



Pallas and Ivanhoe Mines Enter Strategic Alliance and Exploration Joint Ventures



- » Pallas has formed a Strategic Alliance and Joint Venture Agreement with Ivanhoe Mines, a leading global copper explorer and producer.
- » The partnership targets major copper systems in the Chu-Sarysu Basin, Central Kazakhstan, one of the world's largest and most well-endowed sediment-hosted copper basins.
- » The Chu-Sarysu Basin is home to the giant Dzhezkazgan deposit (2.0Bt at 1.1%Cu for 22MtCu), part of a total 27Mt copper endowment, with the USGS estimating an additional 25Mt of undiscovered copper.
- » Spanning ~16,000km²—larger than Northern Ireland—this alliance targets the basin's most prospective tracts, forming one of the most significant land packages in Kazakhstan and the largest in the basin.
- » Ivanhoe will sole-fund \$18.7 million during the Initial Phase. In Phase 1, they may elect to invest up to \$115 million over four years to earn into all projects under the alliance. If Ivanhoe chooses not to progress certain projects or if tenure is relinquished, expenditure will be adjusted accordingly.
- » This alliance combines Pallas' unmatched exploration datasets and first-mover advantage in Kazakhstan with Ivanhoe's deep expertise in sediment-hosted copper systems, exemplified by their grassroots discovery of the now producing Kamo-a-Kakula Complex (third largest copper mine globally).

Robert Friedland, Co-Chairman of Ivanhoe, and Marna Cloete, President: *"Ivanhoe's strategic partnership marks an exceptional opportunity to utilize our exploration expertise in one of the world's most prospective sedimentary copper basins. With over 16,000 km² of license applications in the Chu-Sarysu Basin—the largest land-holding position in the region—we are poised to become one of the most significant global copper exploration stories. With a legacy of accomplishments in emerging mineral jurisdictions, including Kazakhstan, Ivanhoe takes pride in applying its expertise to generate lasting value for our shareholders and the communities in which we operate. Our commitment extends beyond discovering vital copper resources, focusing on sustainable development and creating long-lasting economic opportunities in Kazakhstan. This partnership marks an excellent addition to our growing copper exploration portfolio to further accompany the rapidly advancing Western Forelands licenses adjacent to Kamo-a-Kakula."*



Simon Cooper, CEO of Pallas Resources: *“We’re incredibly excited to partner with Ivanhoe Mines, one of the world’s most entrepreneurial and accomplished miners. Their grassroots discovery of the Kamao-Kakula complex in the Central African Copperbelt, now the third largest copper mine globally, has set a new benchmark for world-class copper projects. Ivanhoe’s enviable track record in generative exploration and substantial knowledge of sediment-hosted copper systems perfectly complements Pallas’ industry-leading datasets and in-country expertise within Kazakhstan. This partnership represents a significant commitment to greenfields exploration at a time when the sector remains hesitant to take such bold steps, highlighting Kazakhstan’s unparalleled mineral potential and our strong belief in the country’s ability to deliver multiple major new mineral discoveries.”*



Figure 1: One of several smaller satellite pits at Zhilandy (3Mt contained copper), north of the giant Dzhezkazgan Mine (22Mt contained copper), the largest deposit within the Chu-Sarysu Sediment-Hosted Copper Basin.





About Kazakhstan's Chu-Sarysu Basin:

- The Chu-Sarysu Basin is the world's third-largest sediment-hosted copper basin, after the Central African Copperbelt and European Kupferschiefer, hosting 27Mt of known copper.
- Its two largest deposits are Dzhezkazgan (2.0Bt @ 1.1% Cu for 22MtCu), mined for ~100 years with orebodies several kilometers long, up to 1km wide and 50m thick, and Zhaman-Aibat (2.7Mt Cu; 170Mt @ 1.7% Cu), a 6km by 2km flat-lying deposit with a 5-6m thick orebody, mined underground.
- The USGS estimates that an additional 25Mt of copper remains undiscovered in the Chu-Sarysu Basin, highlighting its vast untapped potential. Despite its immense prospectivity, greenfields exploration has been largely neglected for over 40 years.
- Pallas has leveraged its proprietary Central Asian exploration datasets, believed to be the largest in the region, to complete a multi-year digitization and modeling effort, culminating in generative data layers and a 3D structural model that provide full-basin resolution and serve as a powerful targeting tool for acquisitions.



Figure 2: Overview of Kazakhstan's major copper producing regions, including the Chu-Sarysu Sediment-Hosted Copper Basin, which contains 27Mt of contained copper.





Figure 3: An overview of global sediment-hosted copper deposits, emphasizing the Chu-Sarysu Basin's standing as the world's third largest and most richly endowed sedimentary copper basin.

Strategic Alliance and JV Highlights

- Initial Phase:** Ivanhoe and Pallas have formed several joint ventures, with Pallas holding 80% and Ivanhoe 20% of each. Over a two-year term, Ivanhoe has committed to sole-fund \$18.7 million. Pallas will oversee the alliance and receive administrative and annual cash payments.
- Phase 1:** Over four years, Ivanhoe can earn 51% by funding up to \$115 million across the projects, which would include significant drilling campaigns. If Ivanhoe chooses not to progress certain projects or if tenure is relinquished, expenditure will be adjusted accordingly. Upon completion, Pallas is granted an NSR royalty and a cash milestone payment for each project that progresses.
- Phase 2:** Ivanhoe must meet substantial annual spend obligations during this phase and can earn 80% ownership in any project by completing a pre-feasibility study confirming no less than 1Mt of copper. Pallas will receive a cash milestone payment for each project where Phase 2 is completed.
- Post Earn-In Funding and Loan Option:** Ivanhoe will fully fund all project expenditure until mining permits are obtained and they have committed \$70 million toward a project's construction. Following this, Pallas has the right to secure a loan from Ivanhoe to fund its remaining 20% equity share. Free cash flow will be allocated to both repay shareholder loans and distribute to equity holders based on an established split.





- **Authorizations:** Where appropriate for each phase, progress is subject to prior government approvals and authorizations

Preparations are underway for the 2025 field season, anticipated to include large-scale geophysics, reconnaissance mapping and broad geochem/hydrogeochem campaigns. Further details of joint venture project areas will be released shortly.



Figure 4: Team members from Ivanhoe Mines and Pallas Resources in Zhezhkazgan City, Kazakhstan, after conducting technical sessions and field visits within the Chu-Sarysu.

About Ivanhoe Mines Limited: Ivanhoe Mines is a Canadian mining company focused on advancing its three principal projects in Southern Africa; the expansion of the Kamoa-Kakula Copper Complex in the DRC, the ramp-up of the ultra-high-grade Kipushi zinc-copper-germanium-silver mine, also in the DRC; and, the phased development of the tier-one Platreef palladium-nickel-platinum-rhodium-copper-gold project in South Africa. Ivanhoe Mines also is exploring its highly prospective exploration licences in the Western Forelands, covering an area over 5 times larger than the adjacent Kamoa-Kakula Copper Complex. Ivanhoe is exploring for new sedimentary copper discoveries, as well as expanding and further defining its high-grade Makoko, Kiala, and Kitoko copper discoveries as the company's next major development projects. For further information:

www.ivanhoemines.com

About Pallas Resources: Pallas Resources is a Central Asian explorer with a fresh approach to discovery. We employ a disciplined target selection process, focusing on highly prospective yet underexplored regions within Central Asia, predominantly Kazakhstan. We are on the hunt for large-scale mineral systems across districts that are ripe for the application of modern exploration techniques. These frontiers remain largely untouched by present-day explorers despite prior Tier 1 Soviet-era discoveries. For further information:

www.pallasresources.com

