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# IVANHOEMINES

## Q1 2022 RESULTS

MAY 10, 2022





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

Such statements include without limitation: (i) statements regarding significant potential further cash cost improvements at Kamoa-Kakula with direct-to-blister smelter and transport optimization; (ii) statements regarding Kamoa-Kakula's combined copper production from Phase 1 and 2 plants to increase to approximately 450,000 tonnes by Q2 2023 following de-bottlenecking; (iii) statements regarding the expectation that the majority of Kamoa-Kakula's expansion capital expenditures will be funded from copper sales and facilities in place at Kamoa; (iv) statements regarding Kamoa-Kakula's Phase 3 expansion to increase copper production to approximately 600,000 tonnes, making Kamoa-Kakula the world's third-largest copper complex; (v) statements regarding the scope, timing, location and size of Kamoa-Kakula's Phase 3 expansion and smelter; (vi) statements regarding production guidance of between 290,000 and 340,000 tonnes of contained copper in concentrate for 2022 from the Kamoa-Kakula Project; (vii) statements regarding Kamoa-Kakula aiming to become the first net-zero carbon emitter among top-tier copper mines based on Scope 1 and 2 emissions; (viii) statements regarding the possible earlier redemption of \$575-million convertible senior notes due in 2026 (ix) statements regarding the forecast spend for the remainder 2022 of \$286 million on projects and overheads; (x) statements regarding Kamoa-Kakula's new 5-Mtpa plant expected to be commissioned in Q4 2024; (xi) statements regarding Kamoa-Kakula's updated pre-feasibility study, including the Phase 3 expansion and direct-to-blister smelter expected in the second half of 2022; (xii) statements regarding Western Forelands \$25-million provisional exploration program for 2022 (xiii) statements regarding Platreef's Phase 1 mine planned for first production in Q3 2024; (xiv) statements regarding Platreef's Shaft 2 commissioning accelerated to 2027, expediting Phase 2 expansion with annual forecast production of more than 590,000 oz. of 3PE+Au, plus more than 40 million lbs. of nickel and copper; (xv) statements regarding the possibility of first production at the Kipushi Project within 24 months of a construction decision; (xvi) statements regarding discussions with potential Kipushi finance providers progressing; (xvii) statements regarding excavation work quickly advancing for new box cut at the Kamoa 1 and Kamoa 2 mines, with decline development expected to start in early May 2022, to provide access to the major Phase 3 mining areas; (xviii) statements regarding Kamoa-Kakula's direct-to-blister flash smelter with nameplate capacity of 500,000 tonnes a year of approximately 99%-pure blister copper; (xix) statements regarding Kamoa-Kakula's Phase 3 plant capacity of 5 Mtpa to increase total processing capacity to greater than 14 Mtpa; and (xx) statements regarding phased development at Platreef to become one of the world's largest and lowest-cost producers of vital "green metals".

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

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

Forward-looking statements and information involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indicators of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements or information, including, but not limited to, the factors discussed herein and under "Risk Factors" in Ivanhoe's Annual Information Form for the year ended December 30, 2021, and elsewhere in its MD&A for the three months ended March 31, 2022, 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.

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## Non-GAAP Financial Measures

This presentation includes earnings before interest, tax, depreciation and amortization ("EBITDA"), and "Cash costs (C1) per pound" which are non-GAAP financial performance measures. For a detailed description of each of the non-GAAP financial performance measures used in this presentation please refer to the detailed reconciliation to the most directly comparable measure under IFRS, located in Ivanhoe's MD&A for the period ending March 31, 2022. The non-GAAP financial performance measures set out in this presentation are intended to provide additional information to readers and do not have any standardized meaning under IFRS, and therefore may not be comparable to other issuers, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

## NI 43-101 Statements

Ivanhoe has prepared a current, independent, compliant technical report for each of the Platreef Project, the Kipushi Project and the Kamoa-Kakula Project, which are available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com):

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

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

- The Kipushi 2022 Feasibility Study dated February 14, 2022, prepared by OreWin Pty Ltd., MSA Group (Pty) Ltd., SRK Consulting (South Africa) (Pty) Ltd, and MDM (Technical) Africa Pty Ltd. (a division of Wood plc), covering the Company's Kipushi Project ("Kipushi Technical Report").

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

Disclosures of a scientific or technical nature regarding Ivanhoe's mineral projects in this presentation that are not included in the Kamoa-Kakula Technical Report, have been reviewed and approved by Steve Amos, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of National Instrument NI 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Amos is not considered independent under NI 43-101 as he is the Head of the Kamoa-Kakula Project. Mr. Amos has verified such technical data. To the extent that this presentation contains disclosures of a scientific or technical nature regarding the Kakula and Kansoko stockpiles not included in the Kamoa-Kakula Technical Report, such information has been reviewed and approved by George Gilchrist, who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of NI 43-101. Mr. Gilchrist is not considered independent under NI 43-101 as he is the Vice President, Resources of the Company. Mr. Gilchrist has verified such technical data.

Other disclosures of a scientific or technical nature in this presentation and not included in any of the Technical Reports, including the Western Foreland Exploration Project, have been reviewed and approved by Stephen Torr, who is considered, by virtue of his education, experience and professional association, a Qualified Person under NI 43-101. Mr. Torr is not considered independent under NI 43-101 as he is the Vice President, Project Geology and Evaluation. Mr. Torr has verified such other technical data.





# IVANHOE MINES

## OPENING REMARKS

Robert Friedland, Founder & Executive Co-Chairman



A group of six men in safety gear (hard hats, high-visibility shirts) stand on a metal platform in front of a large industrial machine with a yellow curved pipe. The scene is outdoors under a blue sky with clouds. The men are giving thumbs up. The machine has a large yellow curved pipe and a green structure in the background.

IVANHOEMINES

# Q1 2022 HIGHLIGHTS

Marna Cloete, President



# Q1 2022: OUTSTANDING RESULTS FROM KAMOA-KAKULA



**55.6 kt copper production**

Commercial production from Phase 2 plant achieved in **April 2022**; combined copper production from Phase 1 and 2 plants **~450kt by Q2 2023** following de-bottlenecking



**51.9 kt copper sales**

2022 production guidance **290kt - 340kt** of copper in concentrate



**\$519.6 million revenue**

Phase 3 expansion to increase copper production to **~600kt** with additional Kamoia **5 million-tonne-per-annum (Mtpa)** plant, adjacent to **two new underground mines**



**\$399.4 million EBITDA**



**\$1.21 C1 cash cost**

Cash-flow-funded expansions are ongoing, with Phase 3 and smelter now expected by **Q4 2024**

Figures shown on 100% basis for Kamoia-Kakula.

EBITDA and C1 cash cost are non-GAAP financial performance measures. For a detailed description and a reconciliation to the most directly comparable measure under IFRS, please refer to the Non-GAAP Financial Performance Measures section of Ivanhoe Mines' MD&A for the three months ending March 31, 2022



# 2021 ESG PERFORMANCE AT A GLANCE



**\$1.1 billion** total national value created and distributed



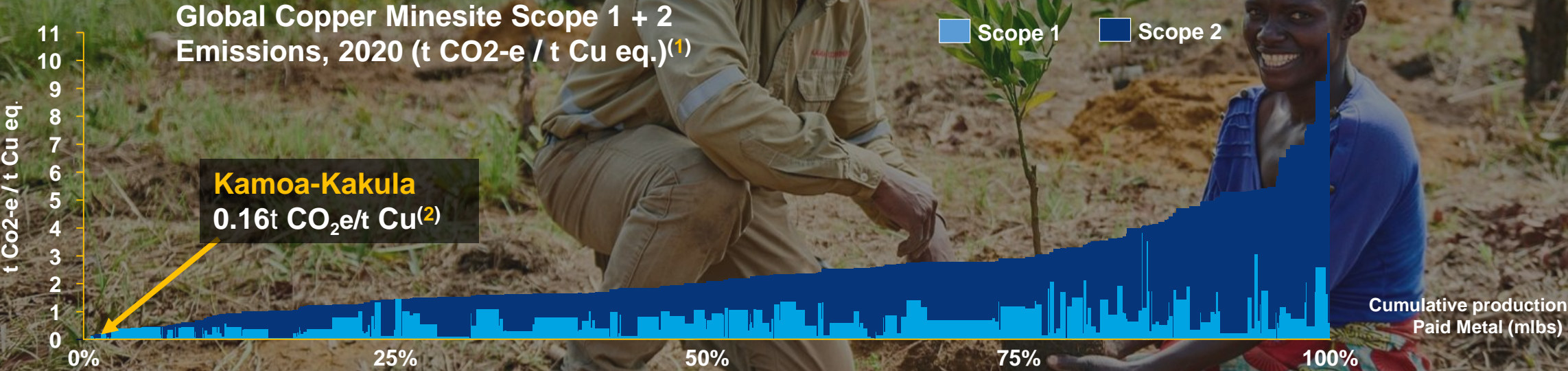
**43% increase** in national value distribution from 2020



Total workforce of 12,374;  
**97% local employees**



**10,645** stakeholders engaged



1. Wood Mackenzie's Emissions Benchmarking Tool.  
2. Based on the publicly-available information, not independently verified by Hatch. Hatch has relied on Feasibility Study data provided by Ivanhoe and other third party providers; and has not independently verified either the data provided or the public data used for benchmarking. Hatch has calculated a metric to two decimal places for comparative purposes only and it should not be considered to be representative of the level of accuracy for the projected metric. Kakula Mine (6 Mtpa) average projected GHG emission intensity over the production years 2023-2038.  
3. The use by Ivanhoe Mines Ltd. of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Ivanhoe Mines Ltd. by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.





# IVANHOE MINES

## Q1 2022 FINANCIAL OVERVIEW

David van Heerden, Chief Financial Officer



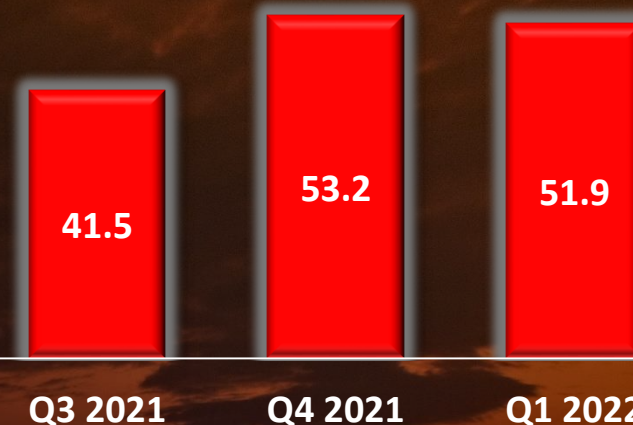
# KAMOA-KAKULA: QUARTERLY PERFORMANCE

(Figures shown on 100% basis for Kamoa-Kakula)

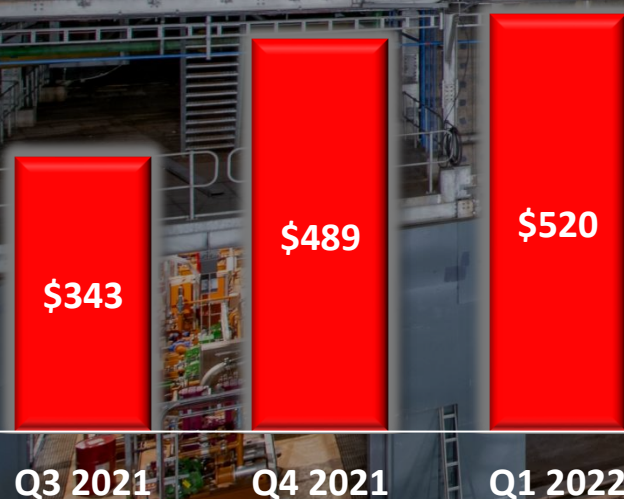
**Record quarterly revenue** achieved driven by strong copper production and high copper prices

Q1 EBITDA of **US\$399 million** driven by increase in revenue and a **decrease in cash cost**

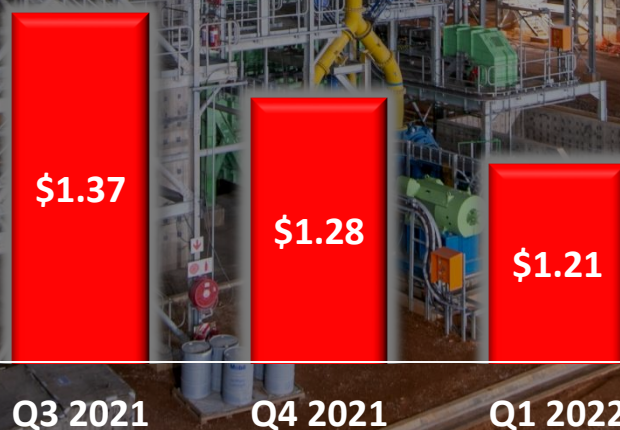
## Copper Sold (kt)



## Sales Revenue (US\$ million)



## C1 Cash Cost (US\$ per lb)



## EBITDA (US\$ million)

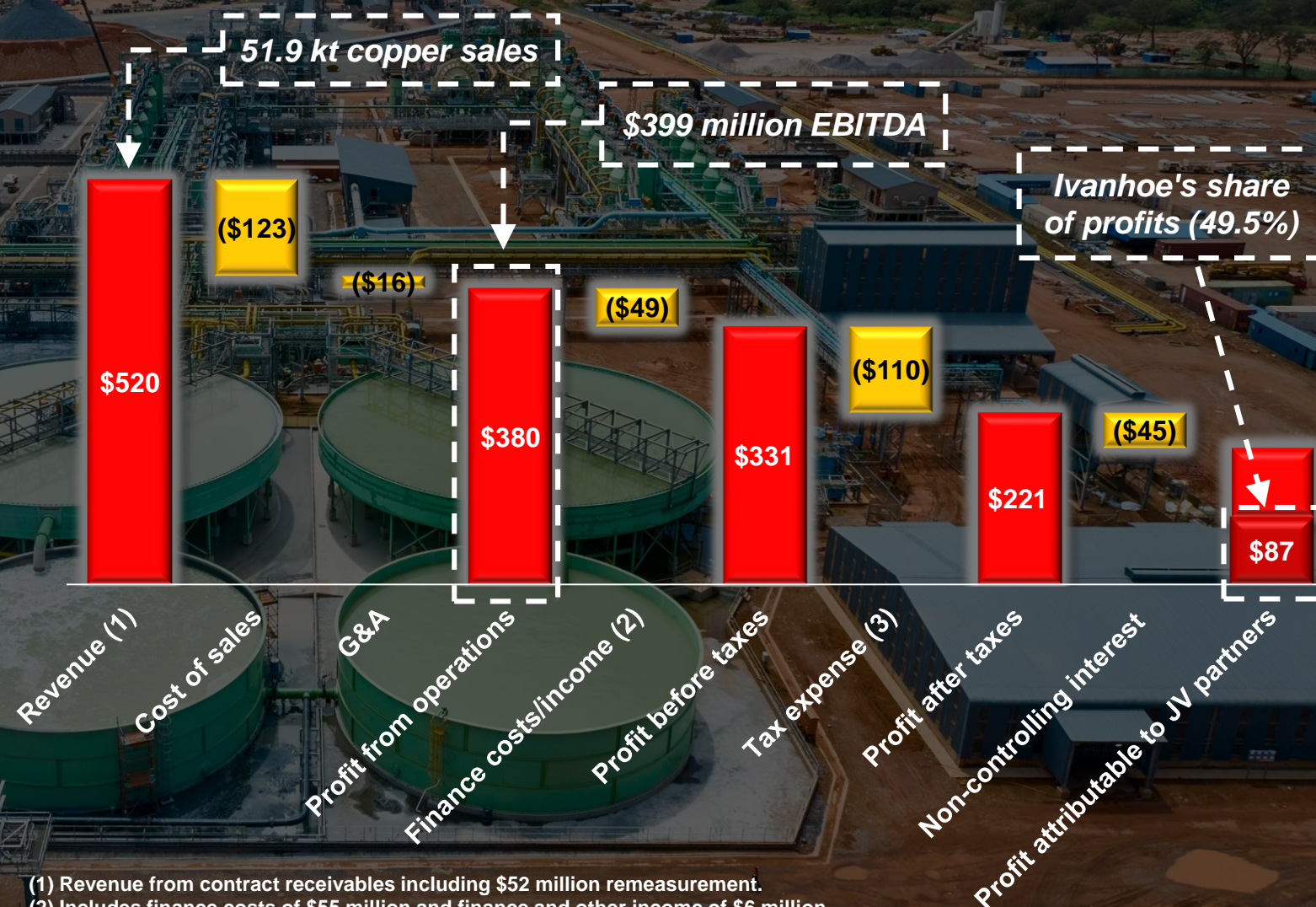




# KAMOA HOLDING OPERATING PROFIT

Shown on 100% basis attributable to Kamoa Holding  
(All values in US\$ million)

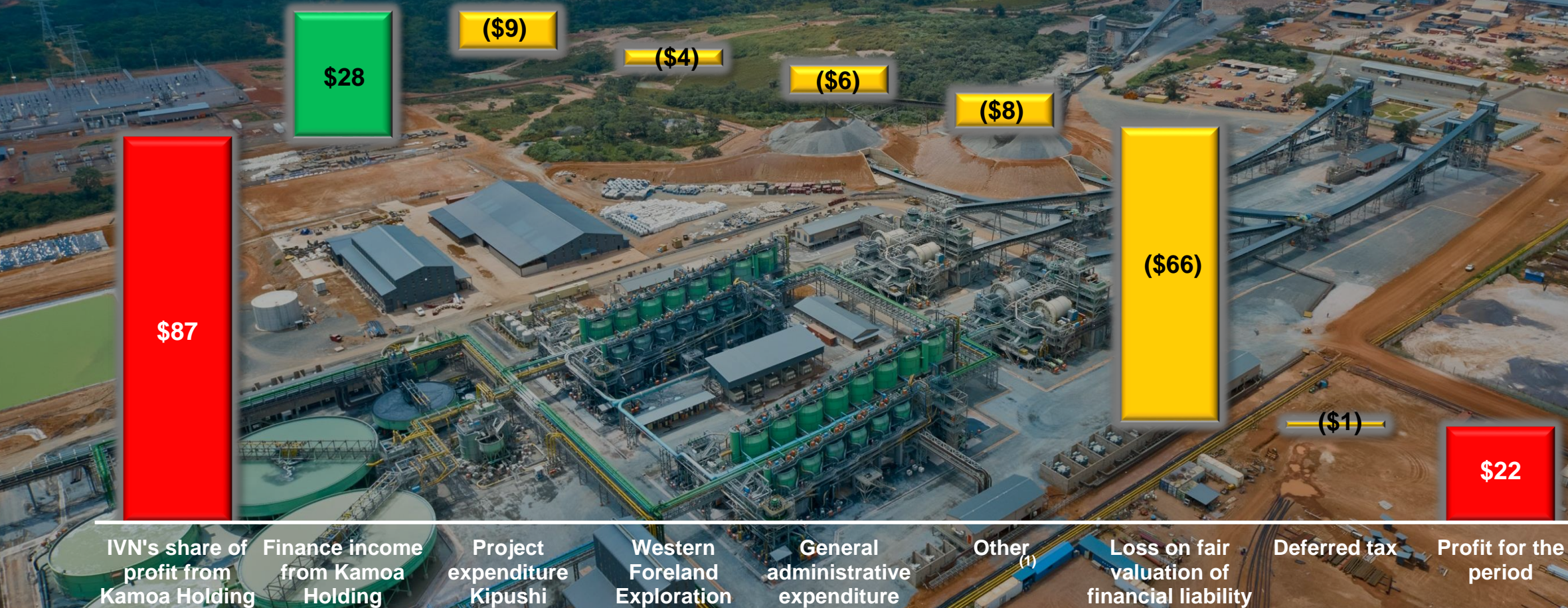
	Q1 2022 \$'000	Q4 2021 \$'000	Q3 2021 \$'000
Revenue	519,595	488,536	342,584
Cost of sales	(123,370)	(130,853)	(98,663)
General & administrative costs	(15,768)	(9,926)	(34,265)
<b>Profit from operations</b>	<b>380,457</b>	<b>347,757</b>	<b>209,656</b>
Finance costs	(54,643)	(55,610)	(51,950)
Finance income and other	5,504	(43)	618
<b>Profit before taxes</b>	<b>331,318</b>	<b>292,104</b>	<b>158,324</b>
Current tax expense	(5,215)	(4,717)	(3,572)
Deferred tax expense	(104,829)	(88,530)	(47,487)
<b>Profit after taxes</b>	<b>221,274</b>	<b>198,857</b>	<b>107,265</b>
Non-controlling interest	(45,295)	(40,490)	(23,622)
Profit attributable to JV partners	175,979	158,367	83,643
<b>IVN's share of profit from JV</b>	<b>87,109</b>	<b>78,391</b>	<b>41,404</b>





# IVANHOE MINES Q1 FINANCIAL HIGHLIGHTS

(All values in US\$ million)



(1) Combination of finance costs, finance income not from the joint venture, other income, gain on fair valuation of financial asset and share-based payments.



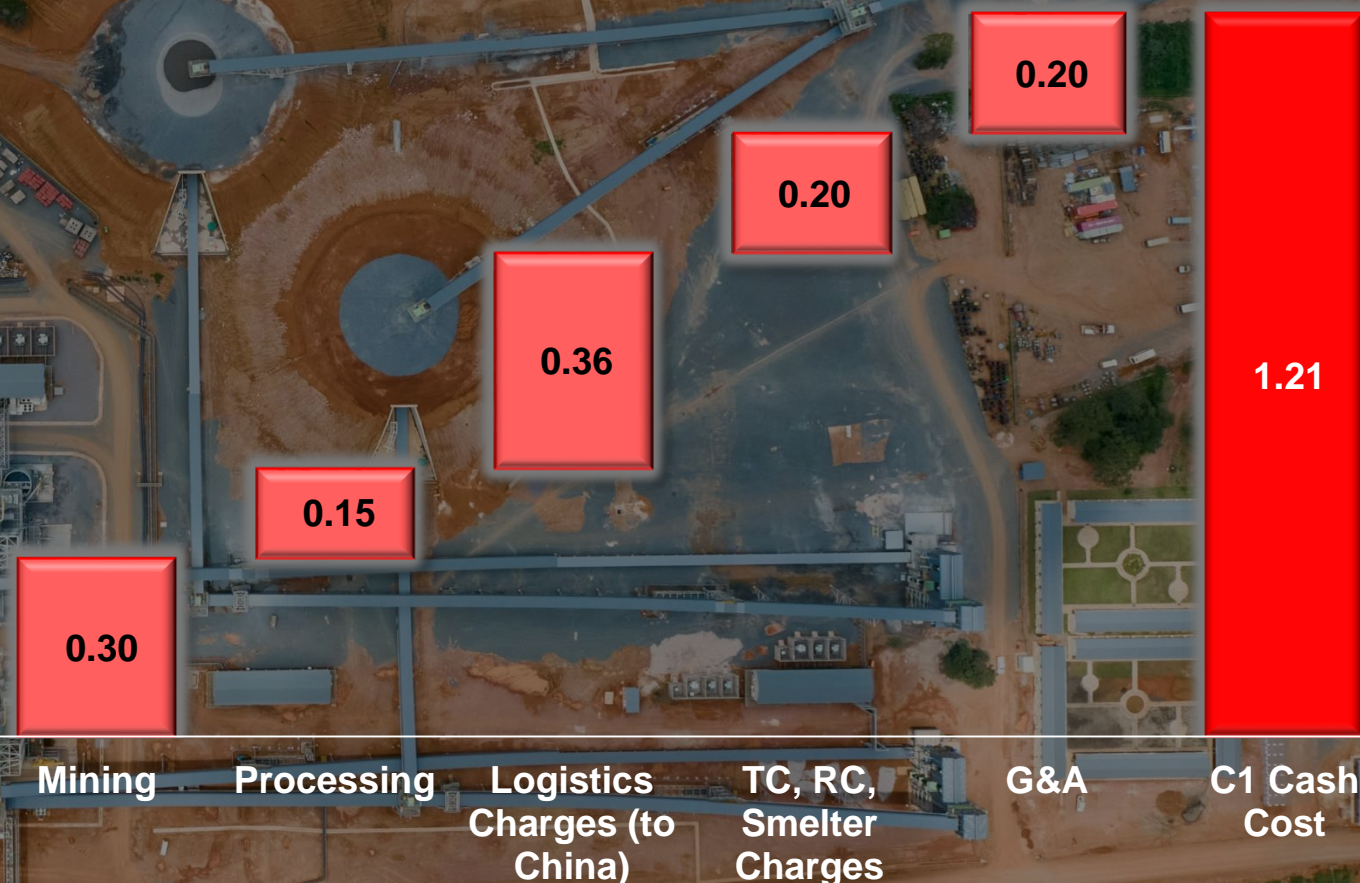
# KAMOA-KAKULA C1 CASH COST

(All values in US\$ per pound of payable copper)

Q1 2022 cash costs **continue to trend downwards** from \$1.28 per pound payable copper in Q4 2021 and \$1.37 per pound in Q3 2021

Already at the bottom of the 2022 cash cost guidance range of between **\$1.20** and **\$1.40** per pound of payable copper

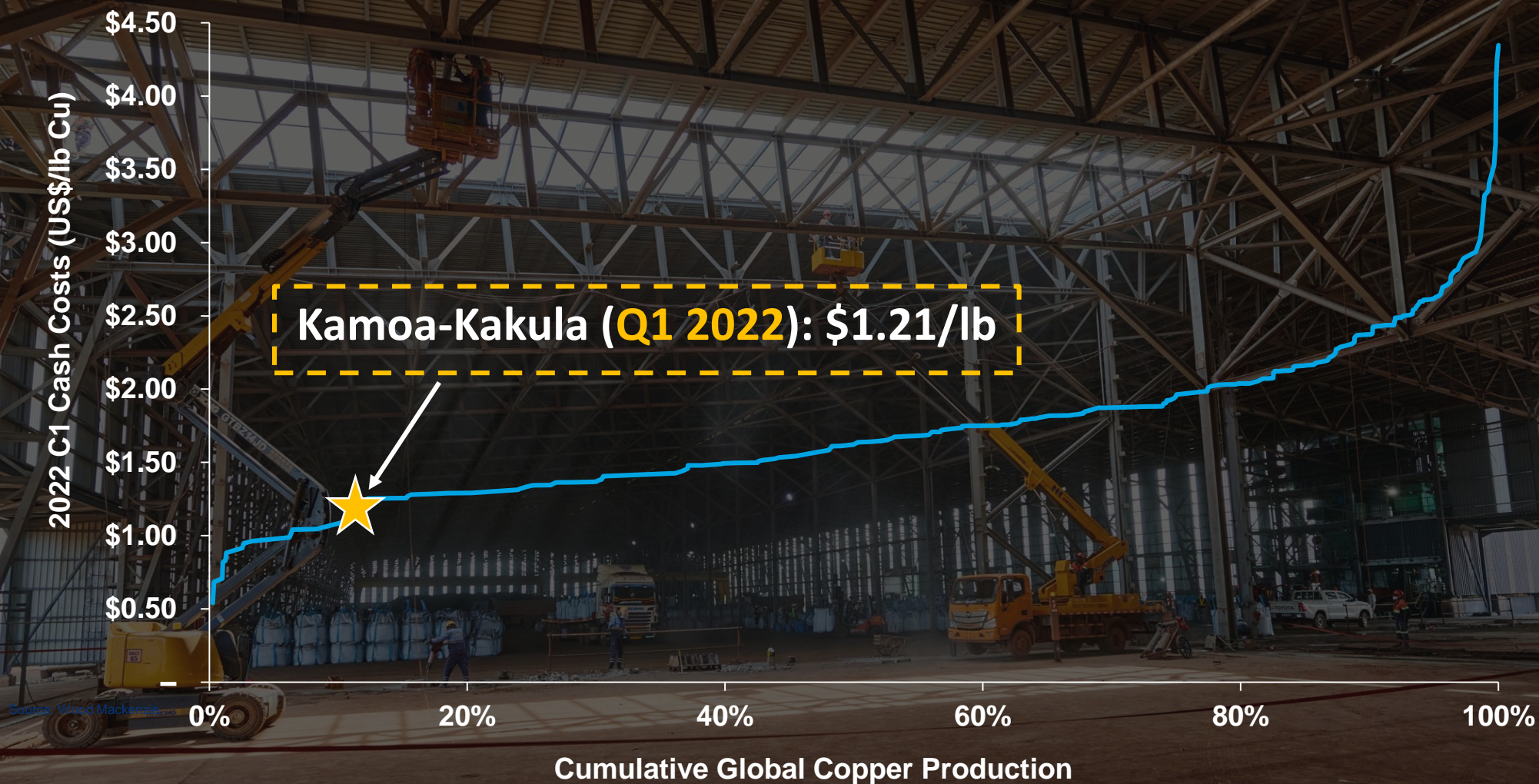
Significant **potential further improvements** with **direct-to-blister smelter** and transport optimization



C1 cash cost is a non-GAAP financial performance measure. For a detailed description and a reconciliation to the most directly comparable measure under IFRS, please refer to the Non-GAAP Financial Performance Measures section of Ivanhoe Mines' MD&A for the period ending March 31, 2022



# KAMOA-KAKULA – FIRST QUARTILE C1 CASH COST<sup>(1)</sup>



Source: Company filings, Wood Mackenzie (based on public disclosure, the Kamoakakula cash cost has not been reviewed by Wood Mackenzie).

(1) Represents C1 pro-rata cash costs that reflect the direct cash costs of producing paid metal incorporating mining, processing, mine-site G&A and offsite realization costs, having made appropriate allowance for the costs associated with the co-product revenue streams.



# WELL-FUNDED, STRONG BALANCE SHEET POSITION

Cash and cash equivalents of **\$562 million**

Consolidated working capital of **\$615 million**

Total assets of **\$3,350 million**

Total debt of **\$922 million**, including \$575 million 2.50% convertible senior notes outstanding, due 2026 with possible earlier redemption

Forecast spend of **\$286 million** on projects and overheads for the remainder of 2022

*All figures as at March 31, 2022*





## OPERATIONS & PROJECT UPDATE

Alex Pickard, VP Corporate Development

Marna Cloete, President



# KAMOA-KAKULA PHASE 1 & 2 NOW AT COMMERCIAL PRODUCTION

Record quarterly production of **55,602 tonnes** of copper in **Q1 2022**, with record monthly production of **19,605 tonnes** of copper in **March**

Phase 2 concentrator **declared commercial production** on April 7, four months ahead of schedule

De-bottlenecking expected to increase Phase 1 & 2 annual copper output to more than **450,000 tonnes** of copper in concentrate by **Q2 2023**

## Kamoa-Kakula Copper in Concentrate







## KAMOA-KAKULA PHASE 3 AND SMELTER

Engineering and early works for the Phase 3 expansion progressing quickly, with a **new, 5 Mtpa plant** expected to be commissioned in **Q4 2024**

Excavation work quickly advancing for new box cut at the **Kamoa 1 and Kamoa 2 mines**, with decline development expected to start in early May 2022, to provide access to the **major Phase 3 mining areas**

Early works underway for **direct-to-blister flash smelter** with nameplate capacity of **500,000 tonnes** a year of approximately **99%-pure blister copper**

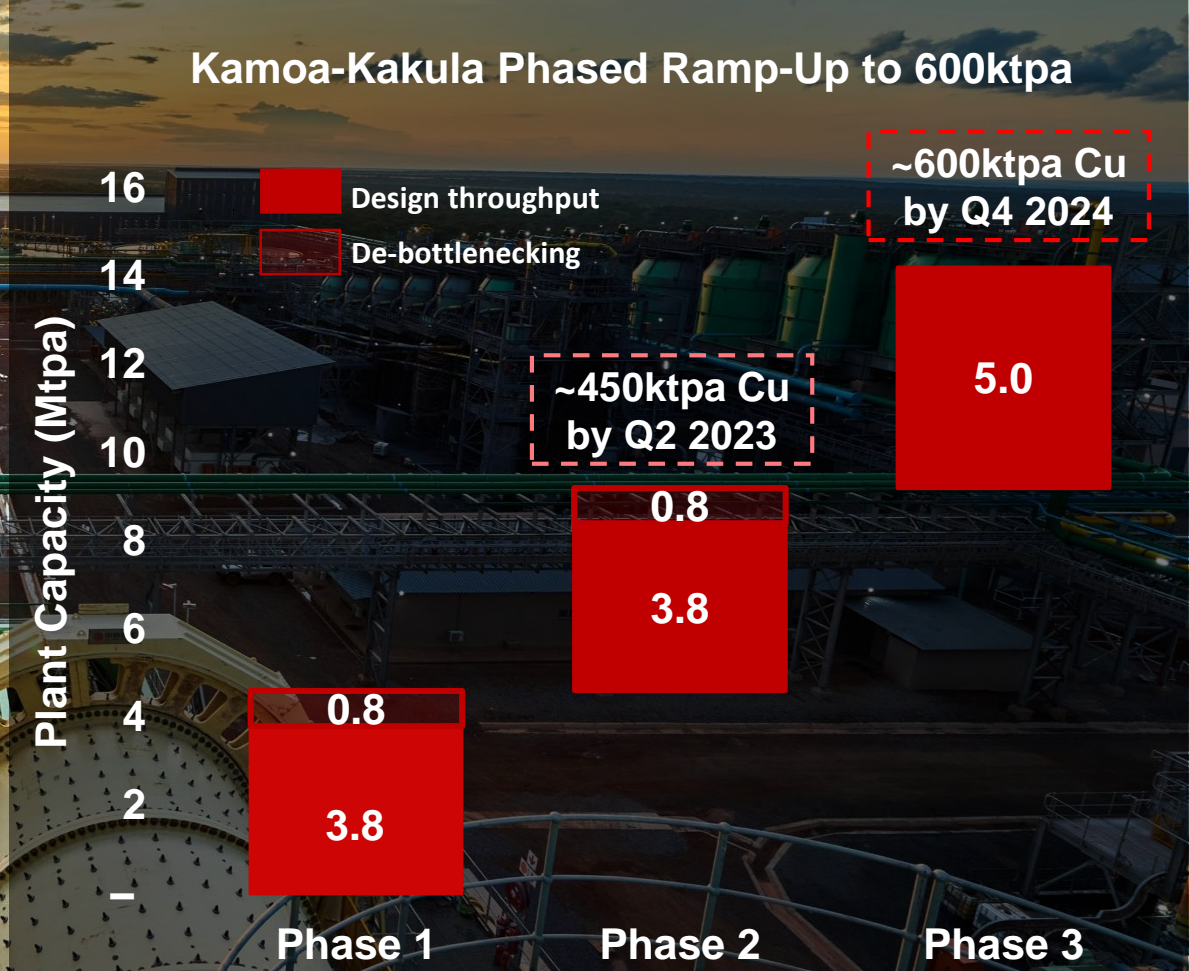
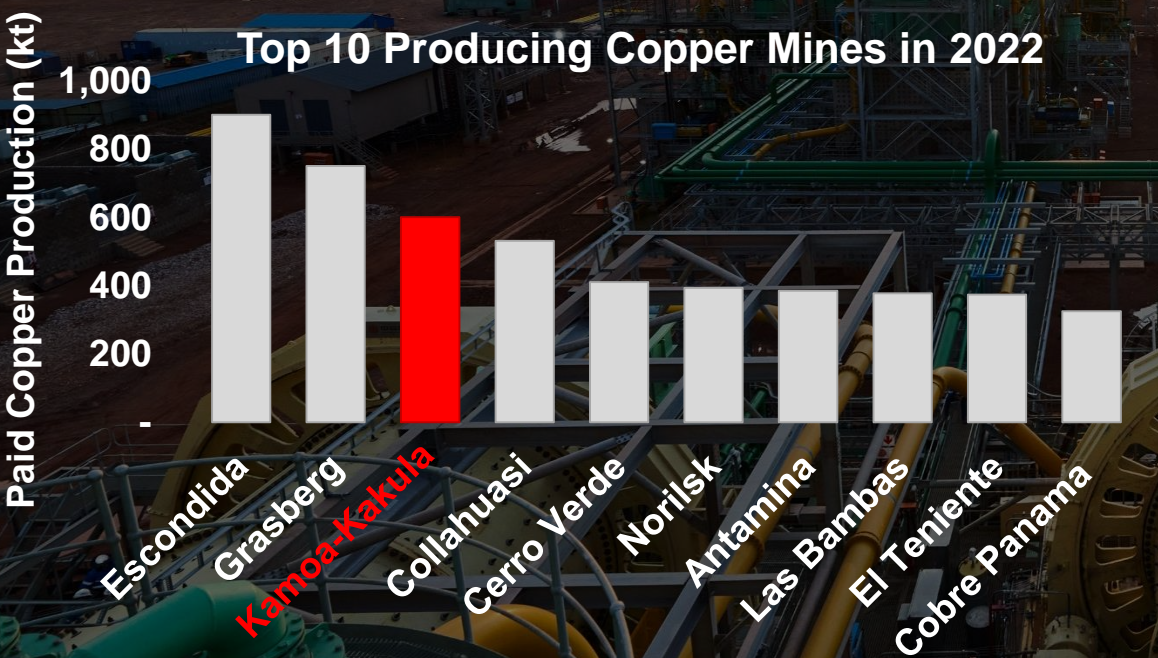
Work ongoing for upgrading of turbine 5 at Inga II dam, which will bring an additional **178 MW of renewable hydropower**

**Updated pre-feasibility study**, including the Phase 3 expansion and direct-to-blister smelter expected in **H2 2022**



# ON TRACK TO BECOME THE WORLD'S THIRD-LARGEST COPPER MINING COMPLEX BY Q4 2024

Additional Phase 3 plant capacity of 5 Mtpa to increase total processing capacity to **greater than 14 Mtpa**, positioning Kamoja Copper as the **world's third-largest copper mining complex**



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



# WESTERN FORELAND: THE NEXT GREAT COPPER FRONTIER

- Ivanhoe controls ~**2,407 km<sup>2</sup>** of exploration licences adjacent to the Kamoa-Kakula mining complex, covering a strike length of ~**175 km**
- Regional large-scale exploration drilling targeting **Kamoa-Kakula-style** copper mineralization has **commenced** with the onset of **dry season weather**
- **\$25 million** provisional exploration budget for 2022, including over **50,000** metres of shallow drilling and up to **45,000** metres of regional stratigraphic drilling





# UNDERGROUND DEVELOPMENT UNDERWAY AT PLATREEF

**First blast** on Platreef's 950-metre level **completed on April 22**, lateral development toward Flatreef orebody commences

Ivanplats takes delivery of **first battery-electric mining fleet**, planning of Platreef's initial **solar power plant well underway**

Forecast spend of **\$150 million** at Platreef for the remainder of 2022

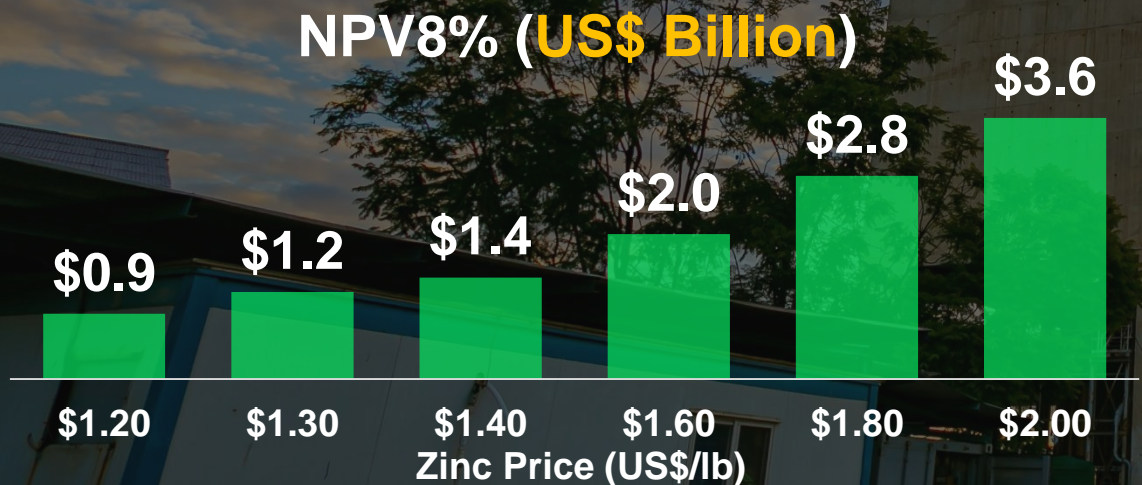
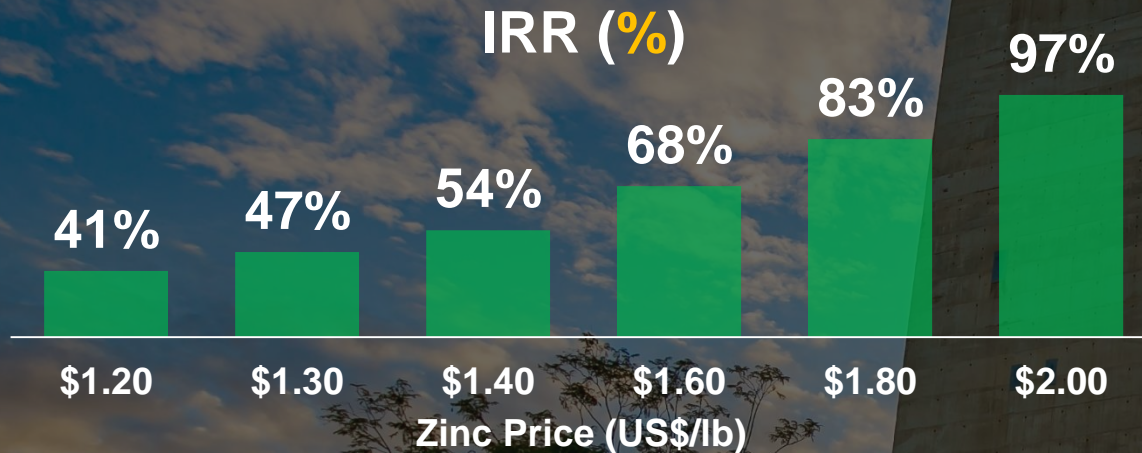
Phase 1 mine planned first production in **Q3 2024**; planned phased development to become one of the world's largest and lowest-cost producers of vital "**green metals**"





# KIPUSHI: MOVING TOWARDS CONSTRUCTION

2022 Feasibility Study Results at Different Zinc Prices:



Underground early works and recruitment of key staff required for construction is underway

Financing and offtake discussions are advancing with a number of interested parties

Targeting an accelerated return to production, with 18 – 24 month construction timeline, to take advantage of zinc market environment (current spot price is ~\$1.70/lb)



# THE WORLD'S NEXT DIVERSIFIED MAJOR MINER

- Ivanhoe will be a responsible, leading supplier of **critical metals** for the clean-energy transition, including copper, nickel, zinc and PGMs.

IN PRODUCTION



## KAMOA-KAKULA

The world's fastest growing copper mine, on track for copper production of over **450,000 tonnes** by Q2 2023

FIRST PRODUCTION 2024



## PLATREEF

Phase 2 annual forecast production of more than **590k ounces of 3PE+Au**, plus more than **40 million pounds of nickel and copper**

PRE-PRODUCTION



## KIPUSHI

Life-of-mine average annual zinc production of **240,000 tonnes** with C1 cash costs of **US\$0.65/lb** of payable zinc

EXPLORATION



## WESTERN FORELAND

**~2,407 km<sup>2</sup>** of exploration ground adjacent to the Kamoia-Kakula mining complex, covering a strike length of **~175km**



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# IVANHOE MINES

## Q1 2022 RESULTS

### MANAGEMENT Q&As