

Consolidated financial statements of

Ivanhoe Mines Ltd.

December 31, 2024
(Stated in U.S. dollars)

Ivanhoe Mines Ltd.

Management's responsibility for financial reporting

The accompanying annual consolidated financial statements of Ivanhoe Mines Ltd. (the "Company") have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS®") as issued by the International Accounting Standards Board ("IASB").

Management acknowledges its responsibility for the preparation and presentation of the annual consolidated financial statements, which includes designing and implementing internal controls to provide reasonable assurance of the fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. The result of the inherent limitations in all control systems means design and operation of controls cannot provide absolute assurance that all control issues and instances of fraud will be detected.

The Board of Directors approves the consolidated financial statements and ensures that management discharges its financial reporting responsibilities. The Board's review is accomplished principally through the Audit Committee, which is composed of non-executive directors. The Audit Committee meets periodically with management and the auditors to review financial reporting and control matters.

(Signed) Marna Cloete

Marna Cloete
President

(Signed) David van Heerden

David van Heerden
Chief Financial Officer

February 18, 2025

Ivanhoe Mines Ltd.

December 31, 2024

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Independent auditor's report

To the Shareholders of Ivanhoe Mines Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Ivanhoe Mines Ltd. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023 and January 01, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023, and January 01, 2023;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

Key audit matter	How our audit addressed the key audit matter
Kipushi Project: Impairment assessment of mineral properties and property, plant and equipment <i>Refer to note 2(c) – Significant accounting estimates and judgements, note 5 – Property, plant and equipment and note 6 – Mineral properties and exploration and project evaluation expenditure to the consolidated financial statements.</i> As at December 31, 2024 the consolidated statement of financial position includes property, plant and equipment amounting to US\$1,671 million and mineral properties amounting to US\$291 million. Subsequent to the identification of an impairment indicator at the Kipushi Project cash-generating unit (CGU), management performed an impairment assessment of the Kipushi Project CGU to assess whether the recoverable amount (higher of fair value less cost of disposal and value in use) is less than the carrying amount by using a discounted cash flow model. The assessment performed by management required judgement in the determination of key assumptions and future market conditions, particularly in relation to the following: • Life of mine; • Zinc price forecast; • Real discount rate; • Treatment charges and logistics cost assumptions. Based on the impairment assessment performed, the recoverable amount exceeded the carrying amount and there was no need to recognise an impairment as at December 31, 2024. We considered this a key audit matter due to the following reasons: • A misstatement in determining the recoverable amount could have a significant impact on the profit for the year, including the financial position of the Company at December 31,	Our approach to addressing the matter included the following procedures, among others: • We assessed the mathematical accuracy of the discounted cash flow model and agreed the life of mine, forecasted production levels and operating costs (including treatment charges and logistics costs) to the 2022 Kipushi Project feasibility study (including recent amendments) and underlying analyses prepared by external experts utilised by management. The assumptions were deemed reasonable. • We benchmarked management's treatment charges and logistics cost assumptions used in the impairment calculation against external market and third-party data and found management's assumptions to be comparable with such data. • We benchmarked management's commodity price forecasts used in the impairment calculation against external market and third-party data and found management's commodity price forecasts to be comparable with such data. • Management engaged external and internal experts to assess the reserves and resources used in the impairment calculation for reasonability. Through inspection of CVs, membership certificates from professional bodies and competent persons reports, we assessed the objectivity, competence and experience of management's experts. • Making use of our corporate finance and financial modelling expertise: ○ we assessed the discounted cash flow model used in management's impairment assessment and found the model was materially consistent with best practice; and ○ we independently recalculated management's real discount rate with reference to relevant third-party sources and found management's real discount rate to be within an



Key audit matter	How our audit addressed the key audit matter
2024; and The Kipushi Project CGU and its recoverable amount are impacted by the Project's performance and the main assumptions and estimates used by management (such as commodity prices, life of mine, real discount rate, as well as treatment charges and logistics cost assumptions).	acceptable range.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and



other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is E.P.V. Bergh.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: E.P.V. Bergh
Registered Auditor
Johannesburg, South Africa
February 19, 2025

The examination of controls over the maintenance and integrity of the Company's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Ivanhoe Mines Ltd.

Consolidated statements of financial position as at December 31, 2024

(Stated in U.S. dollars)

	Notes	December 31, 2024	December 31, 2023 <i>Restated*</i>	January 01, 2023 <i>Restated*</i>
		\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Investment in joint venture	4	3,033,716	2,517,551	2,047,040
Property, plant and equipment	5	1,670,841	1,146,354	630,295
Mineral properties	6	291,283	270,618	264,995
Deferred tax asset	7	242,721	223,631	208,356
Investments	8	81,556	84,465	9,652
Other receivables	9	54,373	25,145	15,141
Loans receivable	10	40,336	46,017	92,475
Intangible assets and other assets		18,917	4,243	4,372
Right-of-use asset	12	5,174	6,604	7,540
Promissory note receivable	11	—	26,800	26,756
Total non-current assets		5,438,917	4,351,428	3,306,622
Current assets				
Cash and cash equivalents	13	117,343	574,294	597,451
Inventory	14	85,741	1,521	1,011
Loans receivable	10	7,977	—	19,629
Other receivables	9	41,617	22,491	15,742
Promissory note receivable	11	26,853	—	—
Prepaid expenses	15	18,998	49,985	28,466
Current tax assets		109	542	364
Total current assets		298,638	648,833	662,663
Total assets		5,737,555	5,000,261	3,969,285
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	22	3,858,595	2,790,137	2,347,105
Share option reserve	22	153,062	147,862	141,541
Foreign currency translation reserve	23	(69,841)	(58,770)	(63,830)
Accumulated profit		1,047,384	819,249	509,801
Equity attributable to owners of the Company		4,989,200	3,698,478	2,934,617
Non-controlling interests	24	(153,559)	(117,532)	(93,486)
Total equity		4,835,641	3,580,946	2,841,131
Non-current liabilities				
Deferred revenue	17	359,720	328,096	310,725
Borrowings	18	260,953	56,340	40,823
Rehabilitation provision	19	21,567	14,636	1,093
Cash-settled share-based payment liability	20	11,081	9,704	9,023
Lease liability	12	10,036	10,765	10,761
Deferred tax liability	7	—	2,493	1,775
Advances payable		—	—	3,123
Total non-current liabilities		663,357	422,034	377,323
Current liabilities				
Trade and other payables	21	137,516	108,935	61,637
Borrowings	18	97,478	83,671	—
Cash-settled share-based payment liability	20	1,843	1,469	2,025
Deferred revenue	17	995	—	—
Lease liability	12	725	675	546
Convertible notes - host liability	16	—	495,970	465,323
Convertible notes - embedded derivative liability	16	—	306,561	221,300
Total current liabilities		238,557	997,281	750,831
Total liabilities		901,914	1,419,315	1,128,154
Total equity and liabilities		5,737,555	5,000,261	3,969,285

* The prior periods presented have been restated in accordance with the amendments to IAS 1. See Note 3 for further information.

(Signed) Peter Meredith

Peter Meredith, Director

(Signed) Martie Janse van Rensburg

Martie Janse van Rensburg, Director

Ivanhoe Mines Ltd.

Consolidated statements of comprehensive income for the year ended December 31, 2024

(Stated in U.S. dollars)

	Notes	December 31, 2024	December 31, 2023 <i>Restated*</i>
		\$'000	\$'000
Revenue	25	40,818	—
Cost of sales	26	(51,563)	—
Gross loss		(10,745)	—
Share of profit from joint venture net of tax	4	291,908	274,826
General and administrative expenditure	27	(56,582)	(43,833)
Exploration and project evaluation expenditure	6	(48,148)	(22,657)
Share-based payments	28	(27,919)	(29,269)
Profit from operating activities		148,514	179,067
Finance income	30	241,535	239,563
Other income (expense)	31	4,414	(3,201)
Loss on fair valuation of embedded derivative liability	16	(164,169)	(85,261)
Finance costs	29	(49,135)	(31,497)
Loss on fair valuation of financial asset	8	(2,041)	(3,385)
Profit before income taxes		179,118	295,286
Income tax recovery	7	14,176	7,658
Profit for the year		193,294	302,944
Profit (loss) attributable to:			
Owners of the Company		228,135	318,928
Non-controlling interests		(34,841)	(15,984)
		193,294	302,944
Other comprehensive loss			
Items that may subsequently be reclassified to profit:			
Exchange loss on translation of foreign operations, net of tax		(12,257)	(12,482)
Total comprehensive income for the year		181,037	290,462
Total comprehensive income (loss) attributable to:			
Owners of the Company		217,064	307,578
Non-controlling interests	24	(36,027)	(17,116)
		181,037	290,462
Basic profit per share	32	0.17	0.26
Diluted profit per share	32	0.17	0.26

*The format of the consolidated statements of comprehensive income has changed to better represent profit and loss since the commencement of commercial production at Kipushi. See note 27 for further information.

Ivanhoe Mines Ltd.

Consolidated statements of changes in equity for the year ended December 31, 2024

(Stated in U.S. dollars)

	Share capital		Share option reserve	Foreign currency translation reserve	Accumulated profit	Equity attributable to owners	Non- controlling interests	Total
	Number of shares	Amount						
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at January 1, 2023	1,216,754,579	2,347,105	141,541	(63,830)	509,801	2,934,617	(93,486)	2,841,131
Net profit (loss) for the year	—	—	—	—	318,928	318,928	(15,984)	302,944
Other comprehensive loss	—	—	—	(11,350)	—	(11,350)	(1,132)	(12,482)
Total comprehensive income (loss)	—	—	—	(11,350)	318,928	307,578	(17,116)	290,462
<i>Transactions with owners</i>								
Transfer of additional ownership to non-controlling interest	—	—	—	16,410	(9,480)	6,930	(6,930)	—
Shares issued (Note 22(a))	47,917,050	416,371	—	—	—	416,371	—	416,371
Share-based payments charged to operations (Note 28)	—	—	25,666	—	—	25,666	—	25,666
Restricted share units vested (Note 22(c))	2,399,595	17,443	(17,443)	—	—	—	—	—
Deferred share units settled (Note 22(d))	232,453	2,211	—	—	—	2,211	—	2,211
Options exercised (Note 22(b))	1,458,847	7,007	(1,902)	—	—	5,105	—	5,105
Balance at December 31, 2023	1,268,762,524	2,790,137	147,862	(58,770)	819,249	3,698,478	(117,532)	3,580,946
Net profit (loss) for the year	—	—	—	—	228,135	228,135	(34,841)	193,294
Other comprehensive loss	—	—	—	(11,071)	—	(11,071)	(1,186)	(12,257)
Total comprehensive income (loss)	—	—	—	(11,071)	228,135	217,064	(36,027)	181,037
<i>Transactions with owners</i>								
Shares issued (Note 22(a))	79,589,529	1,044,525	—	—	—	1,044,525	—	1,044,525
Share-based payments charged to operations (Note 28)	—	—	24,335	—	—	24,335	—	24,335
Restricted share units vested (Note 22(c))	2,134,601	17,755	(17,755)	—	—	—	—	—
Deferred share units settled (Note 22(d))	107,645	1,303	—	—	—	1,303	—	1,303
Options exercised (Note 22(b))	950,041	4,875	(1,380)	—	—	3,495	—	3,495
Balance at December 31, 2024	1,351,544,340	3,858,595	153,062	(69,841)	1,047,384	4,989,200	(153,559)	4,835,641

Ivanhoe Mines Ltd.

Consolidated statements of cash flows for the year ended December 31, 2024

(Stated in U.S. dollars)

	Notes	December 31, 2024 \$'000	December 31, 2023 \$'000
Cash flows from operating activities			
Profit before income taxes		179,118	295,286
Items not involving cash			
Share of profit from joint venture	4	(291,908)	(274,826)
Finance income	30	(241,535)	(239,563)
Loss on fair valuation of embedded derivative liability	16	164,169	85,261
Finance costs	29	49,135	31,497
Share-based payments	28	27,919	29,269
Unrealized foreign exchange loss		9,893	2,111
Depreciation		14,300	2,295
Amortization of mineral property	6	5,367	—
Loss on fair valuation of financial asset	8	2,041	3,385
Other non-cash items		613	8,461
		(80,888)	(56,824)
Interest received	30	14,981	21,646
Change in working capital items	35	(64,989)	8,517
Interest paid		(17,705)	(3,016)
Income taxes paid		(3,301)	(623)
Deferred share units settled in cash		(530)	(1,266)
Net cash used in operating activities		(152,432)	(31,566)
Cash flows from investing activities			
Property, plant and equipment acquired		(457,662)	(472,549)
Purchase of mineral properties	6	(34,050)	(5,350)
Proceeds on partial sale of Renergen investment		802	—
Other assets acquired		(4,565)	(4,402)
Cash paid on behalf of joint venturer	11	(53)	(44)
Proceeds from sale of property, plant and equipment		123	5,347
Net cash used in investing activities		(495,405)	(476,998)
Cash flows from financing activities			
Proceeds from borrowings	18	306,000	98,181
Options exercised		3,495	5,105
Repayments of borrowings	18	(83,123)	(1,234)
Settlement of coupon interest on convertible bonds	16	(10,096)	(14,375)
Transaction costs incurred on senior debt facility	18	(6,589)	—
Principal portion of lease liability repaid		(1,536)	(562)
Settlement of a portion of convertible notes in cash	16	(1,205)	—
Issue of shares, gross of issue costs	22(a)	—	429,704
Settlement of advances payable to Gecamines		—	(3,216)
Share issue costs	22(a)	—	(13,333)
Net cash generated from financing activities		206,946	500,270
Effect of foreign exchange rate changes on cash		(16,060)	(14,863)
Net cash outflow		(456,951)	(23,157)
Cash and cash equivalents, beginning of year		574,294	597,451
Cash and cash equivalents, end of year		117,343	574,294

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

1. Basis of presentation and going concern assumption

Ivanhoe Mines Ltd. is a mining, development and exploration company incorporated in Canada which, together with its subsidiaries and joint venture, is focused on the mining, development and exploration of minerals and precious metals from its property interests located primarily in Africa.

The registered and records office of the Company is located at Suite 606-999 Canada Place, Vancouver, British Columbia, Canada V6C 3E1. The Company is listed on the Toronto Stock Exchange ("TSX") under the ticker symbol IVN. The shares of the Company are also traded on the OTCQX Best Market in the United States of America under the symbol IVPF.

These consolidated financial statements have been prepared on the historical cost basis with the exception of certain financial instruments and share-based payments which are measured at fair value. 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 an accumulated profit of \$ 1,047.4 million at December 31, 2024 (December 31, 2023: \$819.2 million). As at December 31, 2024, the Company's total assets exceeds its total liabilities by \$4,835.6 million (December 31, 2023: \$3,580.9 million) and current assets exceeds current liabilities by \$60.1 million (December 31, 2023: current liabilities exceeds current assets by \$348.4 million).

2. Material accounting policies

The material accounting policies used in these consolidated financial statements have been consistently applied to all years presented, unless otherwise stated, and are as follows:

(a) Statement of compliance

The Company's consolidated financial statements have been prepared using accounting policies in compliance with IFRS® Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards;
- IAS® Standards; and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations).

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of Ivanhoe Mines Ltd. and the entities it controls (its subsidiaries) (collectively referred to as the Company).

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(b) Basis of consolidation (continued)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when there are factors in addition to the voting rights that are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in all its investees are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive profit and loss of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The Company accounts for a change in the Company's share of comprehensive income of the joint venture in the consolidated statements of comprehensive income. The carrying amount of the Company's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity attributable to the owners of the Company. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

When the Company ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

The preparation of financial statements in conformity with IFRS 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.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(c) *Significant accounting estimates and judgments*

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

Recoverability of assets

Property, plant and equipment, including capitalized development costs and finite-lived intangible assets are assessed at each reporting period to determine whether there is any indication that those assets have suffered an impairment loss.

In assessing whether an impairment is required, the carrying value of the asset or cash generating unit ("CGU") is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal and value in use. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss.

The Company assesses whether an impairment is required on loan receivables. Repayment of the social development loan (see Note 10(i)) will be made by offsetting the loan against future royalties and dividends payable to Gécamines from future profits earned at Kipushi.

Given the nature of the Company's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, the fair value less costs of disposal for each CGU is estimated based on discounted future estimated cash flows that are expected to be generated from the continued use of the CGUs. They are estimated using market consensus-based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, including any expansion projects, and its eventual disposal, based on the CGU development plans and latest technical reports. These cash flows are discounted using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is impaired to its recoverable amount. An impairment loss is recognized immediately in the statements of comprehensive income.

Volatility in commodity price forecasts and delays in achieving commercial production were identified as impairment indicators for Kipushi and Platreef. No impairment indicators were noted for Kamoakakula. Based on the impairment assessment performed, the Company has concluded that there is no impairment required to any of its projects. Significant judgments and assumptions are required in making estimates of determining the recoverable amount (the higher of fair value less cost of disposal and value in use). This is particularly so in the assessment of long-life assets. It should be noted that the valuations are subject to variability in key assumptions including, but not limited to, long-term commodity prices, capital expenditures, discount rates, transport costs and the cost of production and operating costs. The factors considered by the Company included the following:

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(c) Significant accounting estimates and judgments (continued)

Recoverability of assets (continued)

- The Platreef discounted cash flow model at the end of the year portrays positive results and there are no indications of impairment. Assumptions made in determining the recoverable amount included, but were not limited to, the following:
 - Life of mine of 30 years (2023: 30 years);
 - Price forecasts of \$1,194/oz Platinum, \$1,127/oz Palladium, \$2,169/oz Gold, \$3,905/oz Rhodium, \$8.44/lb Nickel, and \$4.20/lb Copper (2023: \$1,146/oz Platinum, \$1,218/oz Palladium, \$1,724/oz Gold, \$4,467/oz Rhodium, \$8.83/lb Nickel, and \$3.81/lb Copper); and
 - Real discount rate of 12.8% (2023: 12.8%).
- The Kamoakakula discounted cash flow model at the end of the year portrays positive results and there are no indications of impairment. Assumptions made in determining the recoverable amount included, but were not limited to, the following:
 - Life of mine of 40 years (2023: 41 years);
 - Copper price of \$3.90/lb (2023: \$3.96/lb);
 - Real discount rate of 8% (2023: 8%).
- The Kipushi discounted cash flow model at the end of the year portrays positive results and there are no indications of impairment. Assumptions made in determining the recoverable amount included, but were not limited to, the following:
 - Life of mine of 13.5 years (2023: 14 years);
 - Zinc price of \$1.20/lb (2023: \$1.18/lb);
 - Real discount rate of 10.5% (2023: 11.5%) and
 - Treatment and logistics costs assumptions

The recoverable amount of the Kipushi CGU is sensitive to changes in the zinc price and the discount rate. A 5% decrease in the zinc price will decrease the recoverable amount of the CGU by \$203 million (post tax). A 5% increase in the zinc price would result in a similar but positive impact on the recoverable amount of the CGU. A 1% increase in the discount rate will decrease the recoverable amount of the CGU by \$49 million (post tax). A 1% decrease in the discount rate would result in a similar but positive impact on the recoverable amount of the CGU.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, and is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income.

Determination of functional currency

The Company has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and determined that the Company's functional currency is the U.S. dollar. Factors considered in making this determination include:

- The currency that primarily influences the costs of labour, materials and other costs incurred in development of the Company's projects is the U.S. dollar.
- The vast majority of funding provided by Ivanhoe Mines Ltd. to the project companies (including the Kamoakakula Holding joint venture) to fund the development activities is denominated in U.S. dollar. The repayment of this funding is anticipated to also be in U.S. dollar.
- The majority of the funding and cash that is used to develop the Company's projects is held in U.S. dollars and only converted to other currencies if required to be utilized for a specific reason in that particular other currency.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(c) Significant accounting estimates and judgments (continued)

Determination of functional currency (continued)

- Sales of copper concentrate and blister copper at Kamoa-Kakula and sales of zinc concentrate from Kipushi are determined in U.S. dollar. The Company does not yet sell the output that will be produced at its other projects, however the currency in which the future selling prices are to be determined is the U.S. dollar.
- Although the project companies do not yet remit any funds to the Company, it is anticipated that any such remittance in future periods, in whichever form, will be denominated in U.S. dollar.

The Company's subsidiaries have a variety of functional currencies that include, but are not limited to, U.S. dollar ("USD"), South African Rand ("ZAR") and Canadian dollar ("C\$").

Technical feasibility and commercial viability of projects

In determining whether an exploration and evaluation property is technically feasible and commercially viable, the Company considers the following elements:

- a technical analysis of the basic geology of the project;
- a mine plan for accessing and exploiting the ore body;
- a process flow sheet for processing the ore generated from mining;
- projections as to the capital cost of constructing the project;
- projections as to the cost of operating the project in accordance with the mine plan;
- projections as to revenues from the concentrate or other mineral product to be generated from operations in accordance with the mine plan; and
- an economic analysis of the project based on the projected capital and operating costs and production revenues.

Classification of Kamoa Holding Limited as a joint venture

- Kamoa Holding Limited ("Kamoa Holding") is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Kamoa Holding Limited is classified as a joint venture of the Company. See Note 4 for details.

Determination of inputs into lease accounting

- Lease payments should be discounted using the interest rate implicit in the lease unless that rate cannot be readily determined, in which case the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The Company has used the risk-free interest rate adjusted for credit risk specific to the lease.
- In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For the rented surface infrastructure (Kipushi), the lease term is the life of mine and therefore the Company reasonably assessed that the lease will not be extended beyond or terminated before the end of that period. For the office buildings the lease cannot be reasonably certain to be extended as the contract has already been extended to October 31, 2027, beyond which there is no certainty of further extension. The lease term for the office building is the length of the contract.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(c) Significant accounting estimates and judgments (continued)

Provisionally priced revenue and remeasurement of contract receivables

Sales in the Kamoa Holding Limited joint venture are provisionally priced at the average market price on the date that the products are delivered to the buyers at the Kamoa-Kakula mine concentrate warehouse or the demarcated holding area at the Lualaba Copper Smelter premises. Revenue from the contract receivables is recognized for all the sales during the year at the average market price for the month in which the sales occurred. Revenue from contract receivables is remeasured with reference to the forward market price at each reporting date and the remeasurement of contract receivables is recognized as revenue from other sources in the statement of comprehensive income of the Kamoa Holding Limited joint venture.

Zinc concentrate sales by the Company are provisionally priced at the average market price on the date that the product is delivered to the buyers at the load port for DAP (Delivered at Place) deliveries or discharge port for CIF (Cost, Insurance and Freight) deliveries. Revenue from the contract receivables is recognized for all the sales during the year at the average market price for the month in which the sales occurred. Revenue from contract receivables is remeasured with reference to the forward market price at each reporting date and the remeasurement of contract receivables is recognized as revenue from other sources in the statement of comprehensive income of the Company.

Bill-and-hold arrangements

During the year ended December 31, 2024, the Kamoa Holding Limited joint venture had multiple bill-and-hold arrangements with its customers for copper concentrate sales, as described in IFRS 15. The control of the copper concentrate had passed to the customers, however physical possession was retained by Kamoa-Kakula for one of the customers as at December 31, 2024.

Revenue from the copper concentrate sales was recognized by the joint venture when control of the goods transferred to the customer through fulfilment of the contractual performance obligations, which was to deliver the concentrate to the customer. Delivery of the concentrate was on a free-carrier basis as per INCOTERMS 2020, with the point of delivery being on the floor of the Kamoa-Kakula concentrate warehouse. Upon delivery as per the contract, Kamoa-Kakula had a present right to payment for the concentrate and revenue was therefore recognized.

Valuation of embedded derivative liability

The Company used the following key inputs and estimates to determine the fair value of the embedded derivative liability at initial recognition and at the end of each year:

	March 17, 2021	December 31, 2021	December 31, 2022	December 31, 2023
Share price	C\$7.00	C\$10.32	CS\$10.70	CS\$12.85
Credit spread (basis points)	630	356	419	400
Volatility	42%	40%	40%	43%
Borrowing cost (basis points)	50	25	25	25

The Company early redeemed the convertible notes in 2024. See Note 16 for further information.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(c) Significant accounting estimates and judgments (continued)

Deferred revenue

The advance payments received under the stream financing agreements (see Note 17) have been accounted for as contract liabilities within the scope of IFRS 15. Under the terms of the agreements, settlement of the contracts will be executed via the delivery of credits to the purchasers. The credits to be delivered are directly linked to the metal contained in concentrate produced at the Platreef mine. The contracts are therefore not financial instruments as the contracts will not be settled in cash or another financial instrument.

Performance obligations under the contracts will be satisfied through production at the Platreef mine and revenue will be recognized over the duration of the contracts. As the contracts are long term in nature and a portion of the financing was received at inception of the contracts, it has been determined that the contracts contain a significant financing component under IFRS 15.

The current portion of deferred revenue is determined to be the value of the ounces owed to the stream purchasers expected within the next twelve months following the end of the current financial year.

Deferred tax

Significant judgment is required in determining the deferred tax asset related to the Platreef and Kipushi Projects. This includes the probability that there will be sufficient taxable income in the future against which the deferred tax can be utilized. The Company considers the recoverability of the deferred tax asset annually, and has deemed the balance to be recoverable at the end of the current financial year (see Note 7).

Provisions for tax claims

From time to time, the Company becomes subject to claims or assessments made by tax or other authorities in the ordinary course of its business. Such claims may be made against the Company, or its subsidiaries and affiliates, or its joint ventures. Given the complexity, scope and multi-jurisdictional nature of the Company's business, such claims may arise in several jurisdictions and may involve complex legal, tax or accounting matters.

Management assesses the Company's liabilities and contingencies for all tax years open to claims or assessment based upon the latest information available. The Company accrues for such claims, or makes a provision, in its financial statements, when a liability resulting from the claim is both probable and the amount can be reasonably estimated. In order to assess such likelihood management reviews claims with the benefit of internal and external legal advice where appropriate.

The joint venture is currently subject to several such claims, all of which have been determined by management, with the benefit of legal advice, to be without merit and justification and therefore not probable that a liability would arise therefrom. Where these estimated liabilities are determined as probable, management has determined that such liability would not have a material effect on the consolidated financial statements of the Company. Such determinations are based on current information and advice, which is subject to change based on changed facts or circumstances. Accordingly, management may re-assess any prior determination regarding the likelihood of a probable liability at any time.

(d) Interests in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(d) *Interest in joint ventures (continued)*

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and the other comprehensive income of the joint venture.

When the Company's share of losses of the joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that in substance form part of the Company's net investment in the joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

When a group entity transacts with a joint venture of the Company, profits and losses resulting from the transactions with the joint venture are recognized in the Company's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Company.

(e) *Property, plant and equipment*

All property, plant and equipment are recorded at historical cost net of accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying value or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the specific asset will flow to the Company and the cost can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation commences once the asset is available for use and is calculated on the straight-line method to write off the cost of each asset to its residual value over their estimated useful life. The assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each financial year end. Any changes are accounted for prospectively as a change in accounting estimate. Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and assets under construction) less their residual values over their useful lives, using the straight-line method.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(e) *Property, plant and equipment (continued)*

The expected lives applicable to each category of fixed assets are as follows:

• Buildings	5 to 20 years
• Office equipment	3 to 8 years
• Motor vehicles	5 to 7 years
• Plant and equipment	3 to 7 years
• Aircraft	15 to 20 years
• Mining Infrastructure	20 to 30 years

Freehold land is not depreciated.

The Company reviews the carrying values of its property, plant and equipment whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and discounted net cash flows. An impairment loss is recognized when the carrying value of those assets is not recoverable and exceeds their recoverable amount (higher of fair value less costs to sell and value in use).

The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit and loss.

Assets in the course of construction for production, supply or administrative purposes, including development costs, are carried at cost, less any recognized impairment loss. Cost includes costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such assets are initially categorized in the assets under construction category. Management applies its judgement to determine the date on which these assets are re-classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(f) *Mineral properties and exploration expenditure*

Direct historical costs related to the acquisition of mineral properties are capitalized on a property-by-property basis. The Company reviews the carrying values of its mineral properties whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and discounted net cash flows. An impairment loss is recognized when the carrying value of those assets are not recoverable and exceeds their recoverable amount (higher of fair value less costs to sell and value in use).

Amortization of mineral properties will commence when commercial production starts. Mineral properties will be amortized over the expected life of mine.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(f) *Mineral properties and exploration expenditure (continued)*

Exploration costs are charged to operations in the period incurred, until such time as the Company determines that a property is technically feasible and commercially viable, whereafter those determined to be development costs are capitalized as property, plant and equipment. In making this determination the Company considers whether a proposed project is capable of being developed at a sufficient return to justify the capital and managerial resources that must be committed to the project. The determination is made on a property by property basis and generally coincides with the finalization of a preliminary economic assessment or pre-feasibility study of the property. Development costs are capitalized as property, plant and equipment and are costs incurred to obtain access and to provide facilities for extracting, treating, gathering, transporting and storing the minerals.

Development expenditures are capitalized to the extent that they are necessary to bring the property to commercial production.

On the commencement of commercial production, net capitalized costs are charged to operations on a unit-of-production basis, by property, using estimated proven and probable recoverable reserves as the depletion base. Where the Company's exploration and development activities are conducted jointly with others, these consolidated financial statements reflect only the Company's interests in such activities.

(g) *Long-term loans receivable*

Long-term loans receivable have been recognized on the date that the Company is contractually entitled to receive the associated cash flows. The long-term loans receivable will be derecognized when the rights to receive cash flows associated with the receivables have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the long-term loans receivable have been measured at fair value, with associated transaction costs being expensed in the statement of comprehensive income and are subsequently measured at amortized cost.

(h) *Leases*

IFRS 16 requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company leases various land, offices, equipment and vehicles.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on the terms contained in the applicable contract or on their relative stand-alone prices.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(h) Leases (continued)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Right-of-use assets

Right-of-use assets are initially measured at:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

After the lease has commenced the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

The Company has used its incremental borrowing rate because the interest rate implicit in the lease cannot be readily determined.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The initial measurement of the lease liability includes:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

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Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(h) Leases (continued)

Lease liabilities (continued)

Variable lease payments that are not included in the measurement of the lease liability are recognized in profit or loss in the period in which the event or condition that triggers payment occurs, unless the costs are included in the carrying amount of another asset under another Standard.

The lease liability is subsequently remeasured to reflect changes in:

- the lease term (using a revised discount rate);
- the assessment of a purchase option (using a revised discount rate);
- the amounts expected to be payable under residual value guarantees (using an unchanged discount rate);
- future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate); or
- lease modifications (unless they are to be treated as separate leases).

The re-measurements are treated as adjustments to the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The finance cost is included as interest paid in the operating activities section of the consolidated statement of cash flows.

Practical expedients not relied on:

- Election by class of underlying asset, not to separate non-lease components from lease components and instead account for all components as a lease.
- Re-assessment whether a contract is, or contains, a lease at the date of initial application.
- Applying IFRS 16 to a portfolio of leases with similar characteristics if the entity reasonably expects that the effects on the financial statements would not differ materially from applying IFRS 16 to the individual leases within that portfolio.

Recognition exemptions

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly IT equipment and office furniture.

(i) Promissory note receivable

The Company became party to a non-interest-bearing, 10-year promissory note receivable as the purchase consideration for selling 1% of its share in Kamoa Holding Limited (see Note 4).

The promissory note receivable was recognized when the Company became contractually entitled to receive the cash flows associated with it and was initially measured at fair value with associated transaction costs being expensed in the statement of comprehensive income. The promissory note receivable is subsequently measured at amortized cost.

(j) Other assets

Other assets represent prepayments for non-current assets and deposits of the Company. Other assets are cash paid for which the related asset, service or benefit is expected to be received more than 12 months from the end of the reporting period.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(k) *Investments*

The Company holds investments in equity instruments of listed and unlisted companies (see Note 8) and measures these investments initially at cost and subsequently at fair value through profit or loss. Transaction costs that are directly attributable to the acquisition of investments carried at fair value through profit or loss are expensed in the statement of comprehensive income.

The classification depends on the Company's business model for managing the investments and the contractual terms of the cash flows. These investments are not held for trading. Purchases and subsequent sales of these equity investments are recognized on trade date, being the date on which the Company commits to purchase or sell these equity instruments.

The investments are derecognized when the rights to receive the cash flows associated with the equity instruments have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Investments in listed shares are subsequently measured at fair value through profit and loss with reference to the prevailing share prices at the end of each reporting period. Gains and losses on the equity instruments are recognized in profit or loss.

Investments in unlisted shares are subsequently measured at fair value through profit and loss. IFRS 13 is applied to determine the fair value of investments in unlisted shares.

(l) *Financial instruments: Financial assets*

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortized cost.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses, if recognized, are presented as a separate line item in the statement of profit or loss.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(l) Financial instruments: Financial assets (continued)

Measurement (continued)

- Fair value through OCI (FVTOCI): Assets that are held for collection of contractual cash flows and for resale, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented as a separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk when compared to the credit risk recognized on initial recognition.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. Loan receivables and the promissory note receivable are assessed using the general approach.

Modification

In determining whether a modification is substantial for a financial asset, both qualitative and quantitative factors are considered. Where an existing financial asset is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset are substantially modified, such an exchange or modification is treated as a derecognition of the original asset and the recognition of a new asset at fair value, including calculating a new effective interest rate, with the difference in the respective carrying amounts being recognised in the statement of comprehensive income. If the terms are not substantially different for financial assets, the Company recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset using the original effective interest rate. The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss in the statement of comprehensive income.

(m) Taxation

Current tax

The tax currently payable is based on taxable income for the year. Taxable profit differs from profit as reported in the consolidated statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(m) *Taxation (continued)*

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit or loss nor the accounting profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally-enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

(n) *Cash and cash equivalents*

Cash and cash equivalents comprise bank balances and highly liquid investments with original maturities of three months or less.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(o) *Prepaid expenses and deposits*

Prepaid expenses is cash paid for which a service or benefit is expected to be derived in the future. The future write-off period of the incurred cost will normally be determined by the period of benefit covered by the prepayment. Prepaid expenses specific to a particular period will be expensed when the period arrives and the costs will be treated as a period cost for that period. Prepaid costs for an extended period of time are normally written off equally during the period in which the benefit will be derived.

Prepaid expenses are generally classified as current assets unless a portion of the prepayment covers a period longer than twelve months or the prepayment relates to a non-current asset to be received in the future. When payments may be accounted for as prepaid expenses but the payment will be amortized within the current period and is not considered material to the presentation of financial position, such payments may be expensed in the month the payment is made.

(p) *Other receivables*

Other receivables represent accounts receivable, including those receivable from the joint venture as well as indirect taxes refundable from governments. Other receivables are initially recognized at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value. Other receivables, other than indirect taxes receivable, are subsequently measured at amortized cost less any loss allowances. Indirect tax receivable is recorded at its undiscounted amount and is disclosed as non-current if not expected to be recovered in twelve months.

(q) *Consumable stores*

Consumable stores are stated at the lower of cost and net realisable value. The costs of consumable items are determined using weighted average cost of the items purchased. Costs of purchased items are determined after deducting rebates and discounts.

(r) *Inventory*

Inventory is stated at the lower of cost and net realizable value. Cost is determined using the weighted average method and includes all costs incurred in bringing the inventory to its present location and condition. This includes direct costs such as materials and labor, as well as an appropriate portion of fixed and variable overhead costs, including depreciation, incurred in converting materials into finished goods, based on normal production capacity. Net realizable value is the estimated future sales price of the product the Company expects to realize when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future sales prices and expected costs to complete are discounted.

Ore Stockpiles: The cost of ore stockpiles is determined by allocating direct costs relating to the extraction of ore which will feed through the processing plant and an appropriate portion of overhead costs that are necessary to facilitate ore extraction. Stockpile tonnages are verified by periodic surveys and stockpiles are measured by estimating the number of tonnes added and removed from the stockpile.

Finished Goods: Finished goods include zinc concentrate. The cost of finished goods includes the cost of raw materials, direct labor, and a proportion of manufacturing overheads based on normal operating capacity.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(s) *Cost of sales*

Cost of sales includes all direct costs associated with the production of zinc concentrate sold by the Company. This includes the cost of raw materials, direct labor, and a proportion of manufacturing overheads based on normal operating capacity.

Production Costs: Production costs include costs directly attributable to the extraction and processing of ore, including labor, materials, and overheads.

Realization Costs: Realization costs include taxes and surcharges, selling expenses, and logistics costs associated with the sale of zinc concentrate. These costs are influenced by INCOTERMS 2020 specified in the sales contracts, such as DAP (Delivered at Place) and CIF (Cost, Insurance, and Freight). Under DAP terms, the seller is responsible for delivering the goods to the buyer's specified location, covering all costs and risks associated with transportation. Under CIF terms, the seller covers the cost of freight and insurance to the destination port, with the buyer assuming responsibility for the goods upon arrival at the port.

(t) *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting its liabilities. Equity instruments, which include share capital, are recorded at the proceeds received, net of direct issue costs. Only incremental costs directly attributable to issuing new equity instruments or acquiring previously outstanding equity instruments are related to an equity transaction in accordance with IAS 32.

(u) *Financial instruments: Financial liabilities*

Financial liabilities are classified as either (i) at fair value through profit or loss or (ii) other liabilities at amortized cost. All of the Company's financial liabilities are recognized initially at fair value and subsequently measured at amortized cost, other than derivative liabilities which are measured at fair value through profit or loss.

(v) *Borrowings*

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(w) *Rehabilitation provision*

The Company recognizes provisions for statutory, contractual or legal obligations associated with the reclamation of mining property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a provision for rehabilitation is recognized at the best estimate of the expenditure required to settle the present obligation discounted at an appropriate discount rate.

Upon initial recognition of the provision, the corresponding asset is added to the carrying amount of the related asset and the cost is amortized as an expense over the useful life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the rehabilitation provision, the carrying amount of the provision is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognized as part of the cost of the asset is adjusted against the asset.

(x) *Trade and other payables*

Trade and other payables is comprised of accounts payable, accrued liabilities and salary-related liabilities of the Company for goods and services provided to the Company prior to the end of the reporting period which are unpaid. These amounts are unsecured and are usually settled within 30 days of recognition and are therefore classified as current liabilities.

Trade and other payables are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest rate method.

(y) *Short-term employee obligations*

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are included in trade and other payables in the balance sheet.

(z) *Foreign currencies*

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(z) Foreign currencies (continued)

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into currency units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive loss and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in equity.

(aa) Share-based payments

Equity-settled share-based payments to employees providing services are measured at the fair value of the equity instruments at the grant date.

The fair value of share options is estimated as of the date of the grant using a Black-Scholes option valuation model and are recorded in profit and loss over their vesting periods. Share options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. Changes to the estimated number of awards that will eventually vest are accounted for prospectively. When the share options are ultimately exercised, the amount in the share-based payment reserve is moved to share capital.

The share-based payment expense relating to the B-BBEE transaction described in Note 28, was determined by using a Monte Carlo simulation of the underlying share, together with its dividends, to estimate the closing share price at vesting date, as well as the remaining funding balance. Cash-settled share-based payments are remeasured at each reporting period.

Restricted share units are equity-settled share-based payments and are valued using the fair value of a common share at time of grant and are recorded in profit and loss over their vesting periods.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(bb) *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Where funds are borrowed specifically, costs eligible for capitalization are the actual costs incurred less any income earned on the temporary investment of such borrowings. Where funds are part of a general pool, the eligible amount is determined by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate will be the weighted average of the borrowing costs applicable to the general pool.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they incurred.

(cc) *Profit per share*

The basic profit per share is computed by dividing the profit attributable to the owners of the Company from continuing operations and discontinued operations by the weighted average number of common shares outstanding during the year. The diluted profit per share reflects the potential dilution of common share equivalents, such as outstanding share options, restricted share units and the convertible notes in the weighted average number of common shares outstanding during the year, if dilutive.

(dd) *Interests in joint operations*

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Company has one joint operation, as described in Note 34.

When a group entity undertakes its activities under joint operations, the Company as a joint operator recognizes in relation to its interest in the joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Company's consolidated financial statements only to the extent of other parties' interests in the joint operation.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(dd) *Interests in joint operations (continued)*

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Company does not recognize its share of the gains and losses until it resells those assets to a third party.

(ee) *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The Company's executive management team has been identified as the chief operating decision-makers, and are responsible for allocating resources and assessing performance of the operating segments.

(ff) *Related parties*

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence. Related parties may be individual or corporate entities.

(gg) *Convertible notes*

The convertible notes comprise a host loan and an embedded derivative liability. The embedded derivative liability arises from the election right of the Company to settle the notes in cash, shares or a combination thereof.

On initial recognition of the convertible notes, the embedded derivative liability was calculated first with the residual value being assigned to the host loan. The host loan is subsequently measured at amortized cost whereas the embedded derivative liability is measured at fair value with changes being recorded in profit or loss.

Transaction costs were apportioned to the host loan and the embedded derivative liability. The portion of the transaction costs attributable to the embedded derivative liability was expensed in the consolidated statements of comprehensive income whereas the transaction costs attributable to the host loan are added to the carrying amount and amortized as part of the effective interest rate.

Interest on the host loan is calculated using the effective interest rate method. The effective interest rate for the host loan is 9.39% which is the rate that is required to discount the contractual cash flows back to the carrying amount, after adjusting for the transaction costs.

The fair value of the embedded derivative liability is obtained from an independent third-party financial institution who uses the following key inputs and assumptions at the end of each reporting period:

- Credit spread
- Borrowing costs
- Volatility
- The prevailing price of the Company's shares as at the reporting date

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(hh) *Deferred revenue*

Deferred revenue of the Company represents advance sales under gold and platinum and palladium streaming agreements and is recognized as a contract liability under IFRS 15. The deferred revenue is recognized at fair value, net of transaction costs as there is reasonable assurance that the Company will comply with the conditions associated with the stream agreements. The Company will recognize a financing component relating to the difference in the timing of the deferred revenue received and the delivery of the metal credits to the Stream Purchasers.

(ii) *Revenue*

Kamoa Holding Limited

Revenue arises in the Company's Kamoa Holding Limited joint venture through its business of producing copper concentrate and blister copper. Revenue is recognized from the sale of these products when control is transferred to the customer through fulfilment of the contractual performance obligations, which is to deliver the products to the customers.

Delivery occurs, on a free-carrier basis as per INCOTERMS 2020, in accordance with the relevant agreement with the buyer. For copper concentrate sales, the point of delivery is the Kamoa-Kakula concentrate warehouse and for blister copper sales, the point of delivery for loading trucks is the demarcated holding area at the Lualaba Copper Smelter. Once delivery has occurred, the control associated with the products will have been transferred to the customer.

Kamoa Holding has concluded that it is the principal in its revenue contracts with customers because it controls the products before it is transferred to the customer.

Contracts with customers for the sale of copper concentrate and blister copper allow for price adjustments based on the market price at the end of the relevant quotation period. These provisional pricing adjustments result in selling prices that are based on the prevailing commodity prices on a specific future date after delivery of the products to customers.

Revenue is measured at the amount of the consideration which Kamoa Holding expects to be entitled to in exchange for those products in terms of the contract and is determined using the quoted market prices of the metals. At the end of a calendar month, all deliveries made during a month are grouped together in a provisional invoice to the customer, and are calculated based on the average quoted market prices over the month of delivery.

At the end of each calendar month, the contract receivables from the customer are remeasured using quoted market forward rates and the remeasurement is recognized as revenue in the statement of comprehensive income.

The contracts with customers require the customers to provide a rolling advance payment facility which can be drawn down every three months at the discretion of the Project.

Kamoa Holding does not expect to have any contracts with customers where the period between the delivery of the products and payment by the customers exceeds 12 months. Consequently, the transaction prices are not adjusted for the time value of money.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(ii) Revenue (continued)

Kipushi

The Company, through the Kipushi project, is principally engaged in the business of producing zinc concentrate. Revenue arises from the sale of zinc concentrate when control of the product is transferred to the customer through fulfilment of the contractual performance obligations, which is to deliver the product to the customers.

Delivery occurs, on a free-carrier basis as per INCOTERMS 2020, in accordance with the relevant agreement with the buyer. For zinc concentrate sales, the point of delivery is the load port for DAP (Delivery at Port) deliveries or the discharge port for CIF (Cost, Insurance and Freight) deliveries. Once delivery has occurred, the control associated with the products will have been transferred to the customer.

The Company has concluded that it is the principal in its revenue contracts with customers because it controls the product before it is transferred to the customer.

Contracts with customers for the sale of zinc concentrate allow for price adjustments based on the market price at the end of the relevant quotation period. These provisional pricing adjustments result in selling prices that are based on the prevailing commodity prices on a specific future date after delivery of the product to customers.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for those products in terms of the contract and is determined using the quoted market prices of the metals. At the end of a calendar month, all deliveries made during a month are grouped together in a provisional invoice to the customer, and are calculated based on the average quoted market prices over the month of delivery.

At the end of each calendar month, the contract receivables from the customer are remeasured using quoted market forward rates and the remeasurement is recognized as revenue from other sources in the statement of comprehensive income. The related account receivables are also adjusted to reflect the movements in the provisional pricing.

The Company does not expect to have any contracts with customers where the period between the delivery of the products and payment by the customers exceeds 12 months. Consequently, the transaction prices are not adjusted for the time value of money.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

2. Material accounting policies (continued)

(jj) 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, 2024. The Company has not yet adopted these new and amended standards.

- **Amendment to IAS 21 - Lack of Exchangeability:** An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
(i)

The Company has considered the amendment and assessed that it will have no material impact on adoption.

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments:** These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. They also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). (ii)

The Company has considered the amendment and assessed that it will have no material impact on adoption.

- **IFRS 18 Presentation and Disclosure in Financial Statements:** This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss, required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures), and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. (iii)

The Company is still assessing the impact of these amendments.

- (i) Effective for annual periods beginning on or after January 1, 2025
- (ii) Effective for annual periods beginning on or after January 1, 2026
- (iii) Effective for annual periods beginning on or after January 1, 2027

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

3. Application of new and revised standards

The following standards became effective for annual periods beginning on or after January 1, 2024. The Company adopted these standards in the current period and they did not have a material impact on its consolidated financial statements unless specifically mentioned below.

- Amendment to IFRS 16 – Leases on sale and leaseback. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- Amendment to IAS 7 and IFRS 7 - Supplier finance. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- Amendment to IAS 1 – Non-current liabilities with covenants and Amendment to IAS 1 - Classification of Liabilities as Current or Non-current.

The adoption of the amendments to IAS 1 has a material effect on the Company's financial statements, particularly impacting the classification of the host liability and embedded derivative liability associated with the convertible notes.

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. Furthermore, the amendments clarify that a conversion option does not affect the Company's classification of the liability, but only if the option meets the fixed-for-fixed criteria and is classified and recognized as a separate equity component in accordance with IAS 32, Financial Instruments: Presentation. If a conversion option in a loan agreement does not satisfy the fixed-for-fixed criteria, the entity would classify the liability as current if the option can be exercised within 12 months from the reporting date.

The conversion feature included in the Company's convertible notes fails the 'fixed for fixed' criteria and is therefore not classified as an equity instrument. Although the terms of the convertible notes allow for settlement in the Company's own equity instruments, that alternative is not classified as an equity instrument, the terms of the convertible feature are taken into account in the classification of the liability. The convertible senior notes issued by the Company can be called by the holder at any time in the next 12 months, barring the conditions disclosed in Note 16 are met. These conditions were met during the year, therefore the convertible senior notes were classified as current liabilities.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

3. Application of new and revised standards (continued)

- Amendment to IAS 1 – Non-current liabilities with covenants and Amendment to IAS 1 - Classification of Liabilities as Current or Non-current. (continued)

The impact of the adoption of the amendments to IAS 1 on the Company's consolidated statements of financial position as at December 31, 2023 and January 1, 2023 is as follows:

	December 31, 2023	IAS 1 Amendment	December 31, 2023 (Restated)
	\$'000	\$'000	\$'000
Consolidated statements of financial position			
Non-current liabilities			
Convertible notes - host liability	492,937	(492,937)	—
Convertible notes - embedded derivative liability	306,561	(306,561)	—
Total non-current liabilities	1,221,532	(799,498)	422,034
Current liabilities			
Convertible notes - host liability	3,033	492,937	495,970
Convertible notes - embedded derivative liability	—	306,561	306,561
Total current liabilities	197,783	799,498	997,281
	January 01, 2023	IAS 1 Amendment	January 01, 2023 (Restated)
	\$'000	\$'000	\$'000
Consolidated statements of financial position			
Non-current liabilities			
Convertible notes - host liability	462,290	(462,290)	—
Convertible notes - embedded derivative liability	221,300	(221,300)	—
Total non-current liabilities	1,060,913	(683,590)	377,323
Current liabilities			
Convertible notes - host liability	3,033	462,290	465,323
Convertible notes - embedded derivative liability	—	221,300	221,300
Total current liabilities	67,241	683,590	750,831

Upon conversion, the convertible notes may be settled, at the Company's election, in cash, common shares or a combination thereof. Due to this election right and conversion feature the classification of the convertible notes (host liability and embedded derivative liability) as current liabilities does not impact the Company's liquidity.

The Company has early redeemed the convertible notes. See Note 16 for further information.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

4. Investment in joint venture

Kamoa Holding Limited ("Kamoa Holding"), a joint venture between the Company and Zijin Mining Group Co., Ltd. ("Zijin"), holds a direct 80% interest in the Kamoa-Kakula Copper Complex ("Kamoa-Kakula"). The Company holds an effective 39.6% interest in Kamoa-Kakula through its 49.5% shareholding in Kamoa Holding. Zijin holds 49.5% of Kamoa Holding while the remaining 1% share interest is held by privately-owned third-party Crystal River Global Limited ("Crystal River") (see Note 11).

The costs associated with mine development at Kamoa-Kakula's Kansoko and Kakula sites are capitalized as property, plant and equipment in Kamoa Copper SA (a subsidiary of Kamoa Holding).

Kamoa-Kakula was deemed to have reached commercial production on July 1, 2021, after achieving a milling rate in excess of 80% of design capacity and recoveries in excess of 70% for a continuous period of seven days. 437,147 tonnes of copper in concentrate was produced during the year ended December 31, 2024 (December 31, 2023: 393,551).

Company's share of comprehensive income from joint venture

The following table summarizes Kamoa Holding's total comprehensive income for the years ended December 31, 2024 and December 31, 2023.

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
Revenue from contract receivables	3,158,942	2,697,257
Remeasurement of contract receivables	(52,331)	6,701
Revenue	3,106,611	2,703,958
Cost of sales	(1,497,758)	(1,103,110)
Gross profit	1,608,853	1,600,848
General and administrative costs	(164,299)	(142,707)
Amortization of mineral property	(15,205)	(11,465)
Profit from operations	1,429,349	1,446,676
Finance costs	(301,243)	(352,700)
Foreign exchange loss	(21,513)	(59,898)
Finance income and other	15,852	34,306
Profit before taxes	1,122,445	1,068,384
Current tax expense	(348,732)	(292,303)
Deferred tax expense	3,198	(65,569)
Profit after taxes	776,911	710,512
Non-controlling interest of Kamoa Holding (i)	(187,198)	(155,308)
Total comprehensive income for the year	589,713	555,204
Company's share of profit from joint venture (49.5%)	291,908	274,826

- (i) The DRC government holds a direct 20% interest in Kamoa-Kakula. A 5%, non-dilutable interest in the project was transferred to the DRC government on September 11, 2012 for no consideration, pursuant to the 2002 DRC mining code. Following the signing of an agreement in November 2016, an additional 15% interest in the project was transferred to the DRC government.

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4. Investment in joint venture (continued)

Net assets of the joint venture

The assets and liabilities of the joint venture were as follows:

	December 31, 2024		December 31, 2023	
	100%	49.5%	100%	49.5%
	\$'000	\$'000	\$'000	\$'000
Assets				
Property, plant and equipment	6,122,292	3,030,535	4,195,216	2,076,632
Mineral property	763,217	377,792	778,423	385,319
Indirect taxes receivable	651,915	322,698	419,779	207,791
Current inventory	564,685	279,519	435,212	215,430
Cash and cash equivalents	100,641	49,817	72,486	35,881
Run of mine stockpile	318,688	157,751	304,261	150,609
Long-term loan receivable	374,485	185,370	306,594	151,764
Other receivables	371,077	183,683	320,143	158,471
Trade receivables	280,795	138,993	241,944	119,762
Right-of-use asset	51,764	25,623	56,966	28,198
Deferred tax asset	27,594	13,659	606	300
Prepaid expenses	17,377	8,602	81,802	40,492
Non-current deposits	1,872	927	1,872	927
Liabilities				
Shareholder loans	(2,308,984)	(1,142,947)	(3,500,105)	(1,732,552)
Term loan facilities	(668,508)	(330,911)	(111,193)	(55,041)
Advance payment facility	(681,345)	(337,266)	(150,449)	(74,472)
Trade and other payables	(700,803)	(346,897)	(471,377)	(233,332)
Deferred tax liability	(323,546)	(160,155)	(322,194)	(159,486)
Overdraft facility	(232,475)	(115,075)	(177,775)	(87,999)
Income taxes payable	9,227	4,567	(217,028)	(107,429)
Other provisions	(58,279)	(28,848)	(33,344)	(16,505)
Rehabilitation provision	(123,668)	(61,216)	(95,081)	(47,065)
Provisional payment facility	(78,993)	(39,102)	(51,501)	(25,493)
Lease liability	(52,093)	(25,786)	(51,913)	(25,697)
Non-controlling interest	(606,788)	(300,360)	(446,950)	(221,240)
Net assets of the joint venture	3,820,147	1,890,974	1,586,394	785,265

Investment in joint venture

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Company's share of net assets of the joint venture	1,890,974	785,265
Loan advanced to the joint venture	1,142,742	1,732,286
	3,033,716	2,517,551

The Company earns interest at 12-month Term SOFR plus 7.71% on the loan advanced to the joint venture (see Note 30). Prior to June 30, 2023, interest was calculated based on USD 12-month LIBOR plus 7%. If there is residual cash flow in Kamoa Holding, such cash shall be required to be utilized for the repayment of the then outstanding loan amount of each lender, on a pro-rata basis. No repayment is required in the absence of residual cash flow. The Company expects that Kamoa Holding will reinvest its cash flows over the coming 12 months and will therefore not have any residual cash flows for loan repayments.

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4. Investment in joint venture (continued)

Long-term loan receivable of the joint venture

On March 21, 2014, a financing agreement was entered into between Ivanhoe Mines Energy DRC SARL (a subsidiary of Kamoa Holding) and La Société Nationale d'Électricité SARL ("SNEL"), relating to the first-stage upgrade of two existing hydroelectric power plants in the DRC to feed up to 113 MW into the national power supply grid and for the supply of electricity to the Kamoa-Kakula Project. All six new turbines at the Mwadingusha hydropower plant were synchronized to the national electrical grid in August 2021, with each generating unit producing approximately 13 megawatts (MW) of power, for a combined output of approximately 78 MW. In August 2021, Ivanhoe Mines Energy DRC SARL ("Ivanhoe Mines Energy") signed an extension of the existing financing agreement with SNEL to upgrade turbine 5 at the Inga II hydropower complex. Turbine 5 is expected to produce 178 MW of renewable hydropower, providing the Kamoa-Kakula Copper Complex and the planned, associated smelter with sustainable electricity.

In December 2023, SNEL and Ivanhoe Mines Energy signed an amendment to the existing financing agreement to fund the identified infrastructure upgrades. The original financing agreement consisted of a loan of up to \$250 million to fund the refurbishment of 78 megawatts (MW) of generation capacity at the Mwadingusha dam and 178 MW of generation capacity from Turbine #5 at the Inga II dam. The refurbishment of the Mwadingusha facility was completed in September 2021, and the refurbishment of Turbine #5 at Inga II is on schedule to be completed during 2025. The amendment to the financing agreement expands the loan up to a total of \$450 million. Under the agreements, Ivanhoe Mines Energy agreed to provide a loan relating to the power upgrade. The total loan advanced as at December 31, 2024 amounts to \$374.5 million (December 31, 2023: \$306.6 million) comprising of a principal amount of \$303.8 million (December 31, 2023: \$252.5 million) and interest of \$70.6 million (December 31, 2023: \$54.1 million) and is included in the net assets of the joint venture under the heading "Long-term loan receivable".

The term for repayment of the principal amount, accrued interest and future costs is estimated to be 25 years, beginning after the expiry of a two-year grace period from the signing date of the agreement. The actual repayment period will ultimately depend on the amount actually financed and on the amounts deducted from electricity bills based on a fixed percentage of 40% of the actual bill as per the loan repayment terms. Interest was calculated at USD 6-month LIBOR, until June 30, 2023 (see Note 40). Following the cessation of publication of LIBOR rates, interest was earned at a rate of 6-month Term SOFR plus 3%. The Kamoa-Kakula Project has a priority electricity right by which SNEL commits to make available as per an agreed power requirements schedule.

The movement in the long-term loan receivable is summarized as follows:

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Opening balance	306,594	252,523
Additional funding	73,740	62,945
Interest for the year	16,535	20,840
Repayments during the year	(22,384)	(20,653)
Derecognition loss	—	(9,061)
	374,485	306,594

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4. Investment in joint venture (continued)

Reconciliation of joint venture net asset value to carrying amount

	December 31, 2024 \$'000	December 31, 2023 \$'000
<i>Company's share of net assets of the joint venture</i>		
Opening net assets of the joint venture	1,586,394	1,031,189
Loan recapitalization (i)	1,644,039	—
Total comprehensive income of the joint venture for the year	589,713	555,204
Closing net assets of the joint venture	3,820,147	1,586,394
Company's share of net assets (%)	49.5%	49.5%
Company's share of net assets of the joint venture	1,890,974	785,265
<i>Loan advanced to the joint venture</i>		
Opening balance	1,732,286	1,536,601
Interest on loan to the joint venture for the year	224,258	207,608
Loan recapitalization (i)	(813,802)	—
Derecognition loss	—	(11,923)
Closing balance	1,142,742	1,732,286
Investment in joint venture	3,033,716	2,517,551

- (i) On December 15, 2024, Kamo Holding and its shareholders, including Ivanhoe Mines US LLC, entered into a subscription and set-off agreement. In accordance with this agreement, the shareholders subscribed for additional common shares in Kamo Holding, in proportion to their current shareholding. A portion of the interest payable on the shareholder loans was offset as consideration for these additional shares. This re-capitalization was carried out to streamline the holding structure and comply with Barbados tax law requirements.

Commitments and contingencies of the joint venture

From time to time, Kamo Holding becomes subject to claims, temporary measures, legal proceedings, financial sanctions or assessments made by tax or other authorities in the ordinary course of its business. Given the complexity and scope of Kamo Holding's business, such claims may involve complex legal, tax or accounting matters. Management assesses Kamo Holding's liabilities and contingencies for all tax years open to claims or assessment based upon the latest information available. Kamo Holding accrues for such claims, or makes provision, in its consolidated financial statements, when a liability resulting from the claim is both probable and the amount can be reasonably estimated. In order to assess such likelihood management reviews claims with the benefit of internal and external legal advice where appropriate.

Kamo Holding is currently subject to several such claims which have been determined by management, with the benefit of legal advice, to be without merit and justification and therefore not probable that a liability would arise therefrom. Such determinations are based on current information and advice, which is subject to change based on changed facts or circumstances. Accordingly, management may re-assess any prior determination regarding the likelihood of a probable liability at any time.

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(Stated in U.S. dollars unless otherwise noted)

5. Property, plant and equipment

	Land	Buildings	Office equipment	Motor vehicles	Plant and equipment	Mining development and infrastructure	Aircraft	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
December 31, 2024									
Cost									
Beginning of the year	1,547	15,603	8,069	6,362	69,963	132,880	29,128	948,876	1,212,428
Additions	—	285	2,352	593	256	—	—	471,652	475,138
Borrowing costs capitalized	—	—	—	—	—	—	—	99,014	99,014
Disposals	(31)	(3)	(288)	(69)	(82)	—	—	—	(473)
Transfers	—	27,134	608	53	207,140	379,430	—	(624,482)	(10,117)
Foreign exchange translation	(30)	(215)	(177)	(23)	(497)	(2,757)	—	(12,947)	(16,646)
End of the year	1,486	42,804	10,564	6,916	276,780	509,553	29,128	882,113	1,759,340
Accumulated depreciation and impairment									
Beginning of the year	—	3,482	5,102	3,803	44,824	8,126	737	—	66,074
Depreciation	—	573	1,496	573	8,900	10,673	1,101	—	23,316
Disposals	—	—	(254)	(47)	—	—	—	—	(301)
Foreign exchange translation	—	(41)	(112)	(8)	(185)	(244)	—	—	(590)
End of the year	—	4,014	6,232	4,321	53,539	18,555	1,838	—	88,499
Carrying value									
Beginning of the year	1,547	12,121	2,967	2,559	25,139	124,754	28,391	948,876	1,146,354
End of the year	1,486	38,790	4,332	2,595	223,241	490,998	27,290	882,113	1,670,841

Assets under construction includes development costs capitalized as property, plant and equipment which are costs incurred to obtain access and to provide facilities for extracting, treating, gathering, transporting and storing the minerals. Costs incurred at the Platreef Project are deemed necessary to bring the Project to commercial production and are therefore capitalized. Until September 30, 2024, costs incurred at the Kipushi Project were deemed necessary to bring the Project to commercial production. During the fourth quarter of 2024, the Kipushi Project was deemed to have entered into commercial production, therefore the majority of its assets under construction was transferred to the appropriate classes of property, plant and equipment during Q4 2024.

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Notes to the consolidated financial statements

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(Stated in U.S. dollars unless otherwise noted)

5. Property, plant and equipment (continued)

Borrowing costs are capitalized to the extent that they are attributable to the construction of qualifying assets and include the finance costs on the loan payable to ITC Platinum Development Limited, notional financing charge on the deferred revenue, a portion of the interest incurred on the convertible notes, interest on the senior debt facility and interest on the RMB, FirstBank and Rawbank facilities (see Note 29).

Assets pledged as security

Buildings with a carrying amount of \$8.5 million (December 31, 2023: \$8.8 million) have been pledged to secure borrowings of the Company (see Note 18 (iv)). The buildings have been pledged as security for bank loans under a mortgage. The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

	Land	Buildings	Office equipment	Motor vehicles	Plant and equipment	Mining development and infrastructure	Aircraft	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
December 31, 2023									
Cost									
Beginning of the year	1,685	14,834	8,169	5,230	55,221	143,252	2,647	450,412	681,450
Additions	—	78	833	1,199	164	—	29,128	473,892	505,294
Borrowing costs capitalized	—	—	—	—	—	—	—	58,942	58,942
Disposals	(16)	(1)	(757)	(9)	(464)	—	(2,534)	—	(3,781)
Transfers	—	326	520	28	15,287	—	—	(16,161)	—
Foreign exchange translation	(122)	366	(696)	(86)	(245)	(10,372)	(113)	(18,209)	(29,477)
End of the year	1,547	15,603	8,069	6,362	69,963	132,880	29,128	948,876	1,212,428
Accumulated depreciation and impairment									
Beginning of the year	—	2,883	5,216	3,196	35,574	3,841	445	—	51,155
Depreciation	—	587	1,170	640	9,814	4,527	770	—	17,508
Disposals	—	—	(693)	(9)	(30)	—	(458)	—	(1,190)
Foreign exchange translation	—	12	(591)	(24)	(534)	(242)	(20)	—	(1,399)
End of the year	—	3,482	5,102	3,803	44,824	8,126	737	—	66,074
Carrying value									
Beginning of the year	1,685	11,951	2,953	2,034	19,647	139,411	2,202	450,412	630,295
End of the year	1,547	12,121	2,967	2,559	25,139	124,754	28,391	948,876	1,146,354

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6. Mineral properties and exploration and project evaluation expenditure

Mineral properties

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

	December 31, 2024 \$'000	December 31, 2023 \$'000
Platreef property, South Africa (a)	6,940	6,940
Kipushi Properties, Democratic Republic of the Congo (b)	238,952	252,337
Exploration properties (c)	45,391	11,341
	291,283	270,618

Costs directly related to the acquisition of mineral properties are capitalized as mineral properties on a property-by-property basis, whereas development costs are capitalized as property, plant and equipment and are costs incurred to obtain access and to provide facilities for extracting, treating, gathering, transporting and storing the minerals. Development costs are capitalized to the extent that they are necessary to bring the property to commercial production.

(a) Platreef property

Construction of the planned Platreef mine is underway on the Company's discovery of palladium, platinum, rhodium, nickel, copper and gold on the Northern Limb of South Africa's Bushveld Igneous Complex approximately 8 km from Mokopane and 280 km northeast of Johannesburg, South Africa.

In November 2014, the mining right for the development and operation of the Platreef mining project was executed. The mining right authorizes the Company to mine and process platinum-group metals, nickel, copper, gold, silver, cobalt, iron, vanadium and chrome. The mining right was issued for an initial period of 30 years and may be renewed for further periods, each of which may not exceed 30 years at a time, in accordance with the terms of section 24 of the Mineral and Petroleum Resources Development Act of South Africa.

In February 2022, the Company announced the positive findings of an independent Platreef 2022 Feasibility Study for the tier one Platreef palladium, platinum, rhodium, nickel, copper and gold project in South Africa. On February 18, 2025, the Company announced the positive results from two independent technical studies which provide the blueprint for the ongoing three-phase development of Platreef. Development activities have been ongoing at Platreef with Shaft 1, the initial access to the orebody, now in operation and hoisting development rock from underground. The Company has been focusing on construction activities to bring Phase 1 of Platreef into production.

A Japanese consortium comprising ITOCHU Corporation, Japan Oil, Gas and Metals National Corporation (JOGMEC); and Japan Gas Corporation holds an effective 10% interest in the Platreef Project. The Company transferred an additional 26% of Platreef to a broad-based black economic empowerment (B-BBEE) special purpose vehicle in compliance with South African ownership requirements.

(b) Kipushi properties

The Kipushi Project is a historic, high-grade underground copper-zinc-germanium-silver-lead mine in the Central African Copperbelt, in Haut-Katanga Province, Democratic Republic of the Congo ("DRC"). The Kipushi Project lies adjacent to the town of Kipushi and the border with Zambia, and about 30 km southwest of the provincial capital of Lubumbashi. Ivanhoe Mines and La Générale des Carrières et des Mines SARL ("Gécamines") own 68% and 32% of the Kipushi Project respectively, through their holdings in Kipushi Corporation SAS ("Kipushi"), the mining rights holder. The shareholding of Gécamines in Kipushi is set to increase to 38% following the completion of the conditions precedent to the revised joint venture agreement. This transfer of 6% to Gécamines is underway as required by the revised joint venture agreement.

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6. Mineral properties and exploration and project evaluation expenditure (continued)

Mineral properties (continued)

(b) Kipushi properties (continued)

Ivanhoe Mines' interest in Kipushi was acquired in November 2011 and comprises mining rights for zinc, copper and cobalt as well as the underground workings and related infrastructure, inclusive of a series of vertical mine shafts.

On December 15, 2023 the Company signed the new joint venture agreement with its partner Gécamines to restart the ultra-high-grade Kipushi zinc-copper-germanium-silver mine.

During the fourth quarter of 2024, the Kipushi concentrator regularly operated at its name plate mill feed rate of 80 tonnes per hour required to achieve the designed 800,000 plant feed tonnes per annum. As a result, Kipushi was deemed to have entered commercial production in Q4 2024.

(c) Exploration properties

The Company's DRC exploration group is targeting Kamo-a-Kakula style copper mineralization through a regional drilling program on its 60%-100%-owned Western Foreland exploration licences, located to the north, south and west of the Kamo-a-Kakula Project, and elsewhere.

During Q4 2022, the Company was granted three new 100%-owned exploration rights on the Northern Limb of the Bushveld Complex in South Africa. These exploration rights cover 80 square kilometres forming a continuous block situated on the southwest border of the existing Platreef Project's mining rights.

During Q4 2023, the Company acquired joint venture licences in the Western Foreland. Under the terms of the joint venture that covers the 247 square kilometres of newly acquired licences, Ivanhoe has an initial interest of 10% with an earn-in right to increase its ownership by funding ongoing exploration activities.

During 2024, the Company increased its interest in Kampemba Corporation, one of the joint venture licence holders, from 10% to 60% due to the exercise of the earn-in right. Also in 2024, the Company acquired an 80% interest in the Live in Group SARL which holds 3 exploration permits adjacent to the Western Forelands.

Exploration and project evaluation expenditure

Exploration and project evaluation expenditure is expensed in the period incurred, until such time as the Company determines that a property is technically feasible and commercially viable, whereafter costs associated with development are capitalized as property, plant and equipment in the assets under construction category (see Note 5).

Recoverability of assets

The Company has concluded that there is no impairment required to any of its projects. Significant judgments and assumptions are required in making estimates of determining the recoverable amount (the higher of fair value less cost of disposal and value in use). This is particularly so in the assessment of long-life assets. It should be noted that the valuations are subject to variability in key assumptions including, but not limited to, long-term commodity prices, capital expenditures, discount rates, transport costs and the cost of production and operating costs. In assessing impairment, management have considered various external and internal factors such as but not limited to: (i) market value changes in commodity prices; (ii) any adverse economic or significant changes to the legal environment in which the asset/entity operates (iii) changes in the interest rate environment that might impact the discount rate used in calculating the asset's recoverable amount; (iv) any damage or potential obsolescence, (v) comparison of managements future net cash flows with previous budgets and forecasts and assessing if any significant decline has occurred.

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6. Mineral properties and exploration and project evaluation expenditure (continued)

Exploration and project evaluation expenditure (continued)

The following table summarizes the exploration and project evaluation expenditure incurred.

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Exploration and project expenditure		
Drilling	(21,662)	(10,415)
Office and administration expenditure	(8,669)	(4,252)
Studies	(1,983)	(386)
Site security	(465)	(348)
Consultants	(6,283)	(1,516)
Other	(1,494)	(208)
Salaries and benefits	(1,382)	(966)
Site establishment	(1,165)	(579)
Depreciation	(804)	(657)
Travel	(625)	(345)
Labour hire consultants	(3,616)	(2,985)
	(48,148)	(22,657)

7. Income taxes

(a) Rate reconciliation

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Income tax recovery is broken down as follows:		
Current tax expense	(3,681)	(646)
Deferred tax recovery	17,857	8,304
	14,176	7,658
Profit before income taxes	179,118	295,286
Statutory tax rate	27.00%	27.00%
Expected income tax expense based on combined Canadian federal and provincial statutory rates	(48,362)	(79,727)
Add (deduct):		
Non-taxable income - Share of profit from joint venture	78,815	74,203
Non-taxable interest on loan advanced to joint venture	76,723	56,054
Different effective tax rates in foreign jurisdictions	7,728	4,105
Previously unrecognized deferred tax asset recognized	—	1,631
Super profit tax - Kipushi	683	—
Other non-taxable income	21	931
Non-deductible expenses - loss on fair valuation of embedded derivative liability	(44,326)	(23,891)
Tax effect of tax losses not recognized	(18,793)	(5,333)
Other non-deductible expenses	(30,054)	(12,337)
Non-deductible expenses - Stock based compensation	(7,394)	(7,759)
Amendments to prior year tax submissions	(865)	(219)
Income tax recovery	14,176	7,658

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

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7. Income taxes (continued)

(b) Deferred tax balances

The Company's deferred tax liabilities and assets are as follows:

	December 31, 2024	December 31, 2023
	\$'000	\$'000
<i>Deferred tax liability to be recovered after more than 12 months</i>		
Deferred interest on loans	–	2,493
Deferred tax liability	–	2,493
<i>Deferred tax asset to be recovered after more than 12 months</i>		
Property, plant and equipment and mining capital expenditure	179,999	166,422
Unrealized foreign exchange losses	55,861	51,064
IFRS 16 leases	2,984	2,970
Tax losses carried forward	2,892	2,458
Provisions and prepayments	985	717
Deferred tax asset	242,721	223,631

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. Due to the conclusion of the stream-financing agreements and the announcement of the positive results of the independent 2022 Feasibility Study, the Company considers it highly probable that the Platreef Project will have future taxable profits that will be available against which the deductible temporary differences can be utilized.

The Company recognized the previously unrecognized deferred tax asset relating to the Kipushi Project on June 30, 2022. Due to the signing of a new agreement between the Company and Gécamines to return the Kipushi Project to commercial production, and the positive findings of the independent 2022 Feasibility Study, the Company considers it probable that the Kipushi Project will have future taxable profits that will be available against which the deductible temporary differences can be utilized.

(c) Unrecognized deductible temporary differences

The Company's unrecognized deductible temporary differences and unused tax losses consist of the following amounts:

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Non-capital loss carryforwards	493,437	455,386
Foreign exploration expenses and share issuance costs	22,648	27,938
Investment in RK1	11,289	11,289
Capital assets	8,392	127
Unrecognized deductible temporary differences	535,766	494,740

The Company has foreign subsidiaries that have undistributed earnings of \$1,165 million (December 31, 2023: \$890.9 million). The Company can control the timing of the repatriation and it is probable that these amounts will not be repatriated for the foreseeable future. Therefore, deferred tax has not been provided in respect of these earnings.

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7. Income taxes (continued)

On June 20, 2024, the Canadian government enacted the Excessive Interest and Financing Expenses Limitation (EIFEL) rules, which is effective for taxation years commencing on or after October 1, 2023. These rules limit the deductibility of interest and financing expenses by affected corporations and trusts, based on a percentage of tax EBITDA. The amount of interest and financing expenses denied under the EIFEL rules in a taxation year, can be carried forward indefinitely to be used in future taxation years when the taxpayer has excess capacity to deduct net interest and financing expenses greater than its actual net interest and financing expenses in that future year. Although the Company is subject to EIFEL rules for 2024, no portion of its interest expense is limited by these rules.

(d) Loss carryforwards

The Company's unrecognized deferred tax assets related to unused tax losses have the following expiry dates:

		December 31, 2024		December 31, 2023	
		Local currency	U.S. dollar equivalent	Local currency	U.S. dollar equivalent
		'000	\$'000	'000	\$'000
Congolese franc	CDF	611,529,792	214,950	643,548,872	241,687 (ii)
Canadian dollar	C\$	321,662	223,388	198,297	149,720 2028 to 2038
Euro	€	37,234	38,819	48,926	53,998 (iv)
British pound	£	5,962	7,500	6,008	7,649 (i)
Barbados dollar	BBD	2,702	1,358	4,163	2,092 (iii)
Namibian dollar	NAD	4,387	235	4,385	240 (i)
Angolan Kwanza	Kz	5,175,201	5,612	—	—
Kazakhstan Tenge	₸	1,576	1,575	—	—
			493,437		455,386

- (i) These losses can be carried forward indefinitely, subject to continuity of trading.
- (ii) These losses are accumulated and set-off against future taxable income when mining operations commence.
- (iii) These tax losses can be carried forward for 7 years from the date of incurrence.
- (iv) Tax losses incurred prior to January 2017 can be carried forward indefinitely, subject to continuity of trading. Tax losses incurred thereafter can be carried forward for 17 years.

(e) OECD Pillar Two model rules

On August 4, 2023, the Canadian government released draft legislation to implement a proposed Global Minimum Tax Act (GMTA), which is largely based on the Organisation for Economic Co-operation and Development (OECD) Pillar Two Global Anti-Base Erosion (GloBE) model rules and other OECD source documents. On June 20, 2024, federal bill C-69 received royal assent. This bill implements the "Pillar Two" global minimum tax regime in Canada under the new Global Minimum Tax Act (GMTA).

The global minimum tax regime will apply in Canada starting fiscal years after December 31, 2023, for qualifying multinational groups. This includes the Income Inclusion Rule (IIR) and qualifying domestic minimum top-up tax (QMDTT). The legislation also includes a placeholder for the proposed undertaxed profits rules (UTPR), which are expected to take effect for fiscal years beginning on or after December 31, 2024. The GMTA introduces a 15% Global Minimum Tax (GMT) on the income of multinational enterprises that have annual consolidated revenues of EUR 750 million or more in at least two of the four fiscal years immediately preceding the particular fiscal year and a business presence in at least one foreign jurisdiction.

As the Company does not meet the consolidated revenue threshold, the Company has no related current income tax exposure. The Company applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12, *Income Taxes* issued in May 2023.

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8. Investments

	December 31, 2024	December 31, 2023
	\$'000	\$'000
<i>Fair value through profit or loss</i>		
Investment in I-Pulse Inc. (i)	68,451	79,360
Investment in Blue Spark Energy Systems Inc. (ii)	10,909	—
Investment in Renergen Ltd. (iii)	1,358	4,173
Investment in unlisted entities	655	655
Investment in other listed entities	183	277
	81,556	84,465

- (i) On June 30, 2023, the Company entered into an exchange agreement with I-Pulse Inc. ("I-Pulse"), wherein the Company replaced the outstanding secured loan balance owed to it by High Power Exploration Inc. ("HPX" now Ivanhoe Atlantic Inc.) with an equity investment in I-Pulse. Under the agreement, the Company transferred all of its rights, interest and benefits in, to and under the loan facility agreement with HPX to I-Pulse, in exchange for the issuance of shares in I-Pulse to the Company.

The Company's equity investment in I-Pulse comprises approximately 5% of the issued and outstanding share capital of I-Pulse. I-Pulse, the parent company of HPX, is a private American company and is a global leader and developer of pulsed-power technology with its research facilities based in Toulouse, France. During 2024, I-Pulse unbundled its hydrocarbon business from the rest of its business. See (ii) below. The decrease in the carrying value of I-Pulse is attributable to this unbundling.

- (ii) On May 31, 2024, I-Pulse effected an unbundling of its hydrocarbon business from its non-hydrocarbon business. In terms of the unbundling arrangement, the hydrocarbon business was to be held by Blue Spark Energy Systems Inc. ("BSES"). As a result of this arrangement, the Company received 7,035,427 shares of BSES common stock. The number of shares received by the Company equated to the number of shares held by the Company in I-Pulse. The number of shares held by the Company in I-Pulse remained unchanged. The shares received were valued at \$10.9 million.

- (iii) On March 11, 2022, the Company made an equity investment in Renergen Ltd. ("Renergen"). Renergen is a public company, incorporated in South Africa and is listed on the Johannesburg Stock Exchange and the Australian Stock Exchange. Renergen is an emerging helium and domestic natural gas producer, which holds the rights to renewable natural gas fields with high helium concentrations, in particular the Virginia Gas Project located in the Free State province of South Africa.

Under the terms of the initial subscription agreement, the Company subscribed for 5,631,787 shares, representing an approximate 4.35% interest in Renergen's issued and outstanding shares. As at December 31, 2024 the company had 3,642,435 shares remaining with a value of R25.4 million (\$1.4 million). The movement in the fair value of the shares is shown in the table below:

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Balance at the beginning of the year	4,173	7,947
Loss on disposal of shares	(2,439)	(950)
Loss on fair valuation of shares	(309)	(2,196)
Unrealized foreign currency loss	(67)	(628)
Balance at the end of the year	1,358	4,173

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9. Other receivables

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Refundable taxes (i)	58,948	31,062
Accounts receivable	24,558	6,394
Receivables from joint venture (ii)	12,558	9,792
Other	(73)	389
Loss allowance	(1)	(1)
	95,990	47,636
Non-current other receivables	54,373	25,145
Current other receivables	41,617	22,491
	95,990	47,636

- (i) Refundable taxes are net of an impairment provision for value-added taxes receivable in foreign jurisdictions where recoverability of those taxes is deemed uncertain.
- (ii) Receivables from joint venture include amounts receivable from the Kamoa Holding Limited joint venture for administration consulting services rendered by the Company.

10. Loans receivable

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Social development loan (i)	48,494	46,198
Loss allowance - Social development loan	(523)	(523)
Loan to Nzuri Exploration Holding Company Pty Ltd (ii)	327	327
Other loans receivable	15	15
	48,313	46,017
Non-current loans receivable	40,336	46,017
Current loans receivable	7,977	—
	48,313	46,017

- (i) A long-term loan receivable from Gécamines of \$10 million was ceded to the Company on completion of the purchase of Kipushi on November 28, 2011, by the seller. An additional \$20 million was requested and advanced to Gécamines during November 2012.

Repayment will be made by offsetting the loan against future royalties and dividends payable to Gécamines from future profits earned at Kipushi. The fair value of the receivable at acquisition date was estimated by the Company by calculating the present value of the future expected cash flows using an effective interest rate of 9.2%. The carrying value of the long-term loan receivable as at December 31, 2024 is \$48.0 million (December 31, 2023: \$45.7 million). Interest of \$2.3 million was earned during the year ended December 31, 2024 (December 31, 2023: \$2.5 million) (see Note 30).

The Company has an accumulated expected credit loss allowance of \$0.5 million as at December 31, 2024 (December 31, 2023: \$0.5 million) in accordance with IFRS 9 for the social development loan.

- (ii) In September 2019, the Company, through its wholly-owned subsidiary, Ivanhoe DRC Holding Limited, extended a loan to Nzuri Exploration Holding Company Pty Ltd ("Nzuri"). The loan was advanced to fund exploration activities of a subsidiary of Nzuri in the DRC. The Company has a 10% equity investment in Nzuri.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

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(Stated in U.S. dollars unless otherwise noted)

11. Promissory note receivable

The Company has the following promissory note receivable:

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Promissory note receivable from Crystal River	26,867	26,814
Loss allowance	(14)	(14)
	26,853	26,800

The promissory note receivable with a carrying value of \$26.9 million is a non-interest-bearing, 10-year promissory note, of which \$8.3 million is receivable by the Company as the purchase consideration for selling 1% of its share in Kamoa Holding to Crystal River (see Note 4). The remaining \$18.6 million is receivable for subsequent funding provided to Kamoa Holding on Crystal River's behalf. The promissory note is payable on the earlier of December 8, 2025 or the next business day following the completion of the sale, transfer or disposition of the shares held by Crystal River in Kamoa Holding.

12. Leases

Right-of-use asset

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Rented surface infrastructure and equipment (Kipushi) (i)	4,379	5,520
Office building (ii)	795	1,084
	5,174	6,604

- (i) A right-of-use asset is recognized in terms of IFRS 16 for the use of the surface infrastructure and equipment at the Kipushi mine.
- (ii) The Company leases an office building in Sandton, South Africa. On November 1, 2022, the Company entered into a second lease agreement for additional office space at the Sandton building.

Lease liability

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Rented surface infrastructure and equipment (Kipushi) (i)	9,306	9,733
Office building (ii)	730	1,032
Non-current lease liability	10,036	10,765
Office building (ii)	292	270
Rented surface infrastructure and equipment (Kipushi) (i)	433	405
Current lease liability	725	675

- (i) The lease liability was initially measured at the present value of the lease payments payable over the life of mine and has been discounted at an incremental borrowing rate of 8%. The lease payments have been determined in accordance with the contract, which allocates a fixed amount monthly and it has been estimated that the lease will continue for the duration of the life of mine.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

12. Leases (continued)

Lease liability (continued)

- (ii) The Rand-denominated lease liability was initially measured at the present value of the lease payments payable over a lease term of six years and has been discounted at an incremental borrowing rate of between 10.25%-10.50% (December 31, 2023: 10.25%-10.50%). The lease payments have been determined in accordance with the contract which includes an escalation clause of 7.5% per annum.

Amounts recognized in the consolidated statements of comprehensive income:

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
Depreciation charge on right-of-use assets (i)	(273)	(277)
Interest on lease liability (ii)	(317)	(143)
	(590)	(420)

- (i) Included in other expenditure on the consolidated statements of comprehensive income. The right-of-use assets are depreciated over the term of the lease on a straight-line basis, which is determined to be life of mine.
- (ii) Included as finance costs on the consolidated statements of comprehensive income.

13. Cash and cash equivalents

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Cash	79,280	524,943
Cash equivalents - call deposits	22,804	35,328
Cash - guarantee accounts (i)	15,259	14,023
	117,343	574,294

- (i) The cash and cash equivalents disclosed above include \$15.3 million of restricted cash held by Ivanplats (Pty) Ltd., the owner of the Platreef Project (December 31, 2023: \$14.0 million). These funds are held for guarantees issued.

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Notes to the consolidated financial statements

December 31, 2024

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14. Inventory

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Mining inventory		
Zinc concentrate finished goods	39,700	—
Zinc ore stockpile (i)	27,294	—
Zinc concentrate work in progress	3,404	—
	70,398	—
Other inventory		
Consumable stores	15,343	1,521
	15,343	1,521
	85,741	1,521

- (i) The stockpile is zinc ore that has been stockpiled on surface after it has been extracted through mine development. As at December 31, 2024, the stockpile contained 343,620 tonnes of ore at an estimated average grade of 23.5% zinc.

15. Prepaid expenses

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Advance payments to suppliers	13,431	46,219
Other prepayments	4,596	1,982
Prepaid insurance	320	1,260
Deposits	651	524
	18,998	49,985

Prepaid expenses are amounts paid in advance which give the Company rights to receive future goods or services.

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Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

16. Convertible notes

	December 31, 2024	December 31, 2023 <i>*Restated</i>
	\$'000	\$'000
<i>Convertible notes - host liability</i>		
Balance at the beginning of the year	495,970	465,323
Interest for the year	89,126	45,022
Repayments of interest during the year	(10,096)	(14,375)
Conversion of notes during the year	(575,000)	—
Balance at the end of the year	—	495,970
<i>Convertible notes - embedded derivative liability</i>		
Balance at the beginning of the year	306,561	221,300
Loss on fair valuation of embedded derivative liability	164,169	85,261
Conversion of notes during the year	(470,730)	—
Balance at the end of the year	—	306,561

*Refer to Note 3.

On March 17, 2021 the Company concluded a private placement offering of \$575 million of 2.50% convertible senior notes maturing in 2026. The notes were convertible at the option of holders, anytime prior to the close of business on the business day immediately preceding October 15, 2025, only under certain circumstances and during certain periods, and thereafter, at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. Upon conversion, the convertible notes were settleable, at the Company's election, in cash, common shares or a combination thereof. Due to this election right and conversion feature, the convertible notes had an embedded derivative liability that was measured at fair value with changes in value being recorded in profit or loss, as well as the host loan that was accounted for at amortized cost. The convertible senior notes were senior unsecured obligations of the Company, which accrued interest payable semi-monthly in arrears at a rate of 2.50% per annum. The notes would have matured on April 15, 2026, unless earlier repurchased, redeemed or converted.

On April 30, 2024, the Company announced that it would redeem all of its outstanding convertible senior notes on July 11, 2024 (the "Redemption Date") at a price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest on such notes to, but not including, the Redemption Date.

The conversion rate for all conversions of notes was 138.7073 Class A shares of the Company per \$1,000 principal amount of notes. The conversion rate includes an increase of 4.1391 additional shares per \$1,000 principal amount of notes above the conversion rate as the notes are called for redemption (calculated based on a ten-day average closing share price of C\$19.2520, or \$14.0363 at the prevailing exchange rate of C\$1.3717 to \$1.00).

Holders of \$573,795,000 worth of notes elected to redeem their notes, resulting in the issuance of 79,589,529 Class A shares. The remainder of the notes, totaling \$1,205,000 were redeemed in cash.

Prior to the commencement of the conversion period, the Company adjusted the amortized cost of the host liability to reflect actual and revised estimated contractual cash flows using the original effective interest rate in accordance with the requirements of IFRS 9. The adjustment resulted in finance costs of \$71 million being recorded by the Company due to the early redemption of the notes, of which \$43 million was capitalized as borrowing costs to property, plant and equipment.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

16. Convertible notes (continued)

Each conversion request was treated separately. The number of shares required to be issued on receipt of a conversion request was calculated with reference to the conversion rate of 138.7073 Class A shares per \$1,000 principal amount of notes and rounded down to the nearest whole number. Any fractional shares that would otherwise be deliverable was paid out in cash. The total cash paid during the period was inconsequential. The fair value of the notes underlying a conversion request was determined with reference to the closing price of the Company's shares on the Toronto Stock Exchange on the date of delivery of the shares and the prevailing exchange rates. The date of delivery of the shares was 2 business days after the receipt of the conversion request. It is at this delivery date, that the convertible notes are extinguished.

The host liability and embedded derivative liability components of the convertible notes were settled at each delivery date in proportion to the number of notes converted as a percentage of the total number of notes issued.

17. Deferred revenue

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Balance at the beginning of the year	328,096	310,725
Financing costs associated with the streaming facilities (Note 29)	39,808	39,551
Exchange gain translation of foreign operations	(7,189)	(22,180)
Balance at the end of the year	360,715	328,096
Non-current deferred revenue	359,720	328,096
Current deferred revenue	995	—
	360,715	328,096

On December 8, 2021, the Company announced that Ivanplats (Pty) Ltd., its South African subsidiary and owner of the Platreef Project, had concluded stream-financing agreements with Stream Purchasers, for a \$200 million gold-streaming facility and a \$100 million palladium and platinum-streaming facility.

The stream facilities are a prepaid forward sale of refined metals, with prepayments totalling \$300 million, available in two tranches. The first prepayment of \$75 million was received by the Company in December 2021, following the closing of the transaction. The remaining \$225 million was received in September 2022, after successfully fulfilling the conditions precedent.

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

Delivery of the gold under the stream agreement will be made by delivering gold credits to the Stream Purchasers' metal accounts.

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

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17. Deferred revenue (continued)

Delivery of the palladium and platinum under the stream agreement will be made by delivering palladium and platinum credits to the Stream Purchasers' metal accounts. The advance payment of \$300 million, net of transaction costs of \$6.5 million, is recognized as a contract liability (deferred revenue) under IFRS 15.

The stream-financing agreements are accounted for as deferred revenue as the Company has applied judgment in concluding that the contracts fall within the "own-use" exemption in IFRS 9. Therefore, the contracts are not accounted for under the requirements of IFRS 9, but were deemed to fall within the scope of IFRS 15 as the Company intends to settle the obligations through delivery of its own production from the Platreef mine once commissioned.

In accordance with IFRS 15, the Company has recognized a notional financing charge of \$39.8 million for the year ended December 31, 2024 (December 31, 2023: \$39.6 million) due to the time between receiving the upfront streaming payments and the date that the related performance obligations will be satisfied. The Company has estimated that the ZAR-based nominal pre-tax rate is 15.37% under the gold stream agreement, and 14.81% under the palladium and platinum stream agreement.

Settlements on the stream-financing arrangements will start once the commissioning of the Platreef Project has been completed.

18. Borrowings

	December 31, 2024 \$'000	December 31, 2023 \$'000
<i>Secured - at amortized cost</i>		
Senior debt financing (i)	63,411	—
Term loan facilities		
Aircraft financing facility (v)	13,824	16,947
Loan from Citi bank (vi)	4,059	4,107
	81,294	21,054
<i>Unsecured - at amortized cost</i>		
Advance payment facilities (ii)		
CITIC	60,000	—
Trafigura	60,000	—
Term loan facilities		
RMB loan facilities (iii)	66,092	—
FirstBank loan facility (iv)	50,000	—
Rawbank loan facility (vii)	—	80,552
Loan from ITC Platinum Development Limited (viii)	41,045	38,405
	277,137	118,957
Non-current borrowings	260,953	56,340
Current borrowings	97,478	83,671
	358,431	140,011

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Notes to the consolidated financial statements

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(Stated in U.S. dollars unless otherwise noted)

18. Borrowings (continued)

The movement in the borrowings for the year ended December 31, 2024 is as follows:

	Senior debt facility	Advance payment facilities		Term loan facilities						Total
		CITIC	Trafigura	RMB	Rawbank	FirstBank	Aircraft	Citi	ITC	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	–	–	–	–	80,552	–	16,947	4,107	38,405	140,011
Drawdowns	70,000	60,000	60,000	66,000	–	50,000	–	–	–	306,000
Transaction costs incurred	(6,589)	–	–	–	–	–	–	–	–	(6,589)
Accumulated interest	1,005	3,069	3,317	1,650	3,308	2,899	1,422	291	2,640	19,601
Repayments - capital	–	–	–	–	(80,000)	–	(3,123)	–	–	(83,123)
Repayments - interest	(1,005)	(3,069)	(3,317)	(1,558)	(3,860)	(2,899)	(1,422)	(291)	–	(17,421)
Foreign currency	–	–	–	–	–	–	–	(48)	–	(48)
Closing balance	63,411	60,000	60,000	66,092	–	50,000	13,824	4,059	41,045	358,431
Non-current borrowings	63,411	60,000	60,000	26,092	–	–	10,405	–	41,045	260,953
Current borrowings	–	–	–	40,000	–	50,000	3,419	4,059	–	97,478
	63,411	60,000	60,000	66,092	–	50,000	13,824	4,059	41,045	358,431

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

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(Stated in U.S. dollars unless otherwise noted)

18. Borrowings (continued)

- (i) On December 22, 2023, Ivanplats entered into a common terms and senior secured facility agreement between, amongst others, Société Générale and Nedbank Limited (acting through its Nedbank Corporate and Investment Banking Division) (Nedbank) as lenders; Ivanplats as borrower; Ivanplats Holding S.À.R.L, ITC and Ivanhoe Mines SA (Pty) Ltd. as guarantors; Ivanhoe Mines Ltd. as sponsor; and Nedbank Limited as global facility agent (as amended and restated from time to time, the "Platreef Senior Debt Financing Agreement"). Under the Platreef Senior Debt Financing Agreement, the lenders thereunder make available to Ivanplats a senior secured facility in an aggregate principal amount of up to \$150.0 million (the "Platreef Senior Debt").

The Platreef Senior Debt is available from the date on which all conditions precedent to drawing under the Platreef Senior Debt Financing Agreement are satisfied until March 31, 2026. The maturity date for the Platreef Senior Debt falls on December 31, 2032. Ivanplats drew on \$70 million of the Platreef Senior Debt on November 6, 2024. The remaining \$80 million is available for drawing upon satisfaction of the relevant conditions precedent. The proceeds of the Platreef Senior Debt may be used to, inter alia, finance project costs related to Phase 1 of the Platreef Project.

The Platreef Senior Debt incurs an initial interest at the applicable Term SOFR (subject to a zero floor) plus 4.80%. The initial rate of interest shall apply until the earlier of the Completion Date (as defined in and subject to the conditions of the Platreef Senior Debt Financing Agreement) and the Target Refinancing Date (being July 31, 2026), after which the interest rate shall be Term SOFR + 4.65% per annum from the Completion Date (if the Target Refinancing Date has not occurred) or Term SOFR + 6.50% per annum from the Target Refinancing Date.

The security package ("Platreef Security Package") includes various guarantees, indemnities, counter-indemnities, encumbrances and pledges provided by Ivanplats, Ivanhoe Mines SA (Pty) Ltd., Ivanplats Holding S.À.R.L and ITC. Ivanhoe Mines Ltd. also provided security over its shares in, and any shareholder debt owed to it by, Ivanplats Holding S.À.R.L.

- (ii) On June 28, 2024 and July 5, 2024, Kipushi entered into offtaker facility agreements with Trafigura Asia Trading Pte Ltd. (Trafigura) and CITIC Metal (HK) Limited (CITIC) respectively. Each of the agreements made \$60 million available to Kipushi to finance the development, construction and operation of the Kipushi project, as well as the commercialization and export of the material extracted from the mine. The Trafigura facility was drawn down on July 3, 2024 and the CITIC facility was drawn down on July 17, 2024. Both facilities were drawn down in full.

The facilities incur interest at Term SOFR plus a margin of 6% per annum. Interest accrues over time and is repayable monthly. Interest of \$3.1 million was incurred and paid during the year ended December 31, 2024. The facilities are repayable in 36 monthly installments commencing 18 months after: (i) in the case of the Trafigura facility, the date of the agreement; and (ii) in the case of the CITIC facility, the date of the first utilization request. Ivanhoe Mines Ltd. has provided a corporate guarantee in connection with the Trafigura facility, which shall expire on the date upon which Kipushi confirms that it has produced a certain quantity of concentrate.

- (iii) During 2024, Kipushi and Ivanhoe Marketing (Pty) Ltd. ("Ivanhoe Marketing") each entered into revolving credit facilities with Rand Merchant Bank ("RMB").

Ivanhoe Marketing-RMB loan

On October 25, 2024, Ivanhoe Marketing and RMB entered into a \$75 million revolving credit facility agreement. Under the terms of the agreement, RMB provided a \$75.0 million revolving loan facility to Ivanhoe Marketing to finance general corporate purposes and working capital requirements. Ivanhoe Marketing drew \$40 million of the facility on October 29, 2024. The facility incurs interest at the applicable Term SOFR plus a margin of 3.25% per annum. Interest is repayable on the last day of each interest period (being either 1, 3 or 6 months), with the facility repayable in full in October 2025. Repayment may, upon mutual agreement of Ivanhoe Marketing and RMB, be extended by successive 12-month periods. Ivanhoe Mines Ltd. guarantees all amounts due to RMB under this facility agreement.

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18. Borrowings (continued)

Kipushi-RMB loan

On December 10, 2024, Kipushi entered into a \$50 million revolving credit facility agreement with RMB. Under the terms of the agreement, RMB provided a \$50 million revolving loan facility to Kipushi to finance costs and expenditure related to the Project. Kipushi drew \$26 million of the facility on December 13, 2024. The facility incurs interest at the applicable Term SOFR plus a margin of 4.5% per annum. Interest is repayable on the last day of each interest period (being either 1, 3 or 6 months), with the facility repayable in full in December 2026 (unless repayment is extended in accordance with the terms of the agreement). Repayment may, upon mutual agreement of Kipushi and RMB, be extended by successive 12-month periods. Ivanhoe Mines Ltd. has provided a corporate guarantee under this loan agreement.

- (iv) On May 28, 2024, Kipushi entered into a \$50 million facility agreement with FirstBank DRC SA (FirstBank), to finance costs related to the development of the project. Kipushi drew down on the full facility on the date of the agreement. The facility incurs interest at 3-month Term SOFR plus a margin of 4.5% per annum. Interest is repayable quarterly, with the facility repayable in full in May 2025. Repayment is automatically extended by a further consecutive 12 months unless either party to the agreement gives written confirmation that there shall be no such automatic extension of the date. Ivanhoe Mines Ltd. has provided a corporate guarantee under this loan agreement.
- (v) On August 4, 2023, the Company entered into an \$18.2 million loan agreement with Investec Bank Limited, a South African financial institution, in respect of its acquisition of an aircraft. Interest on the loan is incurred at Overnight SOFR plus a margin of 3.65% per annum and is payable monthly in arrears. The principal amount is repayable monthly in sixty equal instalments. The Company repaid \$3.1 million of the principal amount (December 31, 2023: \$2.3 million) and \$1.4 million in interest (December 31, 2023: \$1.1 million) during the year ended December 31, 2024. The loan is secured by the aircraft.
- (vi) The Citibank loan of \$4.1 million (£3.2 million) is secured by the Rhenfield property (see Note 34). The loan is an interest-only term loan repayable on August 28, 2025, and incurs interest at a rate of 1-month Sterling Overnight Index Average (SONIA) plus 1.90% payable monthly in arrears. Interest of \$0.3 million was incurred for the year ended December 31, 2024 (December 31, 2023: \$0.3 million).
- (vii) On May 22, 2023, Kipushi entered in a loan agreement with Rawbank SA (Rawbank), a financial institution in the Democratic Republic of the Congo.

Under the terms of the loan agreement, Rawbank provided an \$80 million loan, to be drawn down in two tranches of \$40 million each, to Kipushi to fund its working capital requirements. Both tranches were drawn down in 2023.

The loan incurred interest at 8% per year plus commission of 0.5% per quarter. Interest on the loan was repayable monthly in arrears. Current market rates on similar facilities with Rawbank offer the same interest rates available to the Company as the existing loan. Ivanhoe Mines Ltd. provided a corporate guarantee under this loan agreement. Kipushi repaid the loan during the year ended December 31, 2024.

- (viii) On June 6, 2013, the Company, through its subsidiary Ivanplats (Pty) Ltd, ("Ivanplats") the owner of the Platreef Project, became party to a \$28.0 million loan payable to ITC Platinum Development Limited. The loan is repayable only once Ivanplats has residual cashflow, which is defined in the loan agreement as gross revenue generated by Ivanplats, less all operating costs attributable thereto, including all mining development and operating costs. The loan incurs interest of 3-month Term SOFR plus 2.26% calculated monthly in arrears. Interest is not compounded. Interest of \$2.6 million (December 31, 2023: \$1.5 million) was recognized during the year ended December 31, 2024 and was capitalized as borrowing costs. The carrying value of the loan as at December 31, 2024 is equal to the contractual amount due.

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(Stated in U.S. dollars unless otherwise noted)

19. Rehabilitation provision

	Platreef	Kipushi	Total
	\$'000	\$'000	\$'000
Opening balance	621	14,015	14,636
Unwinding of discount	118	—	118
Additional provision recognized	471	6,417	6,888
Foreign exchange loss	(75)	—	(75)
Closing balance	1,135	20,432	21,567

The Company makes provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing its mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred up to 2054 for Platreef and 2038 for Kipushi, which is when the producing mine properties are expected to cease operations. The provision has been calculated based on an independent assessment. Assumptions based on the current economic and regulatory environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This will depend upon several factors which are inherently uncertain.

The undiscounted closure cost liability estimate balance as at December 31, 2024 was \$31.1 million for Platreef (December 31, 2023: \$17.3 million), and \$20.1 million for Kipushi (December 31, 2023: \$15.6 million). The real discount rate used in the calculation of the provision as at December 31, 2024 equalled 6.78% (December 31, 2023: 7.16%) for Platreef, and 1.84% (December 31, 2023: 0.74%) for Kipushi.

20. Cash-settled share-based payment liability

	December 31, 2024	December 31, 2023
	\$'000	\$'000
B-BBEE share-based payment liability (i)	6,951	6,417
Deferred share unit liability	5,973	4,756
	12,924	11,173
Non-current cash-settled share-based payment liability	11,081	9,704
Current cash-settled share-based payment liability	1,843	1,469
	12,924	11,173

- (i) On June 26, 2014, the Company sold a 26% interest in the Company's Platreef mining project for which it has recognized a cash-settled share-based payment liability which is estimated to vest over 20 years. The liability is valued using an option pricing model taking into account the terms and conditions on which the right was granted (see Note 28).

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

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(Stated in U.S. dollars unless otherwise noted)

21. Trade and other payables

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Trade accruals	63,391	49,342
Trade payables	55,514	47,594
Other payables	10,345	6,140
Payroll tax and other statutory liabilities	8,266	5,859
	137,516	108,935

The Company has policies in place to ensure trade and other payables are paid within agreed terms.

22. Share capital

(a) Shares issued

The Company is authorized to issue an unlimited number of Class A Shares.

As at December 31, 2024, 1,351,544,340 (December 31, 2023: 1,268,762,524) Class A Shares were issued and outstanding. All shares in issue have been fully paid.

On April 30, 2024, the Company announced that it would redeem all of its outstanding convertible senior notes (See Note 16). In lieu of surrendering their notes for redemption, holders may elect to convert their notes at any time before the close of business on July 10, 2024. Holders of \$573,795,000 worth of notes elected to convert their notes, resulting in the issuance of 79,589,529 Class A shares.

On December 18, 2023, the Company issued 47,917,050 Class A common shares upon the completion of a private placement at a price of C\$12.00 per share for aggregate gross proceeds of C\$ 575 million (approximately \$429.7 million). Issue costs amounted to \$13.3 million, and were netted off against proceeds.

(b) Options

The Company issues share options as a security-based compensation arrangement. Share options are granted at an exercise price equal to the volume weighted average price of the shares on the TSX for the five days immediately preceding the date of the grant. As at December 31, 2024, 84,203,799 share options have been granted and exercised, and 13,357,480 have been granted and are outstanding.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

22. Share capital (continued)

(b) Options (continued)

All outstanding share options granted before December 2019 vest in four equal parts, commencing on the one year anniversary of the date of grant and on each of the three anniversaries thereafter. All share options granted during and after December 2019 vest in three equal parts, commencing on the one year anniversary of the date of grant and on each of the two anniversaries thereafter. The maximum term of options awarded is seven years.

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

	2024		2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance at the beginning of year	13,078,667	4.30	13,264,957	3.78
Granted	1,244,068	10.35	1,292,265	8.93
Exercised	(950,041)	3.89	(1,458,847)	3.62
Forfeited	(15,214)	8.89	(19,708)	7.45
Balance at the end of the year	13,357,480	4.89	13,078,667	4.30

1,244,068 options were granted in 2024. The fair value of options granted is estimated on the date of grant using the Black-Scholes option pricing model. An expense of \$5.1 million will be amortized over the entire vesting period for the options granted during the year ended December 31, 2024 (December 31, 2023: \$4.7 million), of which \$2.6 million (December 31, 2023: \$2.2 million) was recognized in the year ended December 31, 2024. An additional expense of \$2.5 million was recognized in the year ended December 31, 2024 (December 31, 2023: \$2.6 million) relating to options granted during prior years.

The following weighted average assumptions were used for the share option grants in the table above:

	2024	2023
Risk-free interest rate	4.07%	4.06%
Expected volatility ⁽ⁱ⁾	48.38%	51.19%
Expected life	3.50	3.50
Expected dividends	\$Nil	\$Nil

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

Ivanhoe Mines Ltd.

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(Stated in U.S. dollars unless otherwise noted)

22. Share capital (continued)

(b) Options (continued)

The following table summarizes information about share options outstanding and exercisable as at December 31, 2024:

Expiry date	Options outstanding		Options exercisable	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
		\$		\$
December 4, 2025	2,000,000	1.98	2,000,000	1.98
January 12, 2026	900,000	1.90	900,000	1.90
December 5, 2026	2,000,000	2.59	2,000,000	2.59
January 13, 2027	2,988,006	3.02	2,988,006	3.02
August 17, 2027	70,000	3.85	70,000	3.85
January 22, 2028	653,197	5.52	653,197	5.52
March 31, 2028	82,131	5.18	82,131	5.18
June 30, 2028	61,597	6.92	61,597	6.92
August 10, 2028	879,169	7.49	879,169	7.49
September 30, 2028	66,096	6.47	66,096	6.47
December 31, 2028	53,700	7.89	53,700	7.89
January 27, 2029	776,782	8.86	478,379	8.86
March 31, 2029	66,688	9.35	44,458	9.35
June 30, 2029	103,322	5.90	68,880	5.90
September 30, 2029	100,414	6.04	66,942	6.04
December 31, 2029	77,525	7.79	51,682	7.79
January 20, 2030	950,274	8.90	298,215	8.90
March 31, 2030	73,959	8.60	24,653	8.60
June 30, 2030	66,982	9.35	22,327	9.35
September 30, 2030	75,545	8.49	25,181	8.49
December 31, 2030	68,025	9.80	22,675	9.80
January 14, 2031	1,093,192	9.99	—	—
March 31, 2031	58,969	11.74	—	—
June 30, 2031	47,494	12.93	—	—
September 30, 2031	44,413	14.70	—	—
	13,357,480	4.89	10,857,288	3.82

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

22. Share capital (continued)

(b) Options (continued)

As at December 31, 2023, the Company had 13,078,667 share options outstanding at a weighted average exercise price of \$4.30. Of this amount, 10,323,368 share options were exercisable at a weighted average exercise price of \$3.27.

(c) Share unit awards

The Company issues restricted share units ("RSUs") and performance share units ("PSUs"), together known as share unit awards, as a security-based compensation arrangement. Each RSU and PSU represents the right of an eligible participant to receive one Class A Share.

RSUs vest in three equal parts, commencing on the initial vesting date established at grant and on each of the two anniversaries thereafter. PSUs generally vest after three years, on the vesting date established at grant, subject to the satisfaction of any performance conditions.

A summary of changes in the Company's RSUs and PSUs is presented below.

	2024	2023
Balance at the beginning of the year	3,811,889	5,237,163
RSUs issued	908,315	658,031
PSUs issued	451,117	438,163
RSUs vested	(2,134,601)	(2,399,595)
RSUs cancelled	(105,074)	(115,431)
PSUs cancelled	(12,961)	(6,442)
Balance at the end of the year	2,918,685	3,811,889

An expense of \$12.5 million will be amortized over the vesting period for the share unit awards granted during the year ended December 31, 2024 (December 31, 2023: \$8.7 million), using the fair value of a common share at time of grant. The weighted average fair value of a common share at the time that the share unit awards were granted in 2024 was \$9.99 (December 31, 2023: \$8.87). An expense of \$19.2 million (December 31, 2023: \$20.9 million) was recognized for the year ended December 31, 2024 relating to share unit awards granted, of which \$4 million related to those granted in 2024 (see Note 28).

(d) Deferred share units

The Company issues deferred share units ("DSUs") as a security-based compensation arrangement to non-executive directors of the Company. Each DSU represents the right of an eligible participant to receive one Class A Share or the cash equivalent thereof. The annual award of DSUs vests over the calendar year in which they are granted, DSUs issued in lieu of quarterly directors fees, vests immediately. All DSUs are settled on December 31st of the third year following the grant date. The debt component of the instrument represents the entire fair value of the award.

A summary of changes in the Company's DSUs is presented below.

	2024	2023
Balance at the beginning of the year	490,287	653,355
DSUs issued	157,969	221,764
DSUs settled in shares	(107,645)	(232,453)
DSUs settled in cash	(43,790)	(132,121)
DSUs cancelled	—	(20,258)
Balance at the end of the year	496,821	490,287

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

(Stated in U.S. dollars unless otherwise noted)

22. Share capital (continued)

(d) Deferred share units (continued)

An expense of \$1.6 million (December 31, 2023: \$1.6 million) was recognized for the DSUs granted during the year ended December 31, 2024. A gain of \$0.5 million (December 31, 2023: loss of \$0.5 million) was recognized for DSUs granted during prior years due to the movements in the Company's share price between the date of grant and the end of the current reporting period. In accordance with the DSU plan, directors may elect to receive settlement of their DSUs in cash or shares. An expense of \$1.8 million was recognized for 151,435 DSUs that were settled during the year, of which 107,645 were settled in shares and 43,790 were settled in cash. In 2023, an expense of \$0.9 million was recognized for 364,574 DSUs that were settled during the year, of which 232,453 were settled in shares and 132,121 were settled in cash.

23. Foreign currency translation reserve

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Balance at the beginning of the year	(58,770)	(63,830)
Transfer of additional ownership to non-controlling interest	–	16,410
Exchange loss arising on translation of foreign operations	(11,071)	(11,350)
Balance at the end of the year	(69,841)	(58,770)

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.

24. Non-controlling interests

The total non-controlling interest at December 31, 2024 is \$153.6 million (December 31, 2023: \$117.5 million), of which \$80.3 million (December 31, 2023: \$74.0 million) is attributed to Ivanplats (Pty) Ltd and \$70.2 million (December 31, 2023: \$50.0 million) is attributed to Kipushi Corporation SAS. The remainder relates mainly to the non-controlling interest attributable to the Western Foreland exploration projects.

The Company owns 64% of Ivanplats (Pty) Ltd. and is deemed to control a further 26%. The Company owns 68% of the issued share capital of Kipushi Corporation SAS, with a transfer of a further 6% underway as required by the revised joint venture agreement.

Set out below is the summarized statements of financial position, statements of comprehensive income and statements of cash flow for each subsidiary that has non-controlling interests that are material to the Company. The amounts disclosed for each subsidiary are before intercompany eliminations.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

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24. Non-controlling interests (continued)

Summarized statements of financial position	Ivanplats (Pty) Ltd		Kipushi Corporation SAS	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Non-current assets	1,083,737	791,074	987,303	786,637
Non-current liabilities	(1,546,147)	(1,201,980)	(1,168,933)	(882,283)
Total non-current net liabilities	(462,410)	(410,906)	(181,630)	(95,646)
Current assets	61,986	77,894	115,254	68,057
Current liabilities	(36,119)	(39,086)	(99,887)	(85,547)
Current net assets (liabilities)	25,867	38,808	15,367	(17,490)
Net liabilities	(436,543)	(372,098)	(166,263)	(113,136)

Summarized statements of comprehensive income	Ivanplats (Pty) Ltd		Kipushi Corporation SAS	
	Year ended		Year ended	
	December 31, 2024	2023	December 31, 2024	2023
	\$'000	\$'000	\$'000	\$'000
Loss for the year	(50,930)	(32,843)	(53,144)	(44,901)
Other comprehensive income	(11,864)	(11,318)	–	–
Total comprehensive loss	(62,794)	(44,161)	(53,144)	(44,901)
Total comprehensive loss allocated to non-controlling interests	(6,279)	(4,416)	(20,195)	(17,062)

Summarized statements of cash flow	Ivanplats (Pty) Ltd		Kipushi Corporation SAS	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities	5,958	(480)	81,653	19,237
Cash flows from investing activities	(267,032)	(232,888)	(198,736)	(228,549)
Cash flows from financing activities	252,136	100,000	112,415	217,660
Effect of foreign exchange rates	(6,375)	(8,960)	–	–
Net (decrease) increase in cash and cash equivalents	(15,313)	(142,328)	(4,668)	8,348

- (i) The effective non-controlling interest for Ivanplats (Pty) Ltd is 10% and for Kipushi Corporation SAS is 38%.

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25. Revenue

The Company's revenue from contracts with customers comprises sales of zinc concentrate:

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
Sale of zinc concentrate	41,600	—
Total revenue from contracts with customers	41,600	—
Remeasurement of contract receivables (a)	(782)	—
Total revenue as per statement of comprehensive income	40,818	—

Geographical analysis of revenue from contracts with customers

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
Export		
Hong Kong	31,486	—
Singapore	10,114	—
Total revenue from contracts with customers	41,600	—

(a) Revenue from other sources comprises subsequent movements in provisionally priced sales of \$0.78 million (net loss) (December 31, 2023: \$nil).

The Company has offtake agreements with customers for the sale of its zinc concentrate. Revenue is recognized when control of the concentrate is transferred to the customer. Delivery of the concentrate occurs as per INCOTERMS 2020, in accordance with the relevant agreement with the customer.

The Company sells concentrate on both a Delivery at Port (DAP) basis and a Cost, Insurance and Freight (CIF) basis. Revenue from zinc concentrate sold on a DAP basis is recognized when the product is delivered at the destination port. Revenue from zinc concentrate sold on a CIF basis is recognized when the product is delivered at the discharge port, with the Company being responsible for shipping and insurance costs until the concentrate arrives at the discharge port.

26. Cost of sales

The breakdown of cost of sales from zinc concentrate is as follows:

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
Production costs		
Salaries and benefits	(9,290)	—
Other production costs	(14,331)	—
Realization costs		
Taxes and surcharges	(2,104)	—
Selling expenses	(10,069)	—
Depreciation and amortization	(15,769)	—
	(51,563)	—

Cost of sales includes all direct cost associated with the production of zinc concentrate sold by the Company. Included in cost of sales is \$10.3 million of depreciation on property, plant and equipment and \$5.4 million of amortization on the mineral property.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

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27. General and administrative expenditure

The breakdown of general and administrative expenditure is as follows:

	Year ended December 31,	
	2024	2023
		<i>Restated*</i>
	\$'000	\$'000
Salaries and benefits	(17,864)	(15,744)
Foreign exchange loss	(10,366)	(3,028)
Travel costs	(9,801)	(7,471)
Legal fees	(5,053)	(5,981)
Depreciation	(3,506)	(1,915)
Professional fees	(2,381)	(2,822)
Investor relations	(2,068)	(1,935)
Other expenditure	(5,543)	(4,937)
	(56,582)	(43,833)

*The format of the consolidated statements of comprehensive income has changed to better represent profit and loss since the commencement of commercial production at Kipushi. All of the items now presented within general and administrative expenditure were previously disclosed as separate line items on the consolidated statements of comprehensive income.

28. Share-based payments

The share-based payment expense of the Company is summarized as follows:

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
<i>Equity-settled share-based payments</i>		
Share unit awards expense (Note 22(c))	(19,200)	(20,851)
Share options (Note 22(b))	(5,135)	(4,815)
	(24,335)	(25,666)
<i>Cash-settled share-based payments</i>		
Deferred share unit expense (Note 22(d))	(3,050)	(3,072)
B-BBEE transaction expense	(534)	(531)
	(27,919)	(29,269)

Of the share-based payment expense recognized for the year ended December 31, 2024, \$0.5 million (December 31, 2023: \$0.5 million) related to the Platreef B-BBEE transaction (see Note 20(i)), with the remaining \$27.4 million (December 31, 2023: \$28.7 million) being the expense for share options, share unit awards and deferred share units which have been granted to employees and were recognized over the vesting period.

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Notes to the consolidated financial statements

December 31, 2024

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29. Finance costs

Finance costs are summarized as follows:

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
Interest on convertible notes (see Note 16)	(89,126)	(45,022)
Interest on convertible notes capitalized (see Note 5)	48,239	14,679
Interest on borrowings (see Note 18)	(18,898)	(5,630)
Interest on borrowings capitalized (see Note 5)	10,967	4,712
Finance costs on deferred revenue (see Note 17)	(39,808)	(39,551)
Finance costs on deferred revenue capitalized (see Note 5)	39,808	39,551
Lease liability unwinding (see Note 12)	(317)	(143)
Interest on advances payable	—	(93)
	(49,135)	(31,497)

30. Finance income

Finance income is summarized as follows:

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
Interest on loan to joint venture (i)	224,258	207,608
Interest on bank balances	14,709	21,624
Interest on long-term loan receivable - Gécamines (ii)	2,296	2,514
Other	272	22
Interest on long-term loan receivable - HPX	—	7,795
	241,535	239,563

- (i) Interest was calculated at a rate of USD 12-month LIBOR plus 7% until June 30, 2023. Following the cessation of publication of LIBOR rates, interest was calculated at a rate of 12-month Term SOFR plus 7.71% on the loan advanced to the Kamoia Holding joint venture (see Note 4).
- (ii) The Company earns interest at a fixed rate of 6%, although an effective interest rate of 9.2% was applied from initial recognition.

Ivanhoe Mines Ltd.

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31. Other income (expense)

Other income (expense) is summarized as follows:

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
Administration consulting income (i)	3,930	4,704
Other	534	(1,874)
(Loss) profit on disposal of property, plant and equipment (ii)	(50)	2,756
Gain on acquisition of investment	—	1,936
Reversal of expected credit loss	—	1,201
Derecognition loss	—	(11,924)
	4,414	(3,201)

(i) Administration consulting income is fees charged by the Company to the Kamoia Holding joint venture for administration, accounting and other services performed for the joint venture (see Note 4).

(ii) Of the \$2.8 million profit on disposal of property, plant and equipment in the prior period, \$2.7 million relates to the sale of the Company's aircraft (see Note 5). The aircraft was sold for a consideration of \$4.8 million.

32. Profit per share

The basic profit per share is computed by dividing the profit attributable to the owners of the Company by the weighted average number of common shares outstanding during the period. The diluted profit per share reflects the potential dilution of common share equivalents, such as outstanding stock options, share unit awards, deferred share units and the convertible notes in the weighted average number of common shares outstanding during the period, if dilutive. The convertible notes were anti-dilutive for the year ended December 31, 2023.

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
Basic profit per share		
Profit attributable to owners of the Company	228,135	318,928
Weighted average number of basic shares outstanding	1,313,389,735	1,220,711,543
Basic profit per share	0.17	0.26
Diluted profit per share		
Profit attributable to owners of the Company	228,135	318,928
Weighted average number of diluted shares outstanding	1,324,466,629	1,233,412,241
Diluted profit per share	0.17	0.26

Ivanhoe Mines Ltd.

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(Stated in U.S. dollars unless otherwise noted)

32. Profit per share (continued)

The weighted average number of shares for the purpose of diluted profit per share reconciles to the weighted average number of shares used in the calculation of basic profit per share as follows:

	Year ended December 31,	
	2024	2023
Weighted average number of basic shares outstanding	1,313,389,735	1,220,711,543
Shares deemed to be issued for no consideration in respect of:		
- stock options	8,856,777	7,239,838
- restricted share units	1,952,774	4,940,422
- deferred share units settled in shares	267,343	520,438
Weighted average number of diluted shares outstanding	1,324,466,629	1,233,412,241

33. Related party transactions

The financial statements include the financial results of Ivanhoe Mines Ltd., its subsidiaries, joint ventures and joint operations listed in the following table:

Name	Country of Incorporation	% equity interest as at	
		December 31, 2024	December 31, 2023
Direct Subsidiaries			
Ivanhoe Mines (Barbados) Limited	Barbados	100%	100% (i)
African Copperbelt Exploration Ltd.	Barbados	100%	100% (i)
Kengere Holding Limited	Barbados	100%	100% (i)
Ivanhoe Zambia Holdings Ltd.	British Virgin Islands	100%	100% (i)
Cereus Holding Ltd.	British Virgin Islands	100%	100% (i)
Cuando Holding Ltd.	British Virgin Islands	100%	100% (i)
GM Mining Services Ltd.	British Virgin Islands	100%	100% (i)
Ivanhoe Namibia Holdings Ltd.	British Virgin Islands	100%	100% (i)
Ivanhoe South Africa Holdings Ltd.	British Virgin Islands	100%	100% (i)
Australia Nickel & Platinum Holding Company Ltd.	British Virgin Islands	100%	100% (i)
Yunnan Mining Inc.	British Virgin Islands	100%	100% (i)
Quembo Holdings Unipessoal Lda.	Portugal	100%	– (i)
Gardner & Barnard Mining UK Limited	United Kingdom	100%	100% (i)
RKR Mining Limited	United Kingdom	100%	100% (i)
Ivanhoe Mines US LLC	United States of America	100%	100% (i)
Ivanhoe Mines UK Limited	United Kingdom	100%	100% (ii)
Ivanplats Holding SARL	Luxembourg	97%	97% (i)
Ivanhoe Mines Consulting Services (Beijing) Co., Ltd	China	100%	100% (vi)
Asena Resources Limited	United Kingdom		(i);
		20%	– (x)
Baloban Resources Limited	United Kingdom		(i);
		20%	– (x)

Ivanhoe Mines Ltd.

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33. Related party transactions (continued)

Name	Country of Incorporation	% equity interest as at	
		December 31, 2024	December 31, 2023
Direct Subsidiaries (continued)			
Berkut Resources Limited	United Kingdom	20%	– (i); (x)
Turan Resources Limited	United Kingdom	20%	– (i); (x)
Maral Resources Limited	United Kingdom	20%	– (i); (x)
Markhor Resources Limited	United Kingdom	20%	– (i); (x)
Argun Resources Limited	United Kingdom	20%	– (i); (x)
Indirect Subsidiaries			
Ivanhoe DRC Holding Ltd.	Barbados	100%	100% (i)
Kipushi Holding Limited	Barbados	100%	100% (i)
Ivanhoe Exploration Holding Ltd.	Barbados	100%	100% (i)
Magharibi Holding Ltd.	Barbados	100%	100% (i)
Makoko Holding Ltd.	Barbados	100%	100% (i)
Mwangezi Holding Ltd.	Barbados	100%	100% (i)
Lubudi Holding Ltd.	Barbados	100%	100% (i)
Lueya Holding Ltd.	Barbados	100%	100% (i)
Ivanhoe Newriver Holding Ltd.	Barbados	100%	100% (i)
Ikekete Holding Ltd.	Barbados	100%	– (i)
Kampemba Holding Ltd.	Barbados	100%	– (i)
Mulomba Holding Ltd.	Barbados	100%	– (i)
Cuando-Recursos, (SU) Lda.	Angola	100%	– (ii)
Ivanhoe Mines DRC SARL	DRC	100%	100% (ii)
Ivanhoe Mines Exploration DRC SARL	DRC	100%	100% (iii)
IME Services SASU	DRC	100%	– (ii)
Lufupa SASU	DRC	100%	100% (iii)
Magharibi Mining SA	DRC	90%	90% (iii)
Makoko SA	DRC	80%	80% (iii); (viii)
Kengere Mining SA	DRC	65%	65% (iii)
Kampemba Corporation SAS	DRC	60%	10% (iii); (ix)
Kipushi Corporation SAS	DRC	62%	62% (iii)
Namwana Exploration SA	DRC	90%	90% (iii)
Live in Group SARL	DRC	80%	- (iii)
Ivanhoe (Namibia) (Pty) Ltd.	Namibia	100%	100% (iii)
GB Mining & Exploration (SA) (Pty) Ltd.	South Africa	100%	100% (vii)
Ivanhoe Mines SA (Pty) Ltd.	South Africa	100%	100% (ii)
Ivanplats (Pty) Ltd.	South Africa	64%	64% (iii)
Kico Services (Pty) Ltd.	South Africa	100%	100% (ii)
Palrho Exploration (Pty) Ltd.	South Africa	100%	100% (iii)
Ivanhoe Marketing (Pty) Ltd.	South Africa	100%	100% (iii)
Ivanhoe (Zambia) Ltd.	Zambia	100%	100% (iii)
Asena Resources Limited LLP	Kazakhstan	20%	– (iii); (x)

Ivanhoe Mines Ltd.

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33. Related party transactions (continued)

Name	Country of Incorporation	% equity interest as at	
		December 31, 2024	December 31, 2023
Indirect Subsidiaries (continued)			
Baloban Resources Limited LLP	Kazakhstan	20%	– (iii)
Berkut Resources Limited LLP	Kazakhstan	20%	– (iii)
Turan Resources Limited LLP	Kazakhstan	20%	– (iii)
Maral Resources Limited LLP	Kazakhstan	20%	– (iii)
Markhor Resources Limited LLP	Kazakhstan	20%	– (iii)
Argun Resources Limited LLP	Kazakhstan	20%	– (iii)
Joint ventures			
Kamoa Holding Limited	Barbados	49.50%	49.50% (iv)
Joint operations			
Rhenfield Limited	British Virgin Islands	50%	50% (v)

- (i) This company acts as an intermediary holding company to other companies in the Group.
- (ii) This company provides administration, accounting and other services to the Group on a cost-recovery basis.
- (iii) This company is incorporated with the intention of engaging in exploration, development and mining activities.
- (iv) This company is a joint venture of the Group. See Note 4 for information regarding the shareholding of this company.
- (v) This company is a joint operation of the Group. See Note 34 for information on this company.
- (vi) This company provides administration, investor relations and marketing services to the Group in China.
- (vii) This company is an asset holding company.
- (viii) A 10% interest in these companies was transferred to the DRC government in 2023, pursuant to DRC mining regulations.
- (ix) A 50% interest in this company was acquired from another shareholder in 2024, due to the exercise of the earn-in right (see Note 6).
- (x) The Group exercises control over these companies through contractual agreement, therefore these companies are deemed to be subsidiaries of the Group.

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33. Related party transactions (continued)

The following table summarizes related party expenses incurred and income earned by the Company, primarily on a cost-recovery basis, with companies related by way of directors or shareholders in common. Amounts in brackets denote expenses.

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
Kamoa Holding Limited (a)	224,258	207,608
Kamoa Services (Pty) Ltd. (b)	4,971	5,131
Kamoa Copper SA (c)	1,707	1,151
Ivanhoe Mines Energy DRC SARL (d)	294	242
I-Pulse Inc. (e)	115	18
Ivanhoe Electric Inc. (f)	13	30
Ivanhoe Capital Aviation Ltd. (g)	(4,500)	(4,500)
Ivanhoe Capital Services Ltd. (h)	(347)	(394)
Citic Metal Africa Investments Limited (i)	(210)	(240)
Global Mining Management Corporation (j)	(203)	(196)
Ivanhoe Atlantic Inc. (k)	7	7,792
	226,105	216,642
Finance income	224,258	215,402
Intergroup recharges and cost recovery	6,915	6,533
Travel	(4,381)	(4,490)
Salaries and benefits	(415)	(443)
Directors fees	(210)	(240)
Office and administration	(44)	(62)
Consulting	(18)	(58)
	226,105	216,642

As at December 31, 2024, trade and other payables included \$0.1 million (December 31, 2023: \$0.4 million) with regards to amounts due to parties related by way of director, officers or shareholder in common. These amounts are unsecured and non-interest bearing.

Ivanhoe Mines Ltd.

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(Stated in U.S. dollars unless otherwise noted)

33. Related party transactions (continued)

Amounts included in other receivables due from parties related by way of director, officers or shareholder in common as at December 31, 2024 amounted to \$12.8 million (December 31, 2023: \$10.1 million). Of this, \$12.6 million related to receivables from the joint venture (December 31, 2023: \$9.8 million).

- (a) Kamoa Holding Limited ("Kamoa Holding") is a company registered in Barbados. The Company has an effective 49.5% ownership in Kamoa Holding. The Company earns interest on the loans advanced to Kamoa Holding (see Note 4).
- (b) Kamoa Services (Pty) Ltd. ("Kamoa Services") is a company registered in South Africa. The Company has an effective 49.5% ownership in Kamoa Services (see Note 4). The Company provides administration, accounting and other services to Kamoa Services on a cost-recovery basis.
- (c) Kamoa Copper SA ("Kamoa Copper") is a company incorporated in the DRC. The Company has an effective 39.6% ownership in Kamoa Copper (see Note 4). The Company provides administration, accounting and other services to Kamoa Copper on a cost-recovery basis.
- (d) Ivanhoe Mines Energy DRC Sarl ("Energy") is a company incorporated in the DRC. The Company has an effective 49.5% ownership in Energy (see Note 4). The Company provides administration, accounting and other services to Energy on a cost-recovery basis.
- (e) I-Pulse Inc. ("I-Pulse") is a private company incorporated in the United States of America. The Company's Executive Co-Chairman is also the Chairman of I-Pulse (see Note 8 (i)). The Company also holds shares in I-Pulse, which were issued in exchange for its loan to Ivanhoe Atlantic Inc (previously known as High Power Exploration). (see Note 8(i)).
- (f) Ivanhoe Electric Inc. ("Ivanhoe Electric") is a company incorporated under the laws of Delaware, USA. A director of the Company is a director and member of executive management of Ivanhoe Electric. The Company provides services to Ivanhoe Electric on a cost-recovery basis.
- (g) Ivanhoe Capital Aviation Ltd. ("Aviation") is a private company owned indirectly by a director of the Company. Aviation operates an aircraft for which the Company contributes toward the running costs.
- (h) Ivanhoe Capital Services Ltd. ("Services") is a private company owned indirectly by a director of the Company. Services provides for salaries administration and other services to the Company in Singapore and Beijing on a cost-recovery basis.
- (i) Citic Metal Africa Investments Limited ("Citic Metal Africa") is a private company incorporated in Hong Kong. Citic Metal Africa is a shareholder in the Company and nominates two directors who serve on the Company's Board of Directors.
- (j) Global Mining Management Corporation ("Global") is a private company based in Vancouver, Canada. The Company and a director of the Company hold an indirect equity interest in Global. Global provides administration, accounting and other services to the Company on a cost-recovery basis.
- (k) Ivanhoe Atlantic Inc. (previously known as High Power Exploration "HPX") is a private company incorporated under the laws of Delaware, USA. A director of the Company is a director and member of executive management of HPX.

34. Joint operations

The Company has a 50% interest in Rhenfield Limited, a British Virgin Islands registered company. Rhenfield Limited purchased buildings in London, England which the Company uses for office space. The buildings have a carrying value of \$8.5 million (December 31, 2023: \$8.8 million) and are included in property, plant and equipment (see Note 5). The buildings have been pledged as security for bank loans under a mortgage (see Note 18 (vi)).

Ivanhoe Mines Ltd.

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35. Cash flow information

(a) Net change in working capital items:

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
Net decrease (increase) in		
Prepaid expenses	30,986	(21,519)
Other receivables	(48,354)	(16,752)
Inventory	(76,202)	(510)
Net increase in		
Trade and other payables	28,581	47,298
	(64,989)	8,517

	Liabilities from financing activities			
	Borrowings	Convertible notes	Leases	Total
	\$'000	\$'000	\$'000	\$'000
Opening balance as at January 1, 2023	(40,823)	(686,623)	(11,307)	(738,753)
Cash flows	—	14,375	562	14,937
Inflow of funds	(98,181)	—	—	(98,181)
Repayments of capital	1,234	—	—	1,234
Foreign exchange	(221)	—	434	213
Other changes (i)	(2,020)	(130,283)	(1,129)	(133,432)
Closing balance as at December 31, 2023	(140,011)	(802,531)	(11,440)	(953,982)
Cash flows	—	—	1,536	1,536
Additional debt				
Inflow of funds	(306,000)	—	—	(306,000)
Repayments of capital	83,123	(1,205)	—	81,918
Repayments of interest	17,421	(10,096)	—	7,325
Conversion of notes	—	1,044,525	—	1,044,525
Foreign exchange	48	—	8	56
Other changes (i)	(13,013)	(230,693)	(865)	(244,571)
Closing balance as at December 31, 2024	(358,432)	—	(10,761)	(369,193)

(i) Other changes include non-cash movements, including accrued interest expense which is presented appropriately as operating cash flows in the consolidated statements of cash flows when paid.

Ivanhoe Mines Ltd.

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December 31, 2024

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36. Financial instruments

(a) Fair value of financial instruments

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

Financial instrument	Level	December 31, 2024 \$'000	December 31, 2023 \$'000
Financial assets			
<i>Financial assets at fair value through profit or loss</i>			
Investment in I-Pulse Inc.	Level 3	68,451	79,360
Investment in Blue Spark Energy Systems Inc.	Level 3	10,909	—
Investment in Renergen Ltd.	Level 1	1,358	4,173
Investment in unlisted entity	Level 3	655	655
Investment in other listed entities	Level 1	183	277
<i>Amortized cost</i>			
Loan advanced to joint venture	Level 3	1,142,744	1,732,286
Cash and cash equivalents (c)		117,343	574,294
Loans receivable	Level 3	48,313	46,017
Other receivables (a) (c)		37,042	16,574
Promissory note receivable	Level 3	26,853	26,800
Financial liabilities			
<i>Financial liabilities at fair value through profit or loss</i>			
Convertible notes - embedded derivative liability	Level 3	—	306,561
<i>Amortized cost</i>			
Borrowings	Level 3	358,431	140,011
Trade and other payables (b) (c)		129,250	103,076
Convertible notes - host liability	Level 3	—	495,970

- (a) Other receivables in the above table excludes refundable taxes receivable.
- (b) Trade and other payables in the above table excludes payroll tax, other statutory liabilities, indirect taxes payable and other payables.
- (c) Cash and cash equivalents, other receivables and trade and other payables are not assigned a fair value hierarchy due to their short-term nature.

IFRS 13 - Fair value measurement, 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 obtained 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 and therefore require an entity to develop its own assumptions.

Ivanhoe Mines Ltd.

Notes to the consolidated financial statements

December 31, 2024

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36. Financial instruments (continued)

(a) Fair value of financial instruments (continued)

Investment in listed entities

The fair value is the market value of the listed shares at the end of the period.

Investment in unlisted entity

The Company acquired these shares on September 12, 2019. No significant changes occurred between acquisition date and December 31, 2024 and the Company has therefore determined that the purchase price approximates the fair value.

Investment in I-Pulse Inc.

The Company acquired these shares on June 30, 2023. The purchase price approximates the fair value. Prior to the acquisition of the investment, a sum of the parts valuation of I-Pulse was performed, driven by the revenue generating business units of I-Pulse and underlying investments thereof. Additionally, historic equity financing of I-Pulse was considered in determining comparable valuations. This indicated that the purchase price of the investment approximated its fair value.

Subsequently, equity financing transactions of I-Pulse were considered in determining the fair value of the Company's investment in I-Pulse. No significant fair value movements were identified at year-end.

Investment in Blue Spark Energy Systems Inc.

The Company acquired these shares on May 31, 2024, through an unbundling arrangement of I-Pulse's hydrocarbon business from its non-hydrocarbon business. The Board of I-Pulse notified its shareholders of the valuation of Blue Spark Energy Systems Inc. as part of the documentation circulated prior to executing the spin-off arrangement. This valuation therefore approximates its fair value.

Loan advanced to the joint venture

Carrying amount is a reasonable approximation of fair value. The Company earned interest on the loan at USD 12-month LIBOR +7% until June 30, 2023. Following the cessation of publication of LIBOR rates, interest was calculated at a rate of 12-month Term SOFR plus 7.71% from July 1, 2023.

Long-term loans receivable (Social development loan)

Carrying amount is a reasonable approximation of fair value. The fair value of the receivable at acquisition date was estimated by the Company by calculating the present value of the future expected cash flows using an effective interest rate of 9.2%.

Promissory note receivable

Carrying amount is a reasonable approximation of fair value. The creditworthiness of the promissory note holder is considered to be high (see Note 36(b)(ii)). The promissory note is payable on the earlier of December 8, 2025 or the next business day following the completion of the sale, transfer or disposition of the shares held by Crystal River in Kamo Holding.

Other receivables

Carrying amount is a reasonable approximation of fair value due to the short-term nature of the receivable (less than 1 month).

Senior debt financing

Carrying amount is a reasonable approximation of fair value. The facility incurs interest at the applicable Term SOFR plus 4.80% (see Note 18(i)).

Advance payment facilities

Carrying amount is a reasonable approximation of fair value. The loan incurs interest at Term SOFR plus a margin of 6% per annum (see Note 18(ii)).

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(Stated in U.S. dollars unless otherwise noted)

36. Financial instruments (continued)

(a) Fair value of financial instruments (continued)

Borrowings (RMB loan facilities)

Carrying amount is a reasonable approximation of fair value. The Ivanhoe Marketing-RMB facility incurs interest at the applicable Term SOFR plus a margin of 3.25% per annum. The Kipushi-RMB facility incurs interest at the applicable Term SOFR plus a margin of 4.5% per annum (see Note 18(iii)).

Borrowings (FirstBank loan facility)

Carrying amount is a reasonable approximation of fair value. The loan incurs interest at 3-month Term SOFR plus a margin of 4.5% per annum (see Note 18(iv)).

Borrowings (Aircraft financing facility)

Carrying amount is a reasonable approximation of fair value. The loan incurs interest at SOFR plus a margin of 3.65% per annum (see Note 18(v)).

Borrowings (Loan from Citibank)

Carrying amount is a reasonable approximation of fair value. The loan is an interest-only term loan repayable on August 28, 2025, and incurs interest at a rate of 1-month Sterling Overnight Index Average (SONIA) plus 1.90% payable monthly in arrears, which approximates the current market interest rate (see Note 18(vi)).

Borrowings (Rawbank loan facility)

Carrying amount is a reasonable approximation of fair value. The loan incurs interest at 8% per year plus commission of 0.5% per quarter (see Note 18(vii)).

Borrowings (Loan from ITC Platinum Development Limited)

Carrying amount is a reasonable approximation of fair value. The fair value of the loan is determined using a discounted future cashflow analysis (see Note 18(viii)).

Trade and other payables

Carrying amount is a reasonable approximation of fair value due to the short-term nature of the payable (less than 1 month).

(b) Financial risk management objectives and policies

The risks associated with the Company's financial instruments and the policies 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.

(i) Foreign exchange risk

The Company incurs certain of its expenses in currencies other than the U.S. dollar. The Company also has foreign currency denominated monetary assets and liabilities. The Company's key exposure to foreign exchange risk was from the convertible notes before the conversion, which was impacted by the Canadian Dollar when the prevailing share price was converted into Dollars. As such, the Company is subject to foreign exchange risk as a result of fluctuations in exchange rates. The Company has a policy to enter into derivative instruments to manage foreign exchange exposure as deemed appropriate. 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:

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36. Financial instruments (continued)

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

(i) Foreign exchange risk (continued)

	December 31, 2024 \$'000	December 31, 2023 \$'000
Assets		
South African rand	95,119	106,202
Canadian dollar	23,814	223,621
British pounds	13,104	7,548
Australian dollar	108	248
Liabilities		
South African rand	(42,005)	(41,913)
British pounds	(12,881)	(7,807)
Canadian dollar	(76)	(541)

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase or decrease in the U.S. dollar against the foreign currencies presented. The sensitivity analysis includes only outstanding foreign currency denominated monetary items not denominated in the functional currency of the Company or the relevant subsidiary, 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.

	Year ended December 31, 2024 \$'000	2023 \$'000
Canadian dollar	1,187	10,854
Australian dollar	(1)	8
South African rand	(457)	(439)
British pounds	–	(23)

(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 the loan to the joint venture, promissory note receivable, long-term loans receivable, other receivables and cash and cash equivalents.

The Company reviews the recoverable amount of its financial assets at each statement of financial position date to ensure that adequate provision is made for expected credit losses on a timely basis. Current and future estimated macroeconomic factors, as well as relevant interest rates are considered as inputs into the provision calculation.

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Notes to the consolidated financial statements

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36. Financial instruments (continued)

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

(ii) Credit risk (continued)

The Company classifies its financial assets at amortized cost in categories that reflect their credit risk as follows:

- Performing financial assets – Financial assets with a low risk of counterparty default. A 12-month expected credit losses are calculated for these financial assets.
- Underperforming financial assets – Financial assets with a significant increase in credit risk. Lifetime expected credit losses are calculated for these financial assets.
- Non-performing financial assets – Financial assets that are in default. Lifetime expected credit losses are calculated for these financial assets.
- Written off financial assets – Financial assets where the principal and/or interest will not be recovered, based on observable data. These financial assets are written off through profit or loss to the extent of the expected credit loss.

All of the Company's financial assets are deemed to be performing financial assets based on the above categorization. As such the general approach was applied to calculate the 12-month expected credit losses. There were no movements between the categorization during the current and comparative reporting periods as there has not been an increase in credit risk associated with these financial assets.

A significant increase in credit risk would include:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- An actual or expected significant change in the operating results of the borrower.
- Significant increases in credit risk on other financial instruments of the same borrower.
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring.

None of the Company's financial assets are deemed to be in default, which is defined as the structural failure of a counterparty to perform under an agreement with the Company.

For all financial assets measured at amortized cost, the Company calculates the expected credit loss based on contractual payment terms of the asset. The exposure to credit risk is influenced by the individual characteristics and the long and short term nature of the counterparty.

The Company assesses whether an impairment is required on loan receivables. A range of cash flow scenarios are considered, taking into account forward-looking information which may impact recoverability of loan receivables.

The loan advanced to the joint venture will be repaid as and when there is residual cash flow in Kamoa Holding. The expected credit loss is considered not material to the Company given the cash generative nature of the mine, market sentiment and forecasts.

The promissory note receivable will be repaid using proceeds from the sale of Crystal River's 1% stake in Kamoa Holding. The expected credit loss is considered not material to the Company (see Note 11).

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36. Financial instruments (continued)

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

(ii) Credit risk (continued)

Repayment of the long-term loan receivable from Gécamines will be made by offsetting the loan against future royalties and dividends payable to Gécamines which arise from future profits to be earned at Kipushi. The Company recorded an expected credit loss allowance of \$0.5 million as at December 31, 2024 in accordance with IFRS 9 (December 31, 2023 \$0.5 million) (see Note 10 (i)).

The credit risk on cash and cash equivalents is limited because the cash and cash equivalents are composed of deposits with major banks who have investment-grade credit ratings assigned by international credit ratings agencies and have low risk of default. Credit risk is managed through the application of funding approvals, liquidity analysis and monitoring procedures. The Company's treasury function provides credit risk management for the group-wide exposure in respect of a diversified banking portfolio. These are evaluated regularly for financial robustness especially within the context of the current global economic environment as well as the jurisdictions within which the Company operates. The majority of the Group's cash balance is held in Canadian and South African bank accounts. The Company continues to monitor its credit risk and assess expected credit losses. The identified impairment loss in 2024 is considered not material to the Company.

(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, including the commitments as disclosed in Note 38. The Company has access to undrawn facilities at balance sheet date.

On December 22, 2024, the Company entered into a revolving credit facility agreement between, amongst others, Bank of Montreal, Citibank, N.A., London Branch and Standard Bank of South Africa Limited. Under this agreement, the lenders thereunder make available a revolving credit facility in an aggregate principal amount of up to \$120 million. The revolving credit facility became available from December 23, 2024. No amount was drawn down by the Company as at December 31, 2024.

Ivanhoe Mines Ltd.

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36. 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 year	1 to 3 years	3 to 5 years	More than 5 years	Total un- discounted cash flows
	\$'000	\$'000	\$'000	\$'000	\$'000
As at December 31, 2024					
Trade payables (a)	118,905	—	—	—	118,905
Senior debt facility	7,484	33,441	49,179	17,413	107,517
Advance payment facilities	12,663	18,449	120,000	—	151,112
FirstBank loan facility	50,000	—	—	—	50,000
RMB loan facilities	42,315	26,093	—	—	68,408
ITC loan	—	—	41,045	—	41,045
Aircraft financing facility	3,419	13,604	378	—	17,401
Lease liability	742	2,228	1,939	5,852	10,761
Loan from Citi bank	4,059	—	—	—	4,059
As at December 31, 2023					
Convertible notes	14,383	596,535	—	—	610,918
Trade payables (a)	96,936	—	—	—	96,936
Rawbank loan facility	80,552	—	—	—	80,552
ITC loan	—	—	38,405	—	38,405
Aircraft financing facility	4,534	13,604	2,645	—	20,783
Lease liability	664	2,460	1,814	6,473	11,411
Loan from Citi bank	262	3,845	—	—	4,107

(a) Trade payables in the above table excludes payroll tax, other statutory liabilities, other payables and indirect taxes payable.

(v) Interest rate risk

The Company's interest rate risk arises mainly from long-term borrowings, the long-term loan receivable and the loan advanced to the joint venture. The Company's main exposure to interest rate risk arises from the fact that the Company incurs interest at rates linked to Term SOFR. If interest rates (including applicable Term SOFR rates) had been 50 basis points higher or lower and all other variables were held constant the Company's profit for the year ended December 31, 2024 would have increased or decreased by \$9.9 million (December 31, 2023: \$10.6 million) and is comprised as follows:

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Loan advanced to the joint venture (see Note 4)	9,266	8,142
Cash and cash equivalents	587	2,871
Other interest-bearing amounts	242	232
Borrowings	(229)	(648)
	9,866	10,597

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37. Capital risk management

The Company includes as capital its common shares and share option reserve. The Company's objectives are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the 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 and acquire or dispose of assets to satisfy cash requirements. In order 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.

In order to maximize ongoing development efforts, the Company has not paid a dividend to date. The Company's investment policy is to invest its cash in highly liquid, short-term, interest-bearing investments, selected with regard to the expected timing of expenditures from operations.

As the Company has a number of development projects, it is largely equity funded.

38. Commitments and contingencies

From time to time, the Company becomes subject to claims, temporary measures, legal proceedings, financial sanctions or assessments made by tax or other authorities in the ordinary course of its business. Such claims may be made against the Company, or its subsidiaries and affiliates, or its joint ventures. Given the complexity, scope and multi-jurisdictional nature of the Company's business, such claims may arise in several jurisdictions and may involve complex legal, tax or accounting matters. Management assesses the Company's liabilities and contingencies for all tax years open to claims or assessment based upon the latest information available. The Company accrues for such claims, or makes a provision, in its financial statements, when a liability resulting from the claim is both probable and the amount can be reasonably estimated. In order to assess such likelihood management reviews claims with the benefit of internal and external legal advice where appropriate.

Some jurisdictions in which the Company operates have legislation empowering authorities to impose restrictions on the operation of the Company's bank accounts in those jurisdictions, or that have a similar effect, notably due to banks' practices, when receiving such instructions from authorities, pending the payment and/or resolution of such alleged claims, investigations, penalties, financial sanctions or assessments. These restrictions or instructions from authorities having a similar effect may be used routinely in such circumstances.

The Company is currently subject to several such claims which have been determined by management, with the benefit of legal advice, to be without merit and justification and therefore not probable that a liability would arise therefrom. Such determinations are based on current information and advice, which is subject to change based on changed facts or circumstances. Accordingly, management may re-assess any prior determination regarding the likelihood of a probable liability at any time.

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Notes to the consolidated financial statements

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38. Commitments and contingencies (continued)

As at December 31, 2024, the Company's commitments that have not been disclosed elsewhere in the consolidated financial statements are as follows:

	Less than 1 year \$'000	1 - 3 years \$'000	4 - 5 years \$'000	After 5 years \$'000	Total \$'000
As at December 31, 2024					
Platreef project					
Shaft 3 construction	40,033	—	—	—	40,033
Underground mine development	25,610	—	—	—	25,610
Electric fleet	15,405	—	—	—	15,405
Infrastructure	8,824	690	—	—	9,514
Surface facilities	7,983	—	—	—	7,983
Owners costs	3,876	3,977	—	—	7,853
Project services and studies	6,566	—	—	—	6,566
Shaft 2 construction	1,669	4,501	—	—	6,170
Engineering, procurement and construction management	3,788	2,273	—	—	6,061
Other	2,000	—	—	—	2,000
Concentrator	1,388	—	—	—	1,388
Kipushi project					
Mining Contractor	36,979	106,073	9,092	—	152,144
Infrastructure Upgrades	16,516	—	—	—	16,516
Raiseboring	8,883	6,148	—	—	15,031
Concentrator Plant	8,372	—	—	—	8,372
Realisation Cost - Zinc	7,216	—	—	—	7,216
Other	5,091	4	—	—	5,095
Ventilation Shaft	577	—	—	—	577
Engineering, procurement and construction management	49	—	—	—	49
As at December 31, 2023					
Platreef project					
Shaft 2 construction	28,925	24,510	—	—	53,435
Underground mine development	40,757	—	—	—	40,757
Shaft 3 construction	5,934	17,803	—	—	23,737
Infrastructure	1,859	18,542	—	—	20,401
Concentrator	4,102	10,801	—	—	14,903
Electric fleet	9,885	—	—	—	9,885
Project services and studies	3,225	6,561	—	—	9,786
Surface facilities	7,215	1,561	—	—	8,776
Owners costs	6,918	—	—	—	6,918
Shaft 1 construction	3,673	—	—	—	3,673
Other	2,916	—	—	—	2,916
Engineering, procurement and construction management	2,032	—	—	—	2,032
Kipushi project					
Mining Contractor	45,822	150,918	9,509	—	206,249
Concentrator Plant	47,457	—	—	—	47,457
Raiseboring	3,864	7,767	1,225	—	12,856
Other	1,611	—	—	—	1,611
Infrastructure Upgrades	982	—	—	—	982

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39. Segmented information

At December 31, 2024, the Company has four reportable segments, being the Platreef property, Kamoia Holding joint venture, Kipushi properties and the Company's treasury offices.

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 four reportable 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 reportable segments are principally engaged in the development of mineral properties in South Africa (see Note 6); exploration and development of mineral properties through a joint venture in the DRC (see Note 4) and the upgrading of mining infrastructure and refurbishment of a mine in the DRC, respectively (see Note 6).

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

	South Africa	DRC	Other	Total
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
As at December 31, 2024	1,110,901	4,192,191	135,825	5,438,917
As at December 31, 2023	813,535	3,326,898	210,995	4,351,428
		December 31,	December 31,	
		2024	2023	
		\$'000	\$'000	
Segment assets				
Kamoia Holding joint venture		3,033,716	2,517,551	
Kipushi properties		1,228,434	900,228	
Platreef property		1,166,257	894,132	
Treasury (ii)		190,452	646,855	
All other segments (i)		118,696	41,495	
Total		5,737,555	5,000,261	
Segment liabilities				
Platreef property		499,791	404,617	
Kipushi properties		346,803	166,372	
All other segments (i)		30,098	17,551	
Treasury (ii)		25,222	830,775	
Total		901,914	1,419,315	

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39. Segmented information (continued)

	Year ended December 31,	
	2024	2023
	\$'000	\$'000
Revenue		
<i>The Company derives revenue from zinc concentrate sales at its Kipushi properties:</i>		
Sale of zinc concentrate	41,600	-
Remeasurement of contract receivables	(782)	-
Total external revenue	40,818	-
 <i>Geographical analysis of revenue from contracts with customers</i>		
<i>Export</i>		
Hong Kong	30,739	-
Singapore	10,079	-
Total external revenue	40,818	-
 <i>Customer analysis</i>		
Of the total external revenue, 75% was attributable to one customer. The balance was attributable to the remaining customer.		
Segment profits (losses)		
Kamoa Holding Limited joint venture	516,166	482,434
Platreef properties	6,671	10,494
Kipushi properties	(8,642)	(2,571)
All other segments (i)	(63,646)	(19,288)
Treasury (ii)	(257,255)	(168,125)
Total	193,294	302,944
 Capital expenditures		
Platreef properties	275,649	240,690
Kipushi properties	197,148	234,124
All other segments (i)	2,341	30,480
Total	475,138	505,294
 Exploration and project evaluation expenditure		
All other segments (i)	(48,148)	(22,657)
Total	(48,148)	(22,657)

- (i) The Company's other divisions that do not meet the quantitative thresholds of IFRS 8 Operating Segments. These include the exploration properties, corporate holding companies and service companies.
- (ii) Treasury includes mainly cash balances, the promissory note receivable, the investments, the convertible notes and the aircraft.

Ivanhoe Mines Ltd.

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39. Segmented information (continued)

The following tables contain disclosure of the consolidated statements of comprehensive income for the year ended December 31, 2024 categorized by segment. The disclosure in the comparative segment report has been updated to include the specific amounts which are included in the measure of segment profit or loss.

	Year ended December 31, 2024					
	Kamoa Holding joint venture	Kipushi properties	Platreef properties	Treasury	All other segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	—	40,818	—	—	—	40,818
Cost of sales	—	(51,563)	—	—	—	(51,563)
Gross loss	—	(10,745)	—	—	—	(10,745)
Operating income (expenses)						
Share of profit from joint venture net of tax	291,908	—	—	—	—	291,908
Share-based payments	—	—	(534)	(27,385)	—	(27,919)
Exploration and project evaluation expenditure	—	—	—	—	(48,148)	(48,148)
Foreign exchange (loss) gain	—	(2,124)	(60)	(7,440)	(742)	(10,366)
General administrative expenditure*	—	(384)	(1,274)	(26,642)	(17,916)	(46,216)
Profit (loss) from operating activities	291,908	(13,253)	(1,868)	(61,467)	(66,806)	148,514
Finance income	224,258	2,368	2,028	11,782	1,099	241,535
Loss on fair valuation of embedded derivative liability	—	—	—	(164,169)	—	(164,169)
Other (expense) income	—	—	433	860	3,121	4,414
Finance costs	—	(6,502)	—	(42,220)	(413)	(49,135)
Loss on fair valuation of financial asset	—	—	—	(2,041)	—	(2,041)
Profit (loss) before income taxes	516,166	(17,387)	593	(257,255)	(62,999)	179,118
Current tax	—	(2,782)	(217)	—	(682)	(3,681)
Deferred tax	—	11,527	6,295	—	35	17,857
Profit (loss) for the year	516,166	(8,642)	6,671	(257,255)	(63,646)	193,294

*General administrative expenditure includes salaries and benefits, travel costs, other expenditure, legal fees and professional fees per the consolidated statements of comprehensive income.

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39. Segmented information (continued)

	Year ended December 31, 2023					
	Kamoa Holding joint venture	Kipushi properties	Platreef properties	Treasury	All other segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating income (expenses)						
Share of profit from joint venture net of tax	274,826	—	—	—	—	274,826
Share-based payments	—	—	(531)	(28,738)	—	(29,269)
Exploration and project evaluation expenditure	—	—	—	—	(22,657)	(22,657)
Foreign exchange (loss) gain	—	(5,283)	(354)	3,065	(456)	(3,028)
General administrative expenditure*	—	(568)	(2,155)	(24,987)	(13,095)	(40,805)
Profit (loss) from operating activities	274,826	(5,851)	(3,040)	(50,660)	(36,208)	179,067
Finance income	207,608	2,514	6,782	22,018	641	239,563
Loss on fair valuation of embedded derivative liability	—	—	—	(85,261)	—	(85,261)
Other (expense) income	—	(54)	(1,040)	(19,838)	17,731	(3,201)
Finance costs	—	(93)	—	(30,999)	(405)	(31,497)
Loss on fair valuation of financial asset	—	—	—	(3,385)	—	(3,385)
Profit (loss) before income taxes	482,434	(3,484)	2,702	(168,125)	(18,241)	295,286
Current tax	—	—	—	—	(646)	(646)
Deferred tax	—	913	7,792	—	(401)	8,304
'Profit (loss) for the year	482,434	(2,571)	10,494	(168,125)	(19,288)	302,944

*General administrative expenditure includes salaries and benefits, travel costs, other expenditure, legal fees and professional fees per the consolidated statements of comprehensive income.

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40. Interest rate benchmark reform

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates ("IBORs") with alternative risk-free rates ("ARRs") to improve market efficiency and mitigate systemic risk across financial markets.

The Interest Rate Benchmark Reform Phase 2 amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 ("IBOR Reform Phase 2") issued in August 2020 requires that, for financial instruments measured at amortized cost, changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognized.

This expedient is only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

Where some, or all, of a change in the basis for determining the contractual cash flows of a financial instrument does not meet the above criteria, the Company first applied the practical expedient to the changes required by interest rate benchmark reform, including updating the instrument's effective interest rate.

USD LIBOR ceased to be published from June 30, 2023. All the USD LIBOR linked financial instruments of the Company were transitioned to SOFR or an alternative interest rate benchmark before June 30, 2023, except for the loan advanced to the Kamoa Holding joint venture (see Note 4) and the social development loan receivable.

Similarly, all the LIBOR linked financial instruments of the Kamoa Holding joint venture were transitioned to SOFR or an alternative interest rate benchmark before June 30, 2023, except for the shareholder loans and the SNEL long-term loan receivable (see Note 4).

In terms of IFRS 9, the financial instruments that did not transition when LIBOR ceased to be published were considered fixed rate instruments from that date with the effective interest rate represented as the last published applicable LIBOR rate. The Company considered the requirements of IFRS 9 at that time and noted that the financial instruments should not be derecognized, but that a modification has occurred which is not pursuant to IBOR reform. No material modification gain or loss was recognized when LIBOR ceased to be published.

During the fourth quarter of 2023 the loan advanced to the Kamoa Holding joint venture and the social development loan receivable transitioned to SOFR. Similarly, the shareholder loans payable and the SNEL long-term loan receivable in the Kamoa Holding joint venture transitioned to SOFR. The amendments to these contractual arrangements during the fourth quarter of 2023 resulted in these financial instruments again becoming variable rate instruments. These amendments (i.e. fixed rate instruments to variable rate instruments) were accounted for in terms of IFRS 9. The change in the interest basis (i.e. from fixed rate to floating rate) is considered significant and resulted in the de-recognition of the existing financial instruments. A derecognition loss of \$11.9 million was recorded in the Company's consolidated statement of comprehensive income (see Note 4). Similarly, a derecognition gain of \$13.5 million was recorded in the Kamoa Holding joint venture's statement of comprehensive income.

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41. Transaction with minority shareholder of Kipushi Corporation SAS

On December 15, 2023 the Company signed the new joint venture agreement with its partner Gécamines to restart the ultra-high-grade Kipushi zinc-copper-germanium-silver mine. The terms of the signed agreement remain unchanged from the term sheet signed on February 14, 2022, a summary of which is as follows:

- (i) Kipushi Holding, a 100% owned subsidiary of the Company, will transfer to Gécamines, an additional 6% of the share capital and voting rights in Kipushi. As a result Gécamines ownership interest increases from 32% to 38%.
- (ii) From January 25, 2027, an additional 5% of the share capital and voting rights in Kipushi shall be transferred from Kipushi Holding to Gécamines, further increasing Gécamines' ownership to 43%.
- (iii) Kipushi Holding would retain its 57% ownership in Kipushi in the event that part of Kipushi's share capital is required to be transferred to the DRC State or any third party, pursuant to an applicable legal or regulatory provision. Therefore, Gécamines would transfer any Kipushi shares required.
- (iv) Throughout the exploitation of the Big Zinc, estimated at 12 years, Gécamines will have the option to purchase and locally process the concentrate produced by Kipushi.
- (v) Once the current proven and probable reserves of 10.8 million tonnes have been mined or processed or in the case when the proven and probable reserves proven to be more than 12 million tonnes, the date when 12 million tonnes have been mined and processed, an additional 37% of the share capital and voting rights in Kipushi shall be transferred from Kipushi Holding to Gécamines for \$1. After which, Kipushi Holding and Gécamines will hold 20% and 80%, respectively.

The conditions precedent of the full agreement were deemed to have been completed on December 15, 2023. Kipushi Holding transferred the additional 6% of the share capital and voting rights to Gécamines on this date, thereby increasing Gécamines' ownership interest in Kipushi from 32% to 38% (see Note 24 for the impact on non-controlling interest as a result of the 6% transfer of share capital and voting rights).

The Company has determined that it retains control of in Kipushi all instances of the share transfers described above, except for point (v). When the 37% shareholding transfers from Kipushi Holding to Gécamines, Kipushi Holding will lose control at that point in time. Until then, Kipushi Holding is entitled to the control, risk and benefit of its shareholding in Kipushi.

Furthermore, the contractual arrangement for the sale of 5% of Kipushi's share capital and voting rights in the current year for \$1 and the future contracted sales of shares capital and voting rights at \$1 is accounted for in accordance with IFRS 2, Share-Based Payment as equity settled share-based payment transactions. The grant date fair value of the share-based payment transactions was determined with reference to the Kipushi equity value at the effective date, taking into account the non-vesting conditions. There are no vesting conditions for this arrangement. Gécamines is not entitled to any dividends related to the shares disclosed above prior to the shares being transferred to Gécamines. No material share-based payment charge was recognized in the prior year.

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42. Key management personnel compensation

The remuneration of directors and other members of key management were as follows:

	December 31, 2024	December 31, 2023
	\$'000	\$'000
Short-term benefits	13,435	13,123
Share-based payments	20,938	22,809
	34,373	35,932

43. Approval of the financial statements

The consolidated financial statements of Ivanhoe Mines Ltd., for the year ended December 31, 2024, were approved and authorized for issue by the Board of Directors on February 18, 2025.

44. Events after the reporting period

On January 16, 2025, the Company announced that it had priced an offering (the "Offering") of an aggregate principal amount of \$750 million 7.875% senior notes due 2030 (the "Notes"). The Notes are senior unsecured borrowings of the Company and are guaranteed by the Company's subsidiaries, Kipushi Holding Limited and Ivanhoe Mines US LLC (the "Guarantors"). The gross proceeds from the Offering of the Notes will be used for general corporate purposes, including capital expenditure associated with the Company's projects, and to pay certain fees and expenses related to the Offering. Interest is payable semi-annually in arrears on January 23 and July 23 of each year, commencing on July 23, 2025.