FY21 FINANCIAL RESULTS
YEAR ENDED 30 JUNE 2021
31 August 2021

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RECORD FINANCIAL RESULTS TOGETHER WITH BUSINESS TRANSFORMATION

IGO Limited (ASX: IGO) (IGO or the Company) is pleased to report its results for the year ended 30 June 2021 (FY21). Refer also to IGO's ASX Appendix 4E and Annual Financial Report for FY21, both released on 31 August 2021.

FY21 Highlights

- **Record net profit after tax (NPAT) for the year of A$549M, a 254% improvement over FY20**
- **Record revenue and other income for the year of A$919M, generating underlying EBITDA[1] of A$475M at a margin of 52% for the Group**
- **Nova production above guidance for all metals, including nickel production of 29,002t, at a cash cost of A$1.85 per payable pound of nickel**
- **Transformational transaction to form a new lithium joint venture between IGO and Tianqi completed on 30 June 2021**
- **Funding for the above transaction delivered through both the successful divestment of Tropicana to Regis Resources Limited in May 2021 for proceeds of A$889M, and the successful completion of a capital raising generating A$749M, net of costs**
- **Cash on balance sheet of A$529M and no debt with newly established A$450M debt facility, currently undrawn**
- **Continued focus on generating organic and inorganic growth opportunities. FY21 exploration activity focused on drilling targets at the Fraser Range, Lake Mackay and the Paterson Projects**
- **Two independent non-executive directors, Xiaoping Yang and Michael Nossal, appointed**
- **Final fully franked dividend declared of 10c per share in line with establishment of revised Shareholder returns policy.**

Peter Bradford, IGO's Managing Director & CEO said: *"FY21 was a highly successful and transformational year for IGO, with the continued delivery of strong operating and financial performance, while also delivering two transactions to transform IGO into a business 100% focused on metals critical for enabling clean energy.*

The Tianqi Transaction delivers a 49% interest in a fully integrated lithium business comprising 51% of the Greenbushes mine, the world's largest, highest-grade lithium mine, and 100% of the Kwinana lithium hydroxide plant, the first of its kind in Australia. Both Greenbushes and Kwinana have significant brownfields expansion potential which is expected to be delivered over the next few years, in parallel with a rapidly growing market for lithium products for the electric vehicle battery market.

We delivered record outcomes across all key financial metrics in FY21, which was attributable to continued outstanding performance at Nova and continued delivery from Tropicana through to the divestment of our interest to Regis in May 2021. We acknowledge the many years of successful collaboration with AngloGold Ashanti at Tropicana and wish them and Regis all the best in their future partnership.

Going forward we remain committed to further growth to deliver a 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 thank our people for their continued dedication, persistence 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."

[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.

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FY21 FINANCIAL RESULTS

GROUP FINANCIAL SUMMARY

Year ended 30 June (A$M)	FY21	FY20	Inc/(dec)
Total Revenue and Other Income*	**918.7**	892.4	3%
Underlying EBITDA	**474.6**	459.6	3%
Net Profit After Tax	**548.7**	155.1	254%
Net Cash Inflow from Operating Activities	**446.1**	397.5	12%
Net Cash Outflow from Investing Activities	**(1,065.0)**	(115.3)	823%
Net Cash Inflow/(Outflow) from Financing Activities	**633.0**	(117.0)	n/a
Interim and Final Dividends (A$ per share)	**0.10**	0.11	(9%)

* Includes continuing and discontinued operations.

Year ended 30 June (A$M)	2021	2020	Inc/(dec)
Total Assets	**3,608.7**	2,293.0	57%
Cash	**528.5**	510.3	4%
Debt	**-**	57.1	(100%)
Total Liabilities	**408.9**	367.2	11%
Shareholders' Equity	**3,199.9**	1,925.8	66%
Net tangible assets (A$ per share)	**4.23**	3.26	30%

Executive Summary

The Company has completed the 2021 Financial Year (FY21) with continued strong operating and financial results, whilst also completing two transformational transactions:

- the formation of a new corporate lithium joint venture (Lithium JV) with Tianqi Lithium Corporation (Tianqi), and
- the divestment of IGO's 30% joint venture interest in Tropicana, in line with our strategic focus on metals critical to enabling clean energy.

The strong results include record net profit after tax of A$548.7M, record underlying EBITDA of A$474.6M and record underlying Free Cash Flow of A$363.0M.

IGO announced the completion of the transaction with Tianqi to form the Lithium JV on 30 June 2021. Current operations managed by the Lithium JV includes a 51% stake in the world-class Greenbushes lithium mine (a joint venture with global lithium company Albemarle Corporation who hold 49%) and the 100% owned and operated Kwinana lithium hydroxide refinery (Kwinana). Total payments of US$1,395.3M (A$1,855.4M) were made during FY21 to complete the transaction with Tianqi, which was funded by a combination of an equity raising, proceeds from the sale of Tropicana and existing cash reserves.

The Company successfully completed the divestment of its 30% interest in the Tropicana joint venture to Regis Resources Ltd (Regis) on 31 May 2021 for an after tax profit of A$384.8M. The divestment followed the completion of the Company's strategic review of Tropicana which was announced in September 2020. Due to the divestment of Tropicana, Group revenue and operating results are reported from continuing and discontinued operations in line with accounting standards.

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Financial Summary

The Group generated record revenue, underlying EBITDA[2] and underlying free cash flow[3] for the third year in a row, reflecting the continued strong performance at Nova and Tropicana (up until its divestment).

Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) for the Group was A$474.6M, generating an underlying EBITDA margin of 52% (FY20: A$459.6M and 52% respectively). The Group net profit attributable to members for FY21 was A$548.7M (FY20: A$155.1M), the significant increase primarily due to the after-tax gain recognised on the sale of Tropicana of A$384.8M. Adjusting for this gain demonstrates a strong normalised net profit after tax of A$163.9M, which is a 6% year on year improvement.

Revenue and other income from continuing operations, which comprises primarily the Nova Operation and excludes the Tropicana Operation, which has been discontinued, was A$675.4M or 12% higher than the previous year's comparative result of A$602.4M, which also excludes the Tropicana Operation. This was primarily the result of stronger base metal prices and higher payabilities following the renegotiation of the Nova Operation's concentrate offtake agreements during FY20.

The Nova Operation delivered another year of outstanding operational performance, with metal production in excess of guidance for all metals. Despite slightly lower nickel production for FY21, sales volumes were largely in line with the prior year, with the sales of payable metal of 22,051 tonnes of nickel, 10,752 tonnes of copper and 454 tonnes of cobalt. Underlying EBITDA from Nova increased from A$351.2M to A$436.4M, resulting in an increase in the EBITDA margin from 59% to 65%. Nova's segment profit before tax was A$262.9M (FY20: A$182.2M).

Profit from discontinued operations of A$431.9M reflects the results of the Tropicana Operation up until its divestment on 31 May 2021, including the aforementioned gain by the Group on the sale of Tropicana, after income tax, of A$384.8M. EBITDA margin from Tropicana for FY21 was lower at 50% compared with 60% for FY20, a result of lower comparable gold sold and higher costs during the year, partially offset by higher gold prices during the year.

Production from the Tropicana Operation was within guidance for the period to 31 May 2021 with IGO's share of gold sold being 110,402 ounces.

Cash and cash equivalents at 30 June 2021 totalled A$528.5M (FY20: A$510.3M), an increase of A$18.2M. The following points are of note:

- Cash flows from operating activities for the Group were A$446.1M, compared to the FY20 year of A$397.5M, primarily due to the increased sales revenue during the year and lower payments to suppliers and employees. Cash flow from operating activities also included A$63.8M cash outflow for exploration expenditure, A$4.9M for acquisition and transaction costs, A$6.2M for net borrowing costs and A$25.7M for corporate and other costs.
- Cash outflows from investing activities increased to A$1,065.0M for the year, up from A$115.3M for the FY20 year. Total payments of A$1,855.4M were made by the Group for its investment in the Lithium JV, while net proceeds (inclusive of the closeout of the gold hedge book and transaction costs) of A$862.3M were received for the sale of the Group's 30% interest in the Tropicana JV. Cash outflows for development expenditure related predominately to Tropicana's waste stripping and underground development at the Tropicana Operation (A$68.2M). Proceeds from the sale of financial assets include the sale of shares in New Century Limited of A$27.0M. IGO also received deferred consideration of A$16.1M for the third and final instalment of the divestment of the Jaguar Operation in FY18.

[2] EBITDA (Earnings before Interest, Tax, Depreciation & Amortisation) is a non-IFRS measure. Underlying EBITDA for FY21 of A$474.6M (FY20: A$459.6M) excludes: 1) gain on sale of Tropicana of A$556.8M (FY20: A$nil), 2) acquisition and transaction costs of the Lithium Transaction of A$4.6M (FY20: A$nil), 3) 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$5.4M (FY20: A$nil), 4) net gain on sale of investments and other property of A$nil (FY20: A$3.6M), and 5) impairment of exploration expenditure of A$nil (FY20: A$1.0M). EBITDA, prior to these exclusions for FY21 and FY20, was A$1,032.2M and A$462.1M respectively.

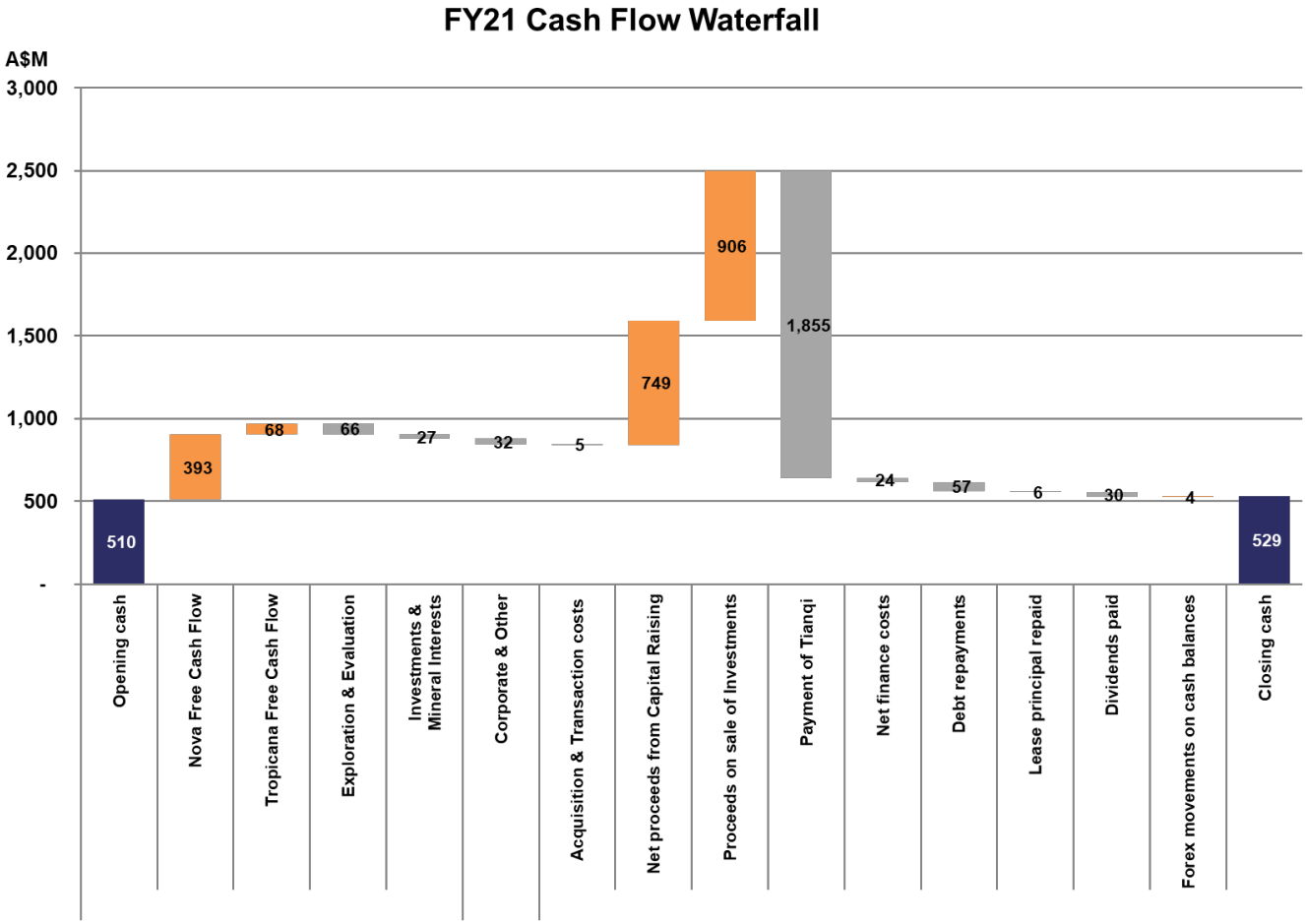
[3] Free Cash Flow comprises Net Cash Flow from Operating Activities less Net Cash Flow from Investing Activities. Underlying free cash flow for FY21 of A$363.0 (FY20: A$310.8M) excludes: 1) payments for the Lithium Transaction of A$1,855.4M (FY20: A$nil), 2) Lithium Transaction costs of A$4.9M (FY20: A$nil), 3) net proceeds on sale of Tropicana of A$862.3M (FY20: A$nil), 4) deferred proceeds on sale of Jaguar of A$16.1M (FY20: A$16.1M), payments for mineral interests and financial assets of A$27.3M (FY20: A$56.2M) and proceeds on sale of other investments and other property of A$27.2M (FY20: A$11.5M). Free Cash Flow, prior to these exclusions for FY21 and FY20, is a net outflow of A$618.9M and A$282.2M respectively.

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- Net cash inflows from financing activities were A$633.0M (FY20: A$117.0 outflow). The positive inflow included proceeds from the issue of ordinary shares totalling A$765.8M, offset by share issue costs of A$16.7M. Cash flows from financing activities also included repayment of outstanding borrowings of A$57.1M and costs totalling A$17.5M associated with the establishment of the new financing facilities during the year. The Company also paid dividends totalling A$29.6M during FY21 and lease principal repayments totalling A$6.1M.

The chart below summarises the significant cash flows for the Company during FY21:



Governance

In December 2020, IGO announced the appointment of Dr Xiaoping Yang and Mr Michael Nossal to its Board as independent Non-executive Directors. On 1 July 2021, IGO announced Michael's appointment as Chair with Mr Peter Bilbe transitioning from the Chair role to a Non-executive Director role from that date.

Xiaoping is a chemical engineer with 30 years' international and multi-cultural business experience in the USA and Asia. Most recently she served as Chair and President of BP China and for the last 30 years has held a variety of international executive roles at BP. During her long career with BP, she has held roles at a technical and executive leadership, and board committee level within BP's Group downstream and new energy frontier businesses, including accountability of chemicals manufacturing operations.

Michael is a senior mining executive with almost 35 years' experience in gold, base metals and industrial minerals in business development, exploration, project development and operations. He has held executive management and board positions at companies including Newcrest, MMG, WMC Resources and Lundin Gold. Michael has deep experience in strategy and business development internationally and has led significant growth initiatives, most recently at Newcrest and MMG.

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FY22 Revised Shareholder Returns Policy

Following the completion of the two transformational transactions, and financing activity in FY21, IGO has reviewed and revised its Shareholder Returns Policy.

IGO's shareholder returns are derived from both (i) return of capital to shareholders by way of dividends and/or share buybacks, and (ii) the expected increase in the underlying value of the Company's shares resulting from an ongoing investment in growth and existing operations. Investments in growth include a commitment to exploration and discovery, both brownfields and greenfields, as well as investing to develop or acquire new operations.

IGO's revised Shareholder Returns Policy targets the returns of 15 to 25 percent of underlying free cash flow to shareholders whenever liquidity is less than A$500M. When liquidity is in excess of A$500M, further discretion will be applied by the Board to return a greater proportion of cash to shareholders. The policy remains generally at the discretion of the Board, noting however that it expects to consistently pay dividends over the near to medium-term and that these dividends will be frankable based on the expected ongoing payment of tax by the Company, together with the expectation of frankable dividends from its investment in the Lithium JV.

In line with the revised Shareholder Returns Policy, the IGO Board has declared a 10c per share fully franked final dividend for FY21. The ex-dividend date will be 8 September 2021 with payment expected to be made on 23 September 2021.

2021 Annual General Meeting

In accordance with ASX Listing Rule 3.13.1, the Company advises that it intends to hold the Annual General Meeting (AGM) on Thursday, 18 November 2021.

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, 14 September 2021.

Any nominations must be received at the Company's registered office no later than 5.00pm (Perth time) on Tuesday, 14 September 2021.

Please note the Notice of Meeting will be sent to shareholders with full details of the meeting and location in the week beginning 11 October 2021.

FY22 Guidance

IGO provided guidance for Nova and exploration expenditure in its Quarterly Report for the period ended 30 June 2021, which was released on 28 July 2021, and is summarised below and should be read in conjunction with the aforementioned report. IGO expects to provide guidance for the Lithium JV in its September 2021 quarterly report in October 2021.

Mining Operation	Units	FY22 Guidance
Nova		
Nickel in concentrate	t	25,000 to 27,000
Copper in concentrate	t	11,500 to 12,500
Cobalt in concentrate	t	900 to 1,000
Cash cost (payable)	A$/lb Ni	2.00 to 2.40
Sustaining/improvement capex	A$M	19 to 22
Development capex	A$M	5 to 7
Exploration		
Exploration expenditure	A$M	65

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, 31 August 2021. The webcast link can be found below.

Webcast Details

The live link to the webcast is below:

https://services.choruscall.com.au/webcast/igo-210831.html

Please note it is best to log on at least 5 minutes before 10am AEST (8am AWST) on Tuesday, 31 August 2021 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.

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

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