25 FEB 2022 | Ivanhoe Mines (TSX:IVN) is a new copper producer with a portfolio of tier one projects including Kamoa-Kakula copper DRC, development projects at Platreef PGMs+ in South Africa, and Kipushi zinc in DRC. The company expects production expansion and significant growth over the next few years to create a notable mining major with decades of production runway. The Ivanhoe team, led by Robert Friedland, is highly motivated to establish a globally significant mining company and has demonstrated strong relations with its development partners, local communities, and host governments to generate value for all involved parties. The Ivanhoe assets and team remain to be undervalued and underestimated while they continue to demonstrate to the market their operational capabilities and success.

Pt Platinum & PGMs | Copper **Cu**

SMITHWEEKLY RESEARCH

Equity Coverage

DATASHEET

Initiated | 31 JUL 2015

Developer STAGE

Company Snapshot

CAPITAL STRUCTURE	
Market Capitalization	$14.3B
Shares Outstanding	1.2B
Cash on Hand	$580M
Debt	$671M

VALUATION METRICS	
SmithWeekly NPV_{10}+[2]	$18.0B
Enterprise Value	$14.2B
P/NAV	0.77

BUY

$14.97[1]

18-Month TIME FRAME

Multi Africa[3] JURISDICTION

$11.86 CURRENT PRICE

UPSIDE DRIVERS

General Market

►Cyclical uptrend for precious & base metals mining equities is in place yet early-mid stages of price improvement still exist.

►Resource market sentiment continues to improve.

►Metals 'basket' prices remain the same or move higher.

Company Specific

►As promised delivery of Platreef, Kipushi initial production. Sustained production at Kamoa-Kakula.

►Further large discovery / notable resource expansion.

►Cash flows fully fund phased expansions, Platreef and Kipushi development.

DOWNSIDE RISKS

General Market

►Sustained decline in primary production metals prices.

►Short term market price & sentiment fluctuations.

►Supply & cycle / broad markets risk.

Company Specific

►Delay and/or failure to obtain stated objectives.

►DRC, South Africa, & Chinese government risk. Ivanhoe has exceptionally mitigated these risks to date.

►Key person risk.

KEY PEOPLE
Marna Cloete
David van Heerden
Robert Friedland
Yufeng "Miles" Sun

MAJOR SHAREHOLDERS	
CITIC Metals	26.1%
Zijin Mining	13.7%
Robert Friedland	13.5%
Fidelity	4.5%

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Company Specific & Datasheet Notes

The following specific, standard, and precautionary notes apply to this Equity Coverage Datasheet:

Our research is based on our own opinions, internal calculations, assumptions, and forward expectations. It may not reflect the view of the company covered in this datasheet. The "Company Snapshot" information section, including capital structure, is based on prior filings that may not be current. Actual coverage initiated on 31 JUL 2015. Average portfolio price to date: $1.39. The analyst is a holder of shares. Our coverage is solely based on the good graces of SmithWeekly Research. We do not accept compensation in exchange for coverage. Management: Our analysis is based in part on key persons, their past performance, and expectation of similar future performance. Changes in key persons may change our view. Developer: Our analysis is based in part on the near term producing assets of the company, future development stage assets, exploration assets, and the expected future cash flows from those assets based on expectations of the underlying commodity prices, and total costs. Forward time frame: Based on the date the datasheet was updated. This datasheet contains forward looking statements and assumptions that may not be obtained.

(1) Expected Price: Based on a series of factors including primaries and supplemental underlying commodity prices, management effectiveness, valuation of assets, growth & stage, NPV, cash flows, cash burn, stated objectives time frame, capital & operational efficiencies, finance costs, jurisdictional risks, overall sector sentiment, regulatory filings, and other factors. Our expected price is simply an assumption of our valuation based on a set of current known factors and a future set of factors that could be obtained, but may not be obtained based on changes at the company and market forces. We caution that the term "Price Target" commonly used by sector analysts could be biased and those targets often blow like the wind. If and when a "Price Target" is obtained, analysts often upward adjust the price target for various reasons that could be founded or unfounded. SmithWeekly attempts to be conservative in our estimations and also warns readers to better understand the factors behind target price movements and the potential motivations of analysts. Since SmithWeekly is not a broker and is not compensated for coverage, we have an independent objective view in our analysis for best alignment. (2) Our producer "$NPV_{(x)}$+" calculation is a SmithWeekly modified metric based our assumptions of expected annual cash flows based on after-tax, after-G&A expense, exploration expense, sustaining operations and capital expenditures to makeup total cost. Other considerations include a reasonable discount rate, expected underlying commodity prices, expected time frames, production profiles, life of mine(s), future expected production cash flows, and other considerations. Supplemental assets, PP&E, & cash/debt values also have consideration in determining our "$NPV_{(x)}$+" figures. No value was attributed to phased expansions beyond 10 years, which could provide a substantial difference in valuation if one or more of these expansions are realized. No value was considered for non-mine plan resources. NPV cutoff: No value was considered for NPV beyond 20 years. (3) Jurisdictions currently include Democratic Republic of Congo and South Africa. Our valuation considerations provide for the fact that there are jurisdictional valuation differences to certain premium jurisdictions and those differences may change depending on sentiment and stage of the cycle. We note the company has performed very well in mitigating these risks thus far. Peer Comparison: Freeport-McMoRan and Anglo American Platinum were considered as potential peers. However, due to the unique nature of company assets, peer comparison was not meaningful.

SmithWeekly Datasheets represent non-consensus and unconventional considerations in our evaluations of our covered equity. All prices are, first, in the currency of the primary exchange shown on this datasheet, or second, in the respective home currency of the company, unless specifically noted. Capital structure information is stated in the currency reported in company filings, unless noted otherwise. Datasheets are a compilation of our work summarized onto a brief document based on our collection and internal analysis of publicly available information. Closing recommendations are made within our research letter, Opportunities, where our model portfolio is held. Specific allocation size based on a model portfolio is also provided within our Opportunities letter, as well as continuing ongoing coverage updates until coverage is ceased. SmithWeekly Research may cease coverage at any time without notice. Datasheets may not be updated. Current Datasheets are available via our website by registration.

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