



STRONG ANNUAL FINANCIAL RESULTS AND EXPANSION OF IGO'S NICKEL BUSINESS

IGO Limited (ASX: IGO) (IGO or the Company) is pleased to report its results for the year ended 30 June 2022 (FY22). Refer also to IGO's ASX Appendix 4E and Annual Report for FY22, both released on 30 August 2022.

FY22 Highlights

- **Revenue for the year of A\$903M, generating record underlying EBITDA¹ of A\$717M**
- **Net profit after tax (NPAT) of A\$331M, underscored by strong metal prices and IGO's investment in the Lithium Joint Venture**
- **Strong first year contribution from the Lithium Joint Venture, delivering IGO a share of net profit of A\$177M and an inaugural dividend payment of A\$71M**
- **Nova nickel production was within guidance at 26,675t and cash costs better than guided at A\$1.95 per payable pound of nickel**
- **Greenbushes annual spodumene production and unit costs of goods sold were in line with guidance at 1,135kt and A\$238/t respectively**
- **Successful commissioning of Train 1 at Kwinana, including first production of battery grade lithium hydroxide in May 2022**
- **Strategic acquisition of Western Areas completed on 20 June 2022 delivering an expanded and diversified portfolio of nickel assets**
- **Cash on balance sheet of A\$367M at 30 June 2022 and A\$900M in new debt facilities following the acquisition of Western Areas**
- **Final fully franked dividend declared of 5c per share in accordance with IGO's Shareholder returns policy**

Peter Bradford, IGO's Managing Director & CEO said: *"It is fantastic to report another year of safe and strong operating and financial results for FY22 following the highly successful and transformative year we had in FY21.*

Our Nova Operation continued to deliver consistent production and, with the benefit of higher commodity prices, delivered record financial outcomes across all key financial metrics. This strong performance from Nova enabled the opportunity to expand our nickel business during FY22 with the successful completion of the Western Areas acquisition in June 2022. This transaction was a natural consolidation of the Western Australian nickel sector, delivering synergies and a stronger portfolio of nickel assets to IGO, which enables further work towards the development of a nickel downstream business for IGO.

In parallel, we embedded ourselves into the lithium joint venture with Tianqi Lithium Corporation. This fully integrated lithium business saw significant activity and growth during the year, with commissioning of two new concentrators at Greenbushes resulting in the delivery of record operating and financial results for Greenbushes in FY22. In parallel, the first train at the Kwinana Lithium Hydroxide Refinery was commissioned and produced first battery grade lithium hydroxide in May 2022. Separately at Kwinana, early works commenced towards the recommencement of construction for the second train. The lithium business contributed A\$177M of net profit and A\$71M of dividends to IGO in the first year of our ownership, which far exceeds our expectations at the time of commitment to the investment, primarily due to the subsequent astronomical growth in spodumene prices.

¹ Refer page 3 for a description of underlying adjustments. These adjustments, including underlying measures of EBITDA and free cash flow are non-IFRS financial measures. They should not be considered as alternatives to an IFRS measure of profitability, financial performance or liquidity.



Our high-quality nickel and lithium businesses, combined with our portfolio of belt scale exploration projects focused on discovery of nickel, copper, lithium and rare earths, gives IGO a great platform to leverage off the growing demand for clean energy metals that are needed to meet the transition away from fossil fuels.

Our focus over the coming year will be to continue to consolidate our transformative growth over the past two years, to build lithium capacity at Greenbushes and the Kwinana Refinery, and bring Cosmos to first nickel production. In parallel, we remain committed to further growth to continue to deliver a globally relevant diversified portfolio of clean energy metal products, and to do this with a combination of exploration and disciplined mergers and acquisitions.

I take this opportunity to sincerely thank our people for their continued dedication, resilience and safe delivery throughout the year. I would also like to acknowledge the contributions of all of our suppliers, local communities, contractors and customers for the role that they have played, and will continue to play, in IGO's success."

GROUP FINANCIAL SUMMARY

Year ended 30 June (A\$M)	FY22	FY21	Inc/(dec)
Total Revenue ²	903	672	34%
Underlying EBITDA ³	717	475	51%
Net Profit After Tax	331	549	(40%)
Net Cash Inflow from Operating Activities	357	446	(20%)
Net Cash Outflow from Investing Activities	(1,281)	(1,065)	20%
Net Cash Inflow from Financing Activities	762	633	20%
Interim and Final Dividends (A\$ per share)	0.10	0.10	-

Year ended 30 June (A\$M)	2022	2021	Inc/(dec)
Total Assets	4,845	3,609	34%
Cash	367	528	(31%)
Debt	900	-	n/a
Total Liabilities	1,410	409	245%
Shareholders' Equity	3,435	3,200	7%
Net tangible assets (A\$ per share)	4.54	4.23	7%

Executive Summary

The 2022 Financial Year (FY22) has been another successful year for IGO, characterised by strong operating and financial results across IGO's Nickel and Lithium businesses and concluding with the strategic acquisition of Western Areas Limited (Western Areas).

² Continuing operations only. Revenue from discontinued operations (Tropicana) in FY21 totalled A\$243.3M.

FY22 FINANCIAL RESULTS



The strong results include revenue of A\$903M and record underlying earnings before interest, tax, depreciation and amortisation (EBITDA)³ of A\$717M, translating to annual net profit after tax of A\$331M and underlying free cash flow⁴ of A\$312M.

The acquisition of Western Areas via a scheme of arrangement was completed on 20 June 2022 for cash consideration of A\$3.87 per Western Areas share, resulting in total consideration of A\$1,262M. This transaction delivered a portfolio of operating and development stage mines, including the Forresteria Operation, which comprises the Flying Fox and Spotted Quoll underground mines and the Cosmic Boy processing facility, the Cosmos Project, which comprises the Odysseus underground mine development, plus a substantial broader exploration portfolio to IGO. The net assets of Western Areas have been included in IGO's accounts from 20 June 2022.

Financial Summary

FY22 represented the fourth consecutive year of record underlying EBITDA for the Group, reflecting the continued strong operating performance at Nova and the first annual profit contribution from the Company's investment in the lithium joint venture; Tianqi Lithium Energy Australia Pty Ltd (TLEA).

Underlying EBITDA for the Group was A\$717M (FY21: A\$475M), resulting in net profit attributable to members (net profit) for FY22 of A\$331M (FY21: A\$549M). The year on year (YoY) decrease in net profit is principally due to the one-off after-tax gain recognised on the sale of Tropicana of A\$385M in the previous year. Net profit from continuing operations (which excludes the operating results and gain on sale of Tropicana in FY21) increased by A\$214M, reflecting the outstanding operating performance from the Group's continuing operations and investments.

Revenue from continuing operations, which comprises primarily the Nova Operation, was A\$903M or 34% higher than the previous year's comparative result of A\$672M.

Sales revenue at Nova was a record and reflected consistent metal production, coupled with a significant growth in metal prices during the year. Nova delivered at the top end of guidance for FY22 nickel and cobalt production, while falling marginally short of guidance for copper production. Cash costs of A\$1.95 per pound of nickel were better than guided, buoyed by strong copper and cobalt by-product prices and continued cost control through continuous improvement.

Underlying EBITDA from Nova increased 45% YoY to A\$631M, reflecting a higher EBITDA margin (70% vs 65% in FY21). Nova's segment profit before tax was A\$457M (FY21: A\$263M). Both performance measures are a record for Nova.

IGO's investment in TLEA performed strongly in its first contribution to Group earnings, delivering a net profit of A\$177M (FY21: A\$nil) and the payment to IGO of an inaugural dividend of A\$71M in June 2022. The Greenbushes Operation, in which IGO holds a 24.99% economic interest, recorded FY22 sales revenue of A\$1,880M and underlying EBITDA of A\$1,348M, on a 100% basis. Greenbushes' FY22 spodumene production and unit cost of goods sold (COGS) before royalties of 1,134,580t and A\$238/t respectively, were both within guidance, capping a step change in scale for the operation in the year. Revenue, underlying EBITDA and production were a record for Greenbushes in FY22.

At the Kwinana Lithium Hydroxide Refinery, FY22 was a milestone year with the completion of commissioning of Train 1 leading to the production of first lithium hydroxide in August 2021 and first battery grade product in May 2022. Included in IGO's share of net profit in TLEA of A\$177M is A\$41M in EBITDA losses from Kwinana in respect of commissioning activities.

³ EBITDA (Earnings before Interest, Tax, Depreciation & Amortisation) is a non-IFRS measure. Underlying EBITDA for FY22 of A\$716.9M (FY21: A\$474.6M) excludes: 1) acquisition and transaction costs of the Western Areas transaction of A\$65.8M (FY21: A\$nil), 2) gain on sale of Tropicana of A\$nil (FY21: A\$556.8M), 3) acquisition and transaction costs of the Lithium Transaction of A\$5.3 (FY20: A\$4.6M), 4) foreign exchange gains of USD balances held during the period for the purposes of protecting the AUD equivalent of the USD purchase price of the Lithium Transaction of A\$nil (FY21: A\$5.4M), and 4) impairment of exploration expenditure of A\$3.0M (FY21: A\$nil). EBITDA, prior to these exclusions for FY22 and FY21, was A\$642.8M and A\$1,032.2M respectively.

⁴ Free Cash Flow comprises Net Cash Flow from Operating Activities less Net Cash Flow from Investing Activities. Underlying free cash flow for FY22 of A\$312.1 (FY21: A\$363.0M) excludes: 1) payments for the acquisition of Western Areas, net of cash acquired of A\$1,168.5M (FY21: A\$nil), 2) payments for the Lithium Transaction of A\$nil (FY21: A\$1,855.4M), 3) transaction and acquisition costs of A\$8.1M (FY21: A\$4.9M), 4) net payments on sale of Tropicana of A\$6.0M (FY21: A\$862.3M net proceeds), 5) deferred proceeds on sale of Jaguar of A\$nil (FY21: A\$16.1M), payments for mineral interests and financial assets of A\$53.5M (FY21: A\$27.3M) and proceeds on sale of other investments and other property of A\$nil (FY21: A\$27.2M). Free Cash Flow, prior to these exclusions for FY22 and FY21, is a net outflow of A\$924.0M and A\$618.9M respectively.

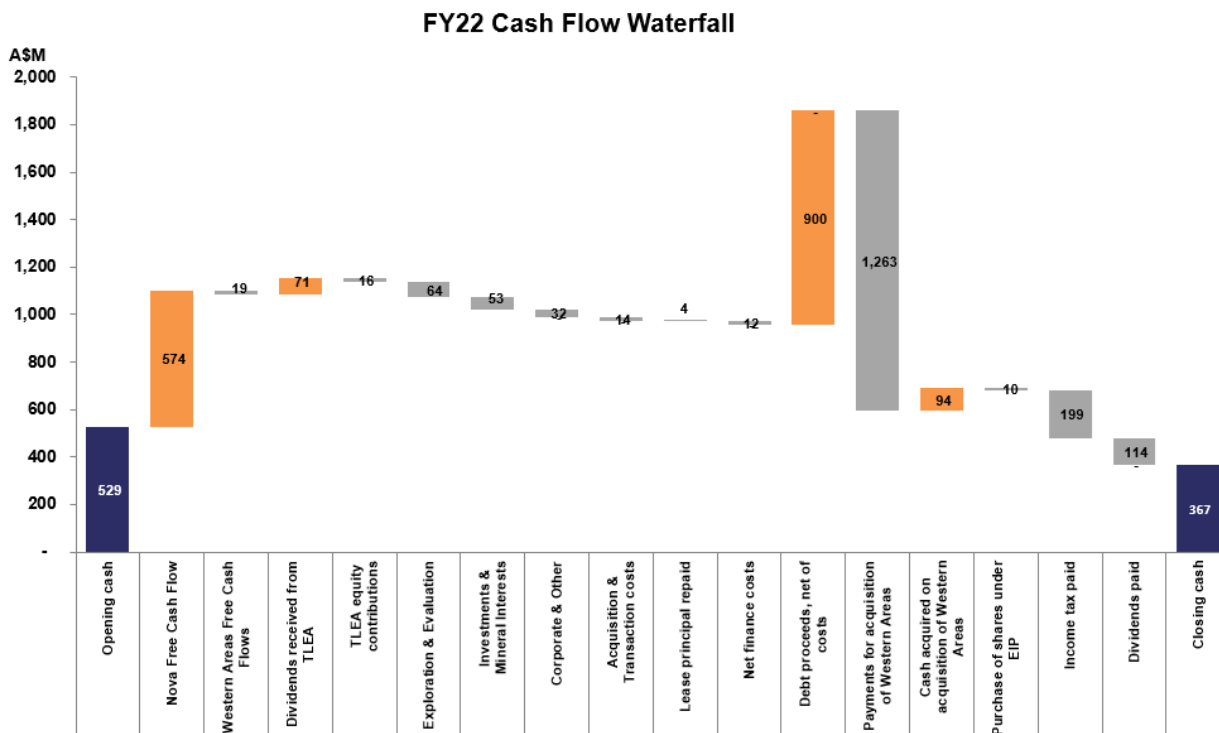
FY22 FINANCIAL RESULTS



Cash and cash equivalents at 30 June 2022 totalled A\$367M (FY21: A\$528M), a decrease of A\$161M. The following points are of note:

- Cash flows from operating activities for the Group were A\$357M, compared to A\$446M in FY21 primarily due to the payment of A\$199M of income taxes during the year, largely related to the gain on the sale of IGO's 30% interest in the Tropicana Operation in FY21. The Nova Operation generated A\$588M cash flows from operating activities and the Group also received its first fully franked dividend from TLEA of A\$71M. Cash flows from operating activities also included A\$64M cash outflow for exploration expenditure, A\$14M for acquisition and transaction costs and costs associated with the sale of Tropicana, and A\$27M for corporate and other costs.
- Cash outflows from investing activities increased to A\$1,281M for the year, up from A\$1,065M for the FY21 year. Total payments of A\$1,263M related to the acquisition of Western Areas, offset by cash acquired on 20 June 2022 of A\$94M. Cash outflows for investments & mineral interests included A\$47M that related to the acquisition of the Silver Knight nickel-copper-cobalt sulphide deposit and tenements from the Creasy Group. Cash outflows also included a capital contribution of A\$16M in the September 2021 quarter, which was matched on a pro-rata basis by IGO's joint venture partner, Tianqi Lithium Corporation.
- Net cash inflows from financing activities were A\$762M (FY21: A\$633M). The positive inflow included proceeds from borrowings totalling A\$900M relating to a senior-secured debt facility which was fully drawn to partially fund the acquisition of Western Areas, offset by transaction costs of A\$10M. The Company also paid dividends totalling A\$114M during FY22 and lease principal repayments totalling A\$4M.

The chart below summarises the significant cash flows for the Company during FY22:



Governance

Ms Trace Arlaud was appointed as a Non-executive Director on 29 August 2022. Ms Arlaud has an undergraduate degree in Geology and Geophysics and post graduate degrees in mining engineering and is a senior mining executive with over 28 years' experience in the management of mining and site operations and large engineering projects.

Trace has held executive management and board positions at companies including Rio Tinto, JDS Energy and Mining, Hatch Associates, McIntosh Engineering/Santec, PT Freeport Indonesia, WMC Resources and

FY22 FINANCIAL RESULTS



Normandy Mining, and is currently CEO of underground mining specialist, IMB and serves as non-executive director on the boards of Seabridge Gold Inc., Global Atomic Corporation and Imdex Limited. Trace has particular experience in underground mine planning and operations and has a significant track record in complex underground mining operations and an acute understanding of the associated safety risks.

2022 Annual General Meeting

In accordance with ASX Listing Rule 3.13.1, the Company advises that it intends to hold its Annual General Meeting (AGM) on Thursday, 17 November 2022.

An item of business at the AGM will be the election and re-election of directors. The closing date for the receipt of nominations from persons wishing to be considered for election as a director is Tuesday, 13 September 2022.

Any nominations must be received at the Company's registered office no later than 5.00pm (Perth time) on Tuesday, 13 September 2022.

Please note the Notice of Meeting will be sent to shareholders with full details of the meeting and location in the week beginning 10 October 2022.

FY23 Guidance

IGO provided FY23 guidance for its Nickel Business, Lithium Business and exploration expenditure in its Quarterly Report for the period ended 30 June 2022, which was released on 27 July 2022. The FY23 guidance is summarised below and should be read in conjunction with the aforementioned report.

Nickel Business

		FY23 Guidance
Nickel production		
Nova	T	24,000 – 27,000
Forrestania	T	10,500 – 12,500
Total contained nickel	T	34,500 – 39,500
Copper production		
Nova	T	11,000 – 12,000
Cobalt production		
Nova	T	900 – 1,000
Nickel Cash Costs⁵		
Nova	A\$/lb	2.60 – 3.00
Forrestania	A\$/lb	7.50 – 8.50
Total Nickel Business Cash Costs	A\$/lb	4.10 – 4.70
Development, Sustaining and Improvement Capex		
Nova	A\$M	19 – 26
Forrestania	A\$M	11 – 12
Total Nickel Business Capex⁶	A\$M	30 – 38

⁵ Cash costs are inclusive of offsite unit costs of production and royalties and are expressed as a unit of nickel payable produced.

⁶ FY23 guidance for Cosmos is expected to be provided in October 2022 once engineering and studies are completed for the development reset plan.

Lithium Business and Exploration and Evaluation

		FY23 Guidance
Spodumene Production (100%)		
Greenbushes	kt	1,350 – 1,450
Lithium Unit Costs (excluding royalties)		
Greenbushes COGS	A\$/t	225 – 275
Development, Sustaining and Improvement Capex		
Greenbushes	A\$M	420 – 480
Kwinana ⁷	A\$M	15 – 20 ⁸
Total Nickel Business Capex	A\$M	435 – 500
Exploration & Evaluation	A\$M	75

FORWARD-LOOKING STATEMENTS

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning IGO Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although IGO Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. IGO cautions against undue reliance on any forward-looking statement or guidance, particularly in light of the current economic climate and significant volatility, uncertainty and disruption, including that caused by the COVID-19 pandemic. Past performance cannot be relied on as a guide of future performance.

INVESTOR WEBCAST

An investor webcast has been scheduled for 10.00am AEST/8.00am AWST on Tuesday, 30 August 2022. The webcast link can be found below.

Webcast Details

The live link to the webcast is below:

<https://services.choruscall.com.au/webcast/igo-210830.html>

Please note it is best to log on at least 5 minutes before 10am AEST (8am AWST) on Tuesday, 30 August 2022 to ensure you are registered in time for the start of the presentation.

Investors are advised that, in addition to the live webcast, a recording of the presentation will be available on the IGO website www.igo.com.au approximately one hour after the conclusion of the webcast.

INVESTOR AND MEDIA ENQUIRIES:

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This announcement is authorised for release to the ASX by Peter Bradford, CEO & Managing Director.

⁷ IGO expects to provide production and cash cost guidance for the Kwinana refinery after the operation has reached commercial production.

⁸ FY23 guidance is for Train I sustaining capex only. Train II capex will be guided once the FID outcome has been determined.