012 as Chief Operating Officer - on the design, engineering and development of Ivanplats' principal projects.

The roster of executive appointments in January also included (i) Andre Zeelie as Project Manager overseeing the rehabilitation of the Kipushi Mine; (ii) Gopolang Enoch Makokwe as Vice President of Business Sustainability responsible for the implementation of socio-economic programs and initiatives in communities affected by Ivanplats' mine development projects; and (iii) Jeremy Michaels as Vice President of Communications and Public Affairs with a focus on enhancing stakeholder engagement at Ivanplats' projects in South Africa, the DRC and Gabon.

In May, Ivanplats added to its mine-building team with the hiring of Brock Gill as Managing Director of the Kamoa Project and Vice President of DRC Operations. Mr. Gill recently was Deputy Director of Mongolia-based Oyu Tolgoi LLC, where he worked closely with Mr. Garcia for seven years overseeing construction of the Oyu Tolgoi Copper-Gold-Silver Mine. As Managing Director for the Kamoa Project, Mr. Gill will oversee all aspects of the Kamoa Project and prepare for a sustainable operation beyond development. As Vice President of DRC Operations, he will coordinate Ivanplats' activities in the DRC, which now include a shared services company, the Kamoa and Kipushi Projects, as well as regional exploration. Mr. Gill's appointment will be effective June 1, 2013.

Also in May, South African business leader Cyril Ramaphosa resigned from Ivanplats Board of Directors after more than a decade of service. This is in line with his decision to review his business interests following his election as Deputy President of South Africa's ruling party, the African National Congress, in December 2012.

"Mr. Ramaphosa joined the Ivanplats board in 2002 when we were honing our focus on exploration prospects in South Africa and the Democratic Republic of Congo," said Ivanplats Executive Chairman Robert Friedland. "On behalf of Ivanplats' fellow Directors and management team, I am honoured to thank Mr. Ramaphosa for his informed insights and counsel during our company-building years as a highly successful explorer in some of Africa's major mineral districts. His guiding contributions have helped usher Ivanplats into a position where it is now planning world-scale mine developments that will play an important role in the emergence of a new era of economic growth in Sub-Saharan Africa and, in the process, deliver skilled jobs and major benefits to communities and other stakeholders," Mr. Friedland said Mr. Ramaphosa would be missed, professionally and personally. "He departs with our Board's gratitude and best wishes for his future endeavours."

SELECTED QUARTERLY INFORMATION

The following table summarizes selected financial information for the prior eight (8) quarters. Other than its share of revenue from the RK1 Consortium, the Company had no operating revenue in any financial reporting period and did not declare or pay any dividend or distribution in any financial reporting period.

	3 Months ended			
	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
	$'000	$'000	$'000	$'000
Exploration and project expenditure	32,131	31,314	29,368	34,666
General administrative expenditure	9,218	9,887	5,586	8,286
Finance costs	223	2,069	8,653	9,025
Total comprehensive loss attributable to:				
Owners of the Company	37,867	37,949	38,368	51,514
Non-controlling interest	4,523	4,771	3,315	2,746
Loss per share (basic and diluted)	0.07	0.07	0.09	0.12

	3 Months ended			
	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011
	$'000	$'000	$'000	$'000
Exploration and project expenditure	33,087	29,921	29,304	21,439
General administrative expenditure	4,180	9,964	4,766	4,548
Finance costs	6,822	4,518	42	-
Total comprehensive loss attributable to:				
Owners of the Company	38,654	40,548	34,568	25,714
Non-controlling interest	2,321	1,969	1,696	462
Loss per share (basic and diluted)	0.10	0.10	0.08	0.06

Review of the Three Months Ended March 31, 2013 vs. 2012

The Company's total comprehensive loss for Q1 2013 was $1.4 million higher than for the same period in 2012. The increase was attributable mainly to the increase in general administrative expenditure of $5.0 million. This was the result of an increase in salaries and benefits of $1.6 million, an increase in share-based payments of $1.0 million and an increase in office and administration expenditure of $0.6 million.

Salaries and benefits were impacted by the increase in executive and administrative staff during the past year which also resulted in an increase in general administrative expenditure. Share-based payments increased due to the 6,650,000 options granted during the 12 months preceding March 31, 2013, compared to the 225,000 options granted during the 12 months preceding March 31, 2012.

Exploration and project expenditures decreased by $1.0 million. Expenditure on the Kamoa and Platreef projects decreased by $3.7 million and $8.3 million respectively, which was partially set off by the increase in expenditure of $7.3 million at the Kipushi Project following its acquisition in 2011. There was also an increase in expenditure on regional exploration in Q1 2013 when compared to the same period in 2012. The main classes of expenditure on the Company's material projects are set out in the following table:

	Three months ended March 31, 2013 $'000	Three months ended March 31, 2012 $'000
Kamoa Project		
Drilling	3,222	10,322
Studies	2,788	1,061
Salaries and benefits	2,616	2,470
Travel	798	449
Total project expenditure	13,120	16,852
Platreef Project		
Community and social responsibility	900	144
Drilling	892	8,072
Salaries and benefits	819	1,052
Studies	232	1,411
Assaying and sampling	44	291
Total project expenditure	3,515	11,779
Kipushi Project		
Contracting work	4,561	1,196
Electricity	2,791	916
Equipment rental	1,467	1,002
Travel	469	184
Total project expenditure	11,201	3,888

Finance costs decreased by $6.6 million due to the conversion of the IPO bonds into Common Shares, on October 23, 2012, as a result, and upon completion of the initial public offering (IPO), as well as the settlement of the Kipushi purchase consideration in full during 2012.

The Company's total assets decreased to $689.9 million as at March 31, 2013, from $726.7 million as at December 31, 2012. This was mainly due to a decrease in cash and cash equivalents of $43.2 million.

The Company utilized $39.9 million of its cash resources in its operations and earned interest income of $0.3 million on cash balances. $1.8 million was spent to acquire property, plant and equipment.

The Company's total liabilities increased from $113.1 million as at December 31, 2012, to $116.5 million as at March 31, 2013. This was due to an increase in trade and other payables of $3.5 million.

LIQUIDITY

The Company's sole source of funding prior to its IPO had been the issuance of equity securities and the Pre-IPO Bonds, for cash, primarily through private placements to sophisticated investors and institutions. The Company has issued equity securities in each of the past few years pursuant to private placement financings and on the exercise of warrants and options.

The Company had $216.6 million in cash and cash equivalents and $80.0 million in short-term deposits as at March 31, 2013. Certain of the Company's cash and cash equivalents and short-term deposits, having an aggregate value of $196.4 million, are subject to contractual restrictions as to their use. Based on current planned work programs, these restricted funds should be sufficient to advance the Platreef Project to 2014. With the closing of its initial public offering, the Company believes it has sufficient resources to cover its short- to medium-term cash requirements. However, the Company's access to financing is always uncertain and there can be no assurance that additional funding will be available to the Company in the future.

As at March 31, 2013, the Company had consolidated working capital of approximately $283.5 million, compared to $324.3 million at December 31, 2012. The Platreef Project working capital is restricted and amounted to $198.6 million at March 31, 2013, and $204.2 million at December 31, 2012. Excluding the Platreef working capital, the resultant working capital is $84.9 million at March 31, 2013, and $120.1 at December 31, 2012.

The Company has a three-year mortgage bond outstanding on its office in London, United Kingdom, of £2.4 million ($3.6 million) that is fully repayable during May 2015, secured by the property, that incurs interest at a rate of LIBOR plus 2.25% payable monthly in arrears.

The Company signed an agreement with SNEL, by which the parties agreed to rehabilitate two existing hydropower plants. The cost for the rehabilitation is expected to be financed by the Company through an interest free loan to SNEL. Pursuant to an initial agreement, $4.5 million of the cost of the initial studies will be financed by the Company through an interest free loan to SNEL. The loans will be repaid by SNEL through a deduction from the Company's monthly power bills incurred.

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, 2013	**Total $'000**	**Less than 1 year $'000**	**1-3 years $'000**	**4-5 years $'000**	**After 5 years $'000**
Debt	3,607	3,607	-	-	-
Operating Leases	1,431	400	910	121	-
Advancement of interest free loan	4,224	4,224	-	-	-
Other Obligations	12,856	4,747	-	-	8,109
Total Contractual Obligations	**22,118**	**12,978**	**910**	**121**	**8,109**

CAPITAL RESOURCES

As at May 8, 2013, the Company's capital structure consists of Common Shares, Class B Common Shares, Preferred Shares, warrants and options. The Company's objectives are to safeguard its ability to continue as a going concern to pursue the development of its projects and other opportunities and to maintain a flexible capital structure that optimizes the cost of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets, or rebalance its holdings of cash and cash equivalents. To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including capital deployment, results from the exploration and development of its properties and general industry conditions. The annual and updated budgets are approved by the board of directors (the “Board”).

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements for the periods under review.

TRANSACTIONS WITH RELATED PARTIES

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

	Three months ended March 31,	
	2013	2012
	$'000	$'000
Global Mining Management Corporation (a)	**1,355**	363
Ivanhoe Capital Aviation LLC (b)	**300**	300
Ivanhoe Capital Services Ltd. (c)	**160**	156
I2MS.net PTE LTD (d)	**149**	72
Global Mining Services Ltd. (e)	**106**	103
Ivanhoe Capital Corporation (UK) Limited (f)	**46**	129
Ivanhoe Australia Ltd. (g)	**-**	69
Turquoise Hill Resources Ltd. (h)	**-**	18
HCF International Advisors (i)	**-**	55
	2,116	1,265
Salaries and benefits	**1,463**	734
Office and administration	**317**	82
Travel	**312**	302
Consulting	**24**	147
	2,116	1,265

The above noted transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at March 31, 2013, trade and other payables included $0.8 million (December 31, 2012: $1.0 million) with related parties related by way of director or significant shareholders in common. These amounts are unsecured and non-interest bearing.

(a) Global Mining Management Corporation (“Global”) is a private company based in Vancouver. The Company holds an equity interest in Global, and has each of a director and significant shareholder in common therewith. Global provides administration, accounting and other services to the Company on a cost-recovery basis.

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

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

(d) I2MS.net PTE LTD (“I2MS”) is a private company 100% owned by Turquoise Hill Resources Ltd., formerly Ivanhoe Mines Ltd. I2MS provides IT services to the Company on a cost-recovery basis.

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

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

(g) Ivanhoe Australia Ltd. is an Australian-based, ASX listed, resource company which provides consulting and other services to the Company on a cost-recovery basis. Ivanhoe Australia Ltd. had a director in common with the Company until April 19, 2012.

(h) Turquoise Hill Resources Ltd., formerly Ivanhoe Mines Ltd., is a Canadian-based, TSX listed resource company which provides consulting and other services to the Company on a cost-recovery basis. Turquoise Hill Resources Ltd. has a director and a significant shareholder in common with the Company.

(i) HCF International Advisers (“HCF”) is a corporate finance adviser specialising in the provision of advisory services to clients worldwide in the metals, mining, steel and related industries. HCF has a director in common with the Company and provides financial advisory services to the Company.

CRITICAL ACCOUNTING ESTIMATES

The Company’s significant accounting policies are presented in Note 2 to the consolidated financial statements for the year ended December 31, 2012. The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period presented and reported amounts of expenses during said reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, include, but are not limited to, the following:

(i) *Impairment Analysis of Assets*

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective assets.

Changes in any of the assumptions used to determine impairment testing could materially affect the results of the analysis.

At December 31, 2012, the Company reviewed the carrying value of its assets and determined that there were no indicators of impairment.

(ii) *Income Taxes*

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the statements of financial position and their corresponding tax values, generally using the substantively enacted or enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource-related pools and other deductions. A deferred tax asset is only recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

A deferred tax liability is generally recognized for all taxable temporary differences. The Company recognizes net deferred tax liabilities as it believes it does not control the timing of the reversal of these temporary differences even though management has made the judgment that the reversal is not expected to occur in the foreseeable future.

(iii) *Mineral Property and Exploration Costs*

All direct costs related to the acquisition of mineral property interests are capitalized by property or project. Exploration costs are charged to operations until such time as it has been determined that a property has economically recoverable reserves, in which case the costs incurred to develop a property are capitalized. Exploration costs include value-added taxes incurred in foreign jurisdictions when recoverability of those taxes is uncertain. Management uses several criteria in its assessment of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, scoping studies, accessible facilities, existing permits and life of mine plans.

(iv) *Business Combinations*

Determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. If an acquired set of assets and liabilities includes goodwill, the set of assets and liabilities is presumed to be a business.

(v) *Functional Currency*

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions, which determine the primary economic environment.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Newly adopted accounting standards

The following standards became effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company adopted these standards and they did not have a material impact on its consolidated financial statements, except as discussed below.

- *IFRS 7, Financial Instruments: Disclosures:* IFRS 7 enhances the disclosure required when offsetting financial assets and liabilities. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

- *IFRS 10, Consolidated Financial Statements:* IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27, *Consolidated and Separate Financial Statements,* and *SIC-12, Consolidation – Special Purpose Entities*.

- *IFRS 11, Joint Arrangements:* IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes current IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities-Non – Monetary Contributions by Venturers.*

- *IFRS 12, Disclosure of Interests in Other Entities:* IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. In general, the application of IFRS 12 will result in more extensive disclosures in the annual consolidated financial statements.

- *IFRS 13, Fair Value Measurements:* IFRS 13 defines fair value, sets out in a single IFRS framework for measuring value and requires disclosures about fair value measurements. The IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. This will result in additional disclosures for condensed interim and annual consolidated financial statements.

- *IAS 1, Presentation of Financial Statements:* In June 2011, the IASB issued amendments to IAS 1 that require an entity to group items presented in the statement of comprehensive income on the basis of whether they may be reclassified to earnings subsequent to initial recognition. For those items presented before taxes, the amendments to IAS 1 also require that the taxes related to the two separate groups be presented separately. The amendments are effective for annual periods beginning on or after July 1, 2012 and will result in changes to the presentation of financial statements.

- *IAS 19 – Employee Benefits:* On June 16, 2011 the IASB issued amendments to IAS 19. The amendments will improve the recognition and disclosure requirements for defined benefit plans.

- *IAS 27, Separate Financial Statements:* IAS 27 has been updated to require an entity presenting separate financial statements to account for those investments at cost or in accordance with *IFRS 9 Financial Instruments*. The new IAS 27 excludes the guidance on the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent, which is within the scope of the current IAS 27 Consolidated and Separate Financial Statements, and is replaced by IFRS 10.

- *IAS 28, Investments in Associates and Joint Ventures:* IAS 28 has been updated and it is to be applied by all entities that are investors with joint control of, or significant influence over, an investee. The scope of the current IAS 28 Investments in Associates does not include joint ventures.

- *IFRIC 20 – Stripping Costs in the Production Phase of a Mine:* In October 2011, the IASB issued IFRIC 20 which clarifies the requirements for accounting for the costs of stripping activity in the production phase when two benefits accrue: (i) usable ore that can be used to produce inventory and (ii) improved access to further quantities of material that will be mined in future periods.

Application of new and revised Standards on consolidation, joint arrangements, associates and disclosures

Joint Arrangements

The Company adopted IFRS 11, "Joint Arrangements" effective January 1, 2013. This standard replaces IAS 31, "Interests in Joint Ventures" and SIC 13, "Jointly controlled entities – non-monetary contributions by venturers". The standard is applicable to all entities that have an interest in arrangements that are jointly controlled. In accordance with the transition requirements, interests, previously defined as jointly controlled entities that were proportionately consolidated, are re-measured using the carrying amount of the assets and liabilities at the beginning of the immediately preceding period, that is, January 1, 2012, in order to arrive at the initial equity investment. In terms of IFRS 11, there are two types of joint arrangements:

(i) *Joint Ventures*

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and whereby each party has rights to the net assets of the arrangement. Joint control is considered to be when all parties to the joint venture are required to reach unanimous consent over decisions about relevant business activities pertaining to the contractual arrangement. Interests in joint ventures are recognized as an investment and accounted for using the equity method of accounting.

(ii) *Joint Operations*

A joint operation is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and whereby each party has rights to the assets and liabilities relating to the arrangement. Joint control is considered to exist when all parties to the joint venture are required to reach unanimous consent over decisions about relevant business activities pertaining to the contractual arrangement. Interests in joint operations are accounted for by recognizing the Corporation's share of assets, liabilities, revenues, and expenses incurred jointly.

Upon the application of IFRS 11, the Company reviewed and assessed the legal form and terms of the contractual arrangements in relation to the Company's investments in joint arrangements. The application of IFRS 11 has changed the classification and subsequent accounting of the Company's investments in each of Rhenfield Limited and the RK1 consortium, which were classified as joint ventures under the previous standard and were accounted for using the equity method. Under IFRS 11, Rhenfield Limited and the RK1 consortium are treated as the Company's joint operations and are accounted for such that each joint operator recognises and measures the assets and liabilities (and the related revenues and expenses) in relation to its interest in the arrangement in accordance with the applicable standards.

The change in accounting of the Company's investment in Rhenfield Limited and the RK1 consortium has been applied in accordance with the relevant transitional provisions. Such a change in accounting has affected the amounts reported in the Company's consolidated financial statements (see the tables below).

Impact on profit (loss) for the period of the application of the above new and revised standards

	Three months ended March 31,	
	2013	2012
	$'000	$'000
Increase (decrease) in office and administration expenditure	**62**	(32)
(Decrease) increase in share of losses from joint ventures	**(85)**	3
Loss from operating activities	**(23)**	(29)
Increase in finance costs	**23**	29
LOSS FOR THE PERIOD	**-**	-
Increase in exchange differences on translation of foreign operations	**198**	3
Decrease in share of other comprehensive (income) loss of joint ventures	**(198)**	(3)
Other comprehensive loss for the period	**-**	-
Increase (decrease) in profit for the year	**-**	-
Increase (decrease) in profit for the year attributable to:		
Owners of the Company	**-**	-
Non-controlling interests	**-**	-
	-	-

Impact on net assets and equity as at January 1, 2012 of the application of the above new and revised standards

	As at January 1, 2012 as previously reported	IFRS 11 adjustments	As at January 1, 2012 as restated
	$'000	$'000	$'000
Property, plant and equipment	9,329	6,949	16,278
Mineral properties	259,277	-	259,277
Goodwill	75,701	-	75,701
Investment in joint ventures	3,609	(3,609)	-
Long-term loan receivable	7,324	-	7,324
Other assets	248	-	248
Trade and other receivables	5,865	407	6,272
Prepaid expenses	1,118	46	1,164
Short-term deposits	80,039	-	80,039
Cash and cash equivalents	185,787	104	185,891
Total assets	628,297	3,897	632,194
Advances payable to Gécamines	(10,264)	-	(10,264)
Convertible bond	(112,480)	-	(112,480)
Purchase consideration payable	(116,104)	-	(116,104)
Deferred tax liabilities	(77,783)	-	(77,783)
Current borrowings	-	(3,786)	(3,786)
Trade and other payables	(10,283)	(111)	(10,394)
Current tax liabilities	(209)	-	(209)
Total liabilities	(327,123)	(3,897)	(331,020)
Impact on net assets	**301,174**	**-**	**301,174**
Impact on equity	**(301,174)**	**-**	**(301,174)**

Impact on net assets and equity as at December 31, 2012 of the application of the above new and revised standards

	As at December 31, 2012 as previously reported	IFRS 11 adjustments	As at December 31, 2012 as restated
	$'000	$'000	$'000
Property, plant and equipment	16,515	6,991	23,506
Mineral properties	259,277	-	259,277
Goodwill	67,358	-	67,358
Investment in joint ventures	3,608	(3,608)	-
Long-term loan receivable	23,024	-	23,024
Other assets	504	-	504
Trade and other receivables	3,534	11	3,545
Prepaid expenses	9,575	63	9,638
Short-term deposits	80,000	-	80,000
Cash and cash equivalents	259,389	441	259,830
Total assets	722,784	3,898	726,682
Advances payable to Gécamines	(11,238)	-	(11,238)
Deferred tax liabilities	(77,783)	-	(77,783)
Current borrowings	-	(3,873)	(3,873)
Trade and other payables	(19,969)	(25)	(19,994)
Current tax liabilities	(195)	-	(195)
Total liabilities	(109,185)	(3,898)	(113,083)
Impact on net assets	**613,599**	**-**	**613,599**
Impact on equity	**(613,599)**	**-**	**(613,599)**

Accounting standards issued but not yet effective

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended December 31, 2013:

- IFRS 7 (Amendment) Outlines the disclosures when applying IFRS 9, the new financial instruments standard (i).
- IFRS 9 New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets and liabilities (i).
- IAS 32 (Amendment) Clarification of the application of the requirements of offsetting financial assets and financial liabilities. (ii)

(i) Effective for annual periods beginning on or after January 1, 2015
(ii) Effective for annual periods beginning on or after January 1, 2014

The Company has not yet adopted these new and amended standards and is currently assessing the impact of adoption.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value of financial instruments

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

Financial instrument	Classification	**March 31, 2013**	December 31, 2012
		$'000	$'000
Financial assets			
Cash and cash equivalents	Loans and receivables	**80,019**	80,000
Short-term deposits	Loans and receivables	**216,596**	259,830
Trade and other receivables	Loans and receivables	**3,516**	3,545
Long-term loan receivable	Loans and receivables	**23,575**	23,024
Financial liabilities			
Trade and other payables	Other liabilities	**23,459**	19,994
Current borrowings	Other liabilities	**3,607**	3,873
Advances to Gécamines	Other liabilities	**11,438**	11,238

IAS 32 - "*Financial Instruments: Presentation"*, requires an explanation about how fair value is determined for assets and liabilities measured in the financial statements at fair value and establishes a hierarchy into which these assets and liabilities must be grouped based on whether inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtain from independent sources, while unobservable inputs reflect the Company's assumptions. The two types of inputs create the following fair value hierarchy:

- Level 1: observable inputs such as quoted prices in active markets;
- Level 2: inputs, other than the quoted market prices in active markets, which are observable, either directly and/or indirectly; and
- Level 3: unobservable inputs for the asset or liability in which little or no market data exists, therefore requires an entity to develop its own assumptions.

The Company does not have any assets or liabilities on the statement of financial position which are measured within the fair value hierarchy.

The Company's financial instruments include cash and cash equivalents, short-term deposits, trade and other receivables, long-term loan receivable, current borrowings, advances payable to Gécamines and trade and other payables.

The fair value of the long-term loan receivable and advances payable to Gécamines were determined in accordance with generally accepted pricing models based on a discounted cash flow analysis using a 9.2% discount rate.

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

Financial risk management objectives and policies

The risks associated with the Company's financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Foreign exchange risk

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

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities at the respective statement of financial position dates are as follows:

	March 31, 2013	December 31, 2012
	$'000	$'000
Assets		
Canadian dollar	**15,633**	6,700
Australian dollar	**186**	183
South African rand	**15,923**	11,349
British pounds	**122**	78
Liabilities		
Canadian dollar	**(36)**	(105)
Australian dollar	**(42)**	(528)
South African rand	**(1,619)**	(2,411)
British pounds	**(46)**	-

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% decrease in the U.S. dollar against the foreign currencies presented. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the period for a 5% change in foreign currency rates. A positive number indicates a decrease in loss for the year where the foreign currencies strengthen against the U.S. dollar. The opposite number will result if the foreign currencies depreciate against the U.S. dollar.

	2013	2012
	$'000	$'000
Decrease in loss for the period	**1,506**	763

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with trade and other receivables and cash equivalents as well as long term loan receivables.

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

The long-term loan receivable is due from Gécamines per the Kipushi purchase agreement (Note 8). The repayment of these loans will be made by offsetting against future royalties and dividends.

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

	Less than 1 month	1 to 3 months	3 to 6 months	Over 6 months	**Total**
	$'000	$'000	$'000	$'000	**$'000**
As at March 31, 2013					
Trade and other receivables	-	3,516	-	-	**3,516**
Long-term loan receivable	-	-	-	23,575	**23,575**
	-	3,516	-	23,575	**27,091**
As at December 31, 2012					
Trade and other receivables	-	3,545	-	-	**3,545**
Long-term loan receivable	-	-	-	23,024	**23,024**
	-	3,545	-	23,024	**26,569**

Liquidity risk

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

The following table details the Company's expected remaining contractual maturities for its financial liabilities. The table is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to satisfy the liabilities.

	Less than 1 month	1 to 3 months	3 to 6 months	Over 6 months	**Total undiscounted cash flows**
	$'000	$'000	$'000	$'000	**$'000**
As at March 31, 2013					
Trade and other payables	-	23,459	-	-	**23,459**
Current income tax liabilities	246	-	-	-	**246**
Current borrowings	3,607	-	-	-	**3,607**
Advances payable to Gécamines	4,747	-	-	8,109	**12,856**
As at December 31, 2012					
Trade and other payables	-	19,994	-	-	**19,994**
Current income tax liabilities	195	-	-	-	**195**
Current borrowings	3,873	-	-	-	**3,873**
Advances payable to Gécamines	4,685	-	-	7,997	**12,682**

DESCRIPTION OF CAPITAL STOCK

The Company's capital stock consists of an unlimited number of Common Shares, an unlimited number of Class B Common shares and an unlimited number of preferred shares, issuable in series. As at May 8, 2013, 18,900,610 Class B Shares, 510,245,602 Common Shares and nil Preferred Shares are issued and outstanding.

The Company granted 2,150,000 options to certain directors, officers and employees during Q1 2013 per the amended and restated employees' and directors' equity incentive plan (the "Equity Incentive Plan"). Prior to adoption of the Equity Incentive Plan, options were granted to certain directors, officers, employees and consultants pursuant to individual option agreements. As of the date hereof there are 20,705,000 options, from individual stock option agreements exercisable into 20,705,000 Common Shares and 2,680,000 options issued in terms of the Equity Incentive Plan exercisable into 2,680,000 Common Shares outstanding .

The Company has warrants outstanding to several investors, each of which entitles the holder thereof to purchase equity securities in the capital of the Company. As at the date of this MD&A: (i) 6,041,665 certificated warrants, issued on November 17 and 19, 2010, and January 7, 2011, are outstanding, exercisable into 6,645,831 Class B Common Shares and (ii) 7,900,275 warrants, issued pursuant to a warrant indenture dated November 12, 2009, are outstanding, exercisable into 8,690,302 Class B Common Shares.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the design of the Company's DC&P and ICFR as of March 31, 2013 and, in accordance with the requirements established under National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures have been designed to provide reasonable assurance that material information relating to the Company is made known to them by others within the Company and that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

The Company's Chief Executive Officer and Chief Financial Officer have used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the design of the Company's ICFR as of March 31, 2013 and have concluded that these controls and procedures have been designed to provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner. Management of the Company was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means design of controls cannot provide absolute assurance that all control issues and instances of fraud will be detected. During the period ended March 31, 2013, there were no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISK FACTORS

The risk factors are discussed in the Company’s Annual Information Form filed with Canadian provincial regulatory authorities and available at www.sedar.com.

DISCLOSURE OF TECHNICAL INFORMATION

Disclosures of a scientific or technical nature in this MD&A has 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 National Instrument 43-101. Ivanplats has prepared a NI 43-101 compliant technical report for each of the Kamoa Project, the Platreef Project and the Kipushi Project, which are available under the Company’s SEDAR profile at www.sedar.com. These technical reports include relevant information regarding the effective date and the assumptions, parameters and methods of the mineral resource estimates on the Kamoa Project and Platreef Project cited in this MD&A, as well as information regarding data verification, exploration procedures and other matters relevant to the scientific and technical disclosure contained in this MD&A in respect of the Kamoa Project, Platreef Project and Kipushi Project.