

5 December 2016

STATEMENT

**Ivanhoe Mines says Globe and Mail readers are being misled
by the newspaper's story today about the company's Platreef Project**

(The following statement from Ivanhoe Mines has been issued in response to a story published 5 December 2016 by The Globe and Mail newspaper's Report on Business involving the Platreef mine development project in South Africa.)

JOHANNESBURG, SOUTH AFRICA – A story published in today's Canadian Globe and Mail newspaper fails to present readers with significant, relevant facts relating to a court-directed suspension of grave relocations at the Platreef mine development project in South Africa's Limpopo province.

Ivanplats, an Ivanhoe subsidiary, owns 64% of the Platreef Project. In conjunction with ongoing mine construction, Ivanplats has arranged for the relocation of informal graves from locations that have been identified on lands outside the perimeter of the active mine development site. The relocation program was implemented with the support of relatives and families of the deceased – and following extensive consultations, including with community leaderships – in full compliance with requirements established by South African authorities. The necessary official approvals were received for the relocation of graves.

Today's Globe and Mail story claimed that the "wake fees" – payments to families of about \$2,600 (Canadian) for each grave – simply are to cover "costs of traditional ceremonies and rituals at the reburials". The Globe and Mail cites unnamed opponents of the Platreef Project as alleging that the payments are intended to "manipulate the next of kin".

But it is The Globe and Mail that manipulated the story by withholding important facts. The Globe and Mail knew, and failed to accurately and fairly report the important context, that fundamental and principal items covered by the "wake fees" are the provision of new burial plots in a formal cemetery, coffins for the transferred remains, services of an undertaker and tombstones.

The Globe and Mail, while incorrectly claiming that all of the graves in the Platreef area are "historic", also failed to report that appropriate compensation for customary rituals for families involved with grave relocations is considered best practice in South Africa. PGS Heritage, an independent, archaeological consulting firm, is responsible for obtaining the Platreef area relocation permits and conducting the exhumations.

The Globe and Mail reported that project opponents had obtained an interim court order last week suspending the grave relocation program. But The Globe failed to report that the first applicant listed on the interim court order is Aubrey Langa, who has been a Globe information source and is a well-known community activist. Mr. Langa's previous actions and threats directed against the development of the Platreef Mine, and his criminal record, have been a subject of public statements by Ivanhoe Mines during the past two years.

It is a matter of fact that Ivanplats was not advised of the interdict application by Mr. Langa and others in advance of the 28 November “ex parte” court hearing and therefore did not have an opportunity to present a balance of evidence before the court issued its interim decision.

The interim order remains subject to finalization. Ivanplats will present evidence supporting continuation of the relocation program and will seek to have the interim order set aside when the court conducts an open hearing on the matter that is set for 26 January 2017.

The Globe and Mail knows, but did not mention in today’s report, that 20% of the Platreef Project is owned by 20 communities in the region, representing a combined population of approximately 150,000. A further 3% is owned by local entrepreneurs and managerial staff and an additional 3% is owned by the company’s workers. Therefore, the Broad-Based, Black Economic Empowerment shareholding in Ivanplats is 26%, in full compliance with South Africa’s mining laws.

As Ivanplats advised The Globe and Mail last week, from the outset, Ivanplats has responsibly managed the graves relocation process with the appropriate dignity, respect and sensitivity. Ivanplats is committed to resolving any disputes in the same spirit, but also will defend its rights and those of directly affected families who support and have consented to the planned relocations of graves.

Patricia Makhesha, Managing Director of Ivanplats, has commented, "Ancestors belong to their next of kin, not the public, and therefore it's sad that people like Mr. Langa fail to respect the privacy that this matter deserves."

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