



**MAKING A  
DIFFERENCE**

**IGO Limited**

**BMO Global Metals & Mining Conference**

25 February 2020

# Making a Difference

Strategically focused on metals critical to clean energy



**Globally  
Relevant**



**High-quality  
Products**



**Vertically  
Integrated**



**Proactively  
Green**



**People**



# Our Focus

# Our Portfolio

Aligned to clean energy metals with a focus on nickel and copper



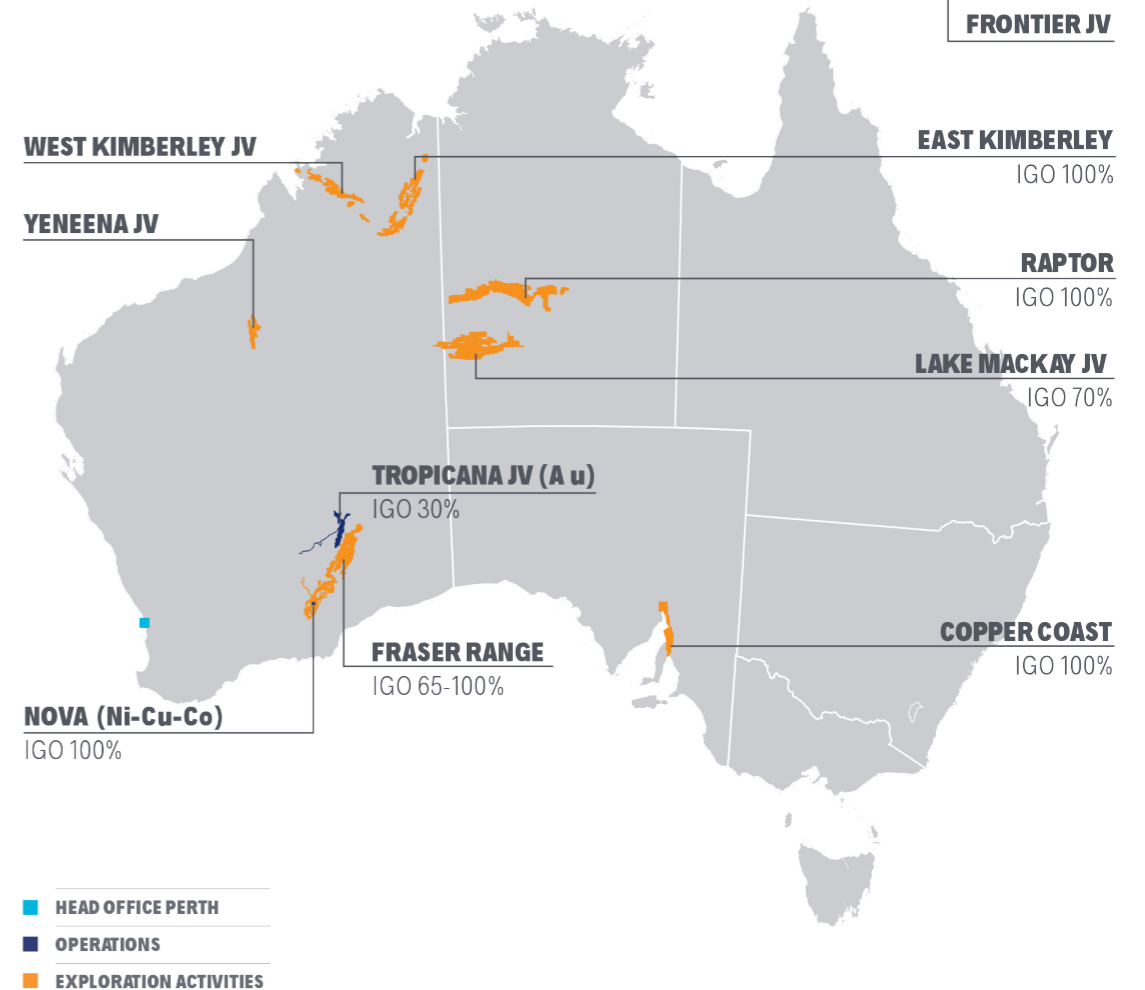
FRONTIER JV

**Ni**  
Nickel

- ✓ Critical for lithium ion batteries
- ✓ Increasing nickel intensity in LiBs
- ✓ Underinvestment in new supply
- ✓ Established stainless steel demand

**Cu**  
Copper

- ✓ Critical for reticulation of electricity
- ✓ Key component in electric motors
- ✓ Underinvestment in new capacity

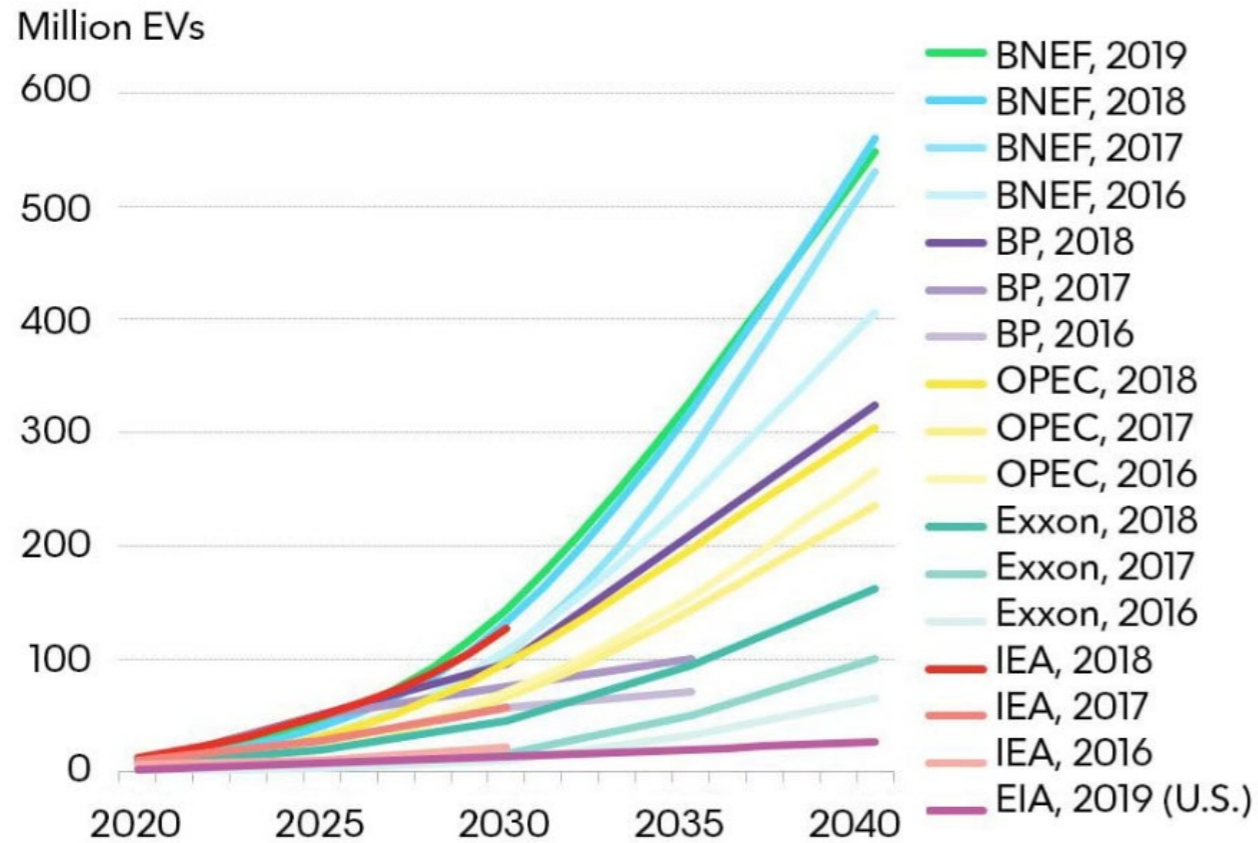


# Electric Vehicles

Multiple factors driving strong demand growth for EVs



Upward revisions in EV sales projections<sup>1</sup>



Increasing CO<sub>2</sub> emission regulations

Increasing affordability and vehicle quality

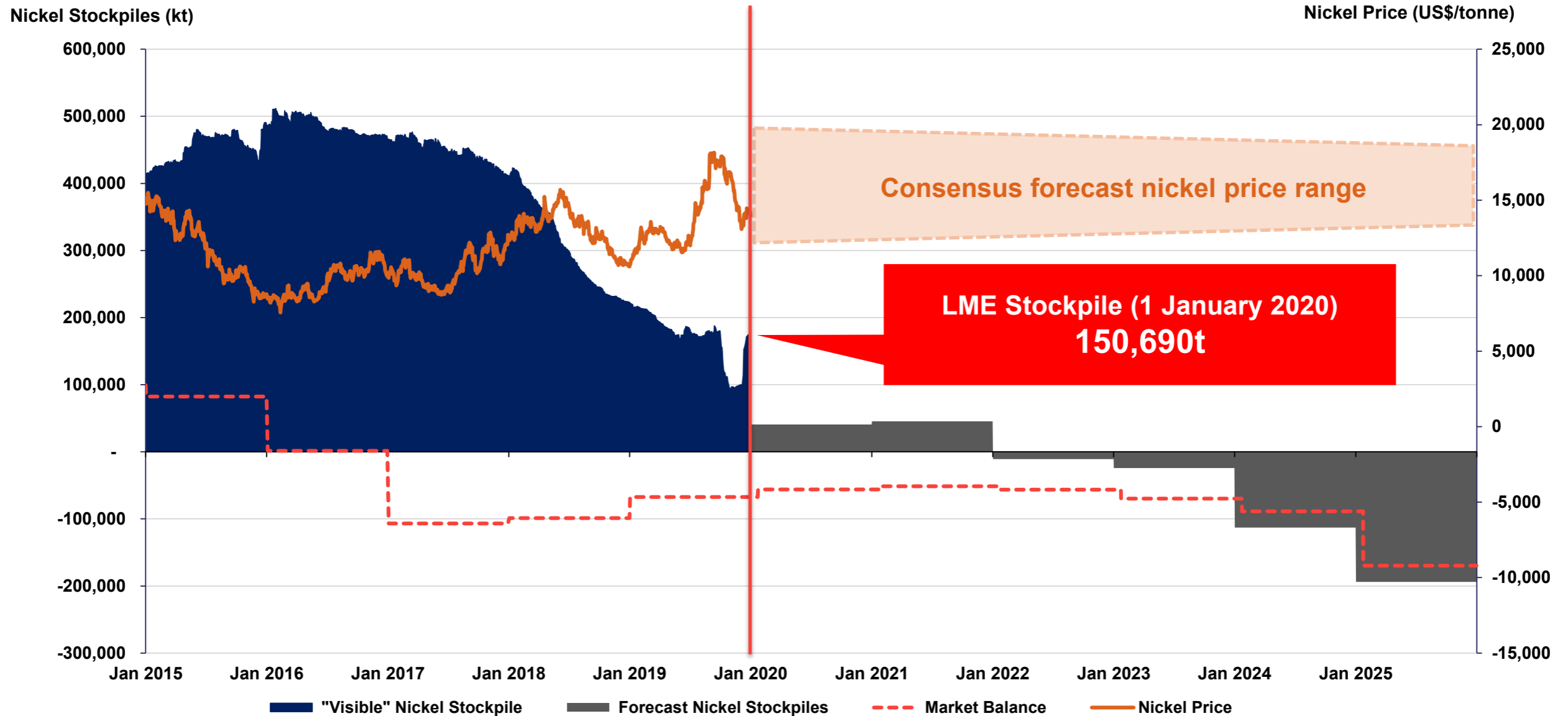
Changing consumer preferences toward green alternatives

1) Source: BNEF 2020

# Nickel Market



## Market deficits expected to be positive for nickel price



1) Source: Bloomberg, Consensus Economics, Roskill



# Nova Nickel Operation

# Nova Operation

Strong track record of production and cost performance



## Flexibility

Capital development substantially complete enabling mining from multiple fronts

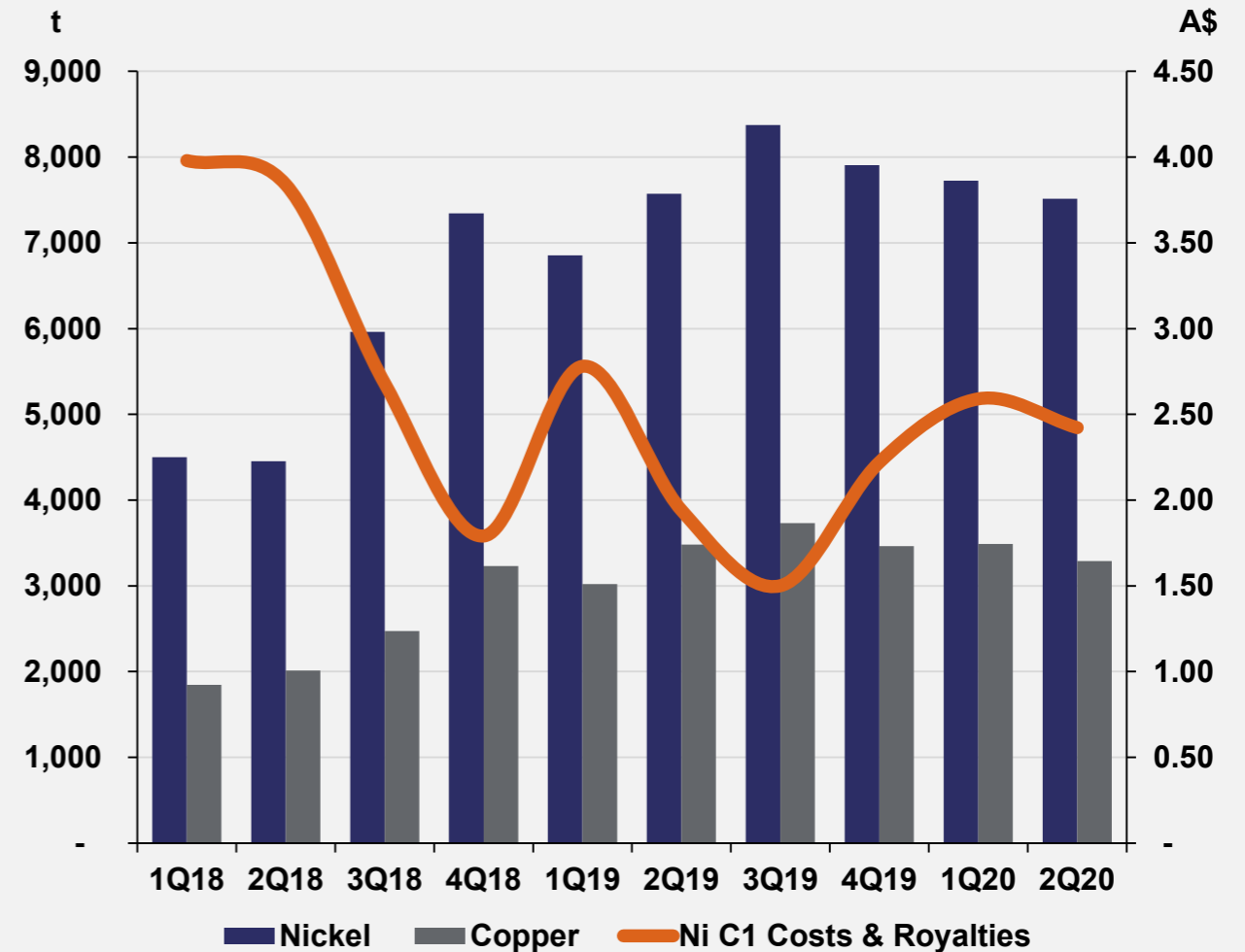
## Consistency

Steady state operations with predictable production and cost performance

## De-risked Life-of-Mine

Majority of Reserve in Proved Category

### Nova Production & Cash Costs





# Nova Operation

Excellent 1H20 production and financial results



## Strong and consistent metal production

**Nickel  
in Concentrate**

**15,236t**

▲ % vs 1H19

**Copper  
in Concentrate**

**6,779t**

▲ 4% vs 1H19

**Cobalt  
in Concentrate**

**561t**

▲ 8% vs 1H19

## Sector leading cost performance

**Cash Costs**  
**A\$2.52/lb Ni (payable)**

▲ 8% vs 1H19

**EBITDA Margin**  
**57%**

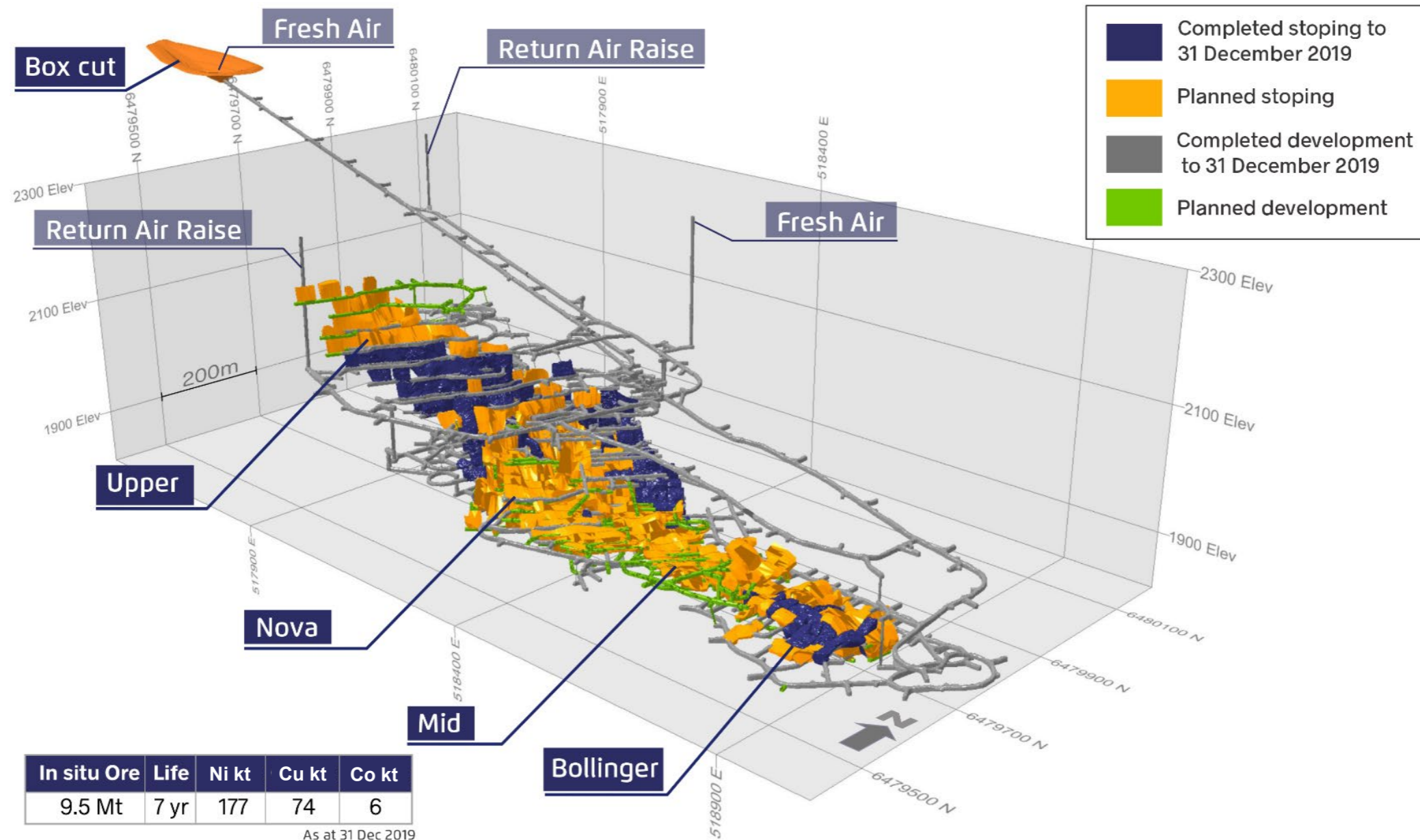
▲ 14% vs 1H19

**FCF Margin**  
**43%**

▲ 2% vs 1H19

# Nova Operation

Fully developed and grade control drilled



1) Refer: Annual Update of Exploration Results, Mineral Resources and Ore Reserves released to ASX on 30 January 2020

# Nova Operation

Focus on optimisation to improve productivity and reduce costs



Implemented renewable energy via Nova solar farm

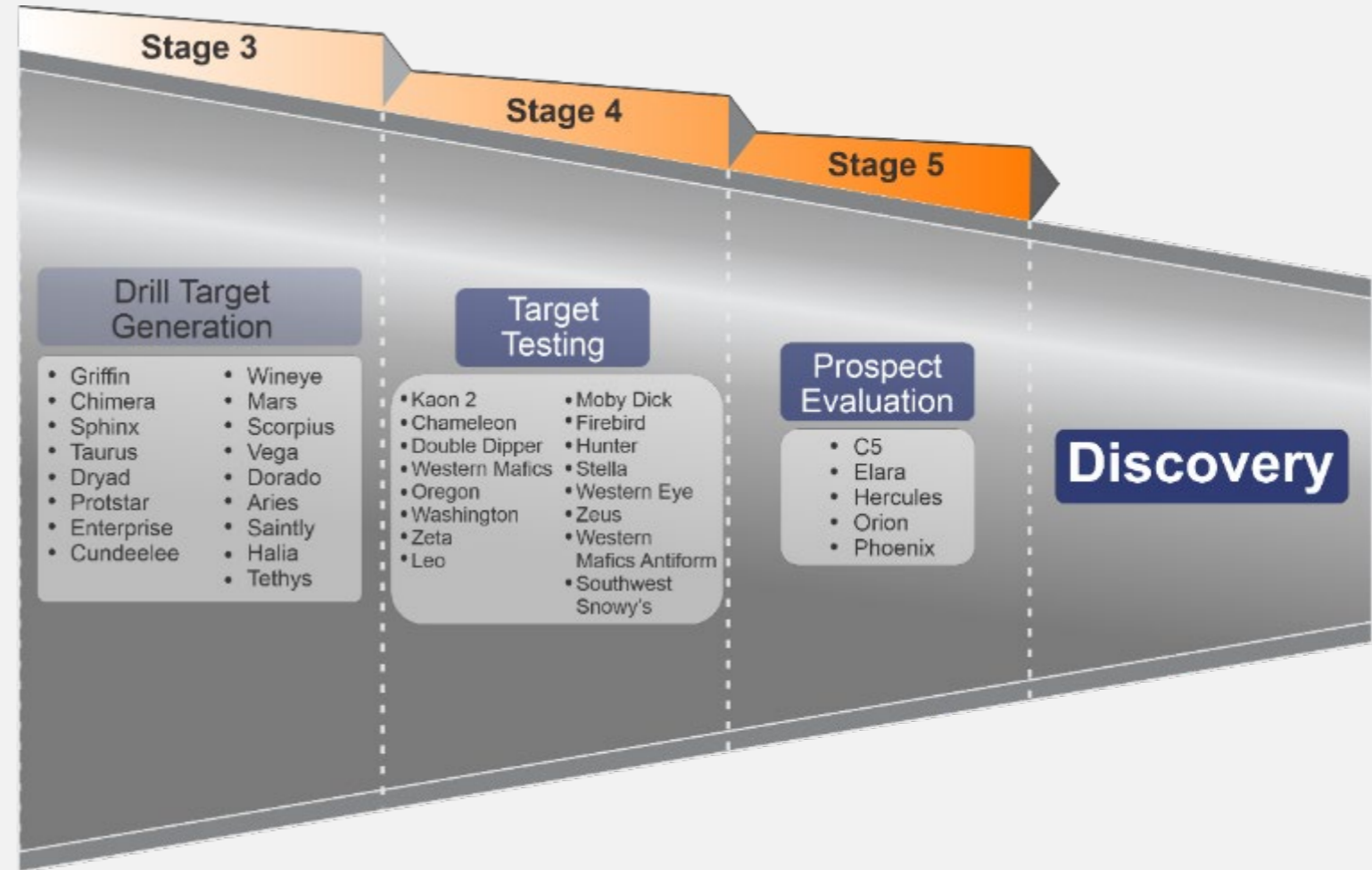
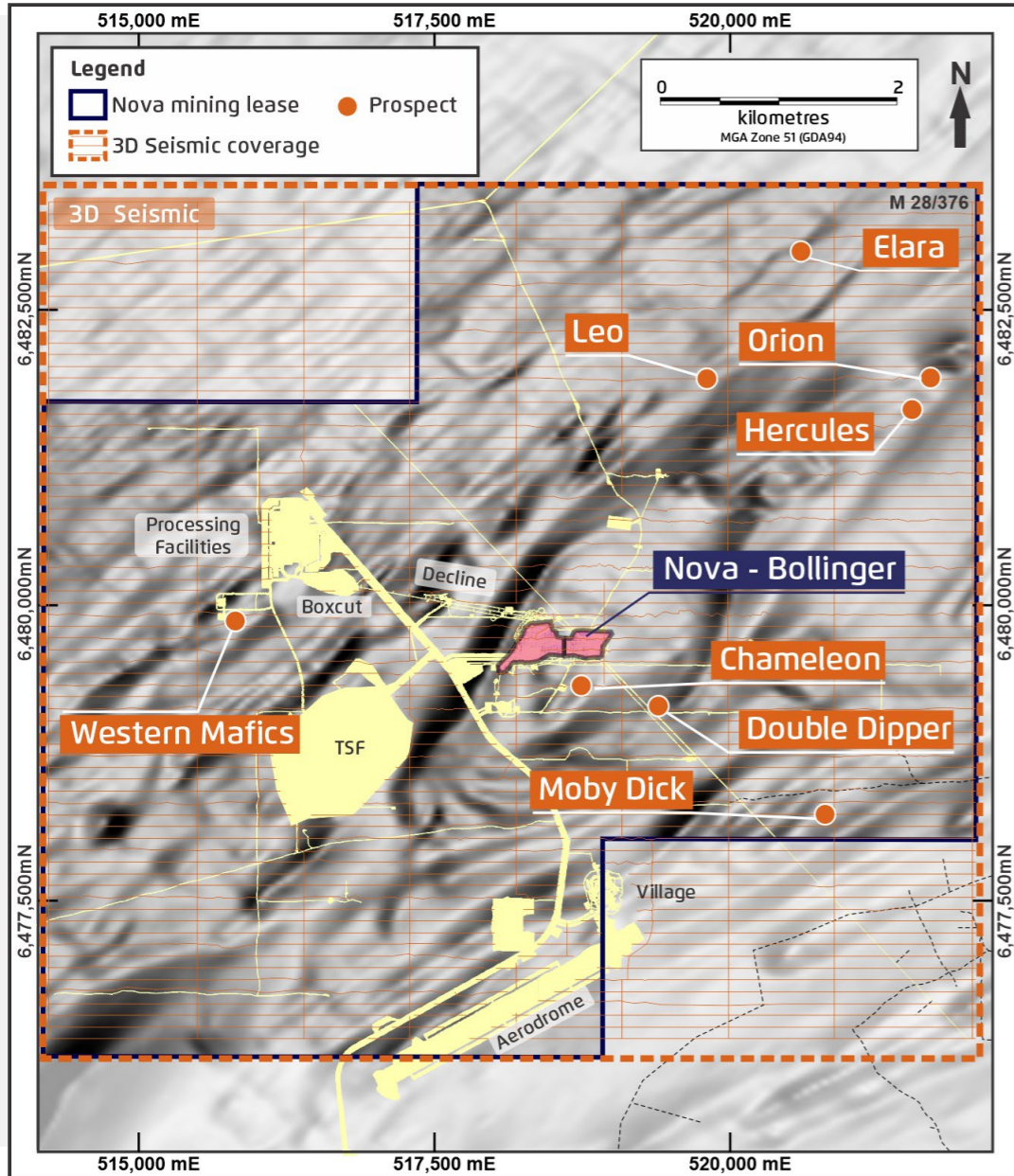
Piloting electric vehicles on-site

Remote bogging and blasting



# Nova Near Mine Exploration

Significant opportunity to unlock value through discovery





# Tropicana Joint Venture

(IGO 30%, AngloGold Ashanti 70% and manager)

# Tropicana

Strong performance in 1H20

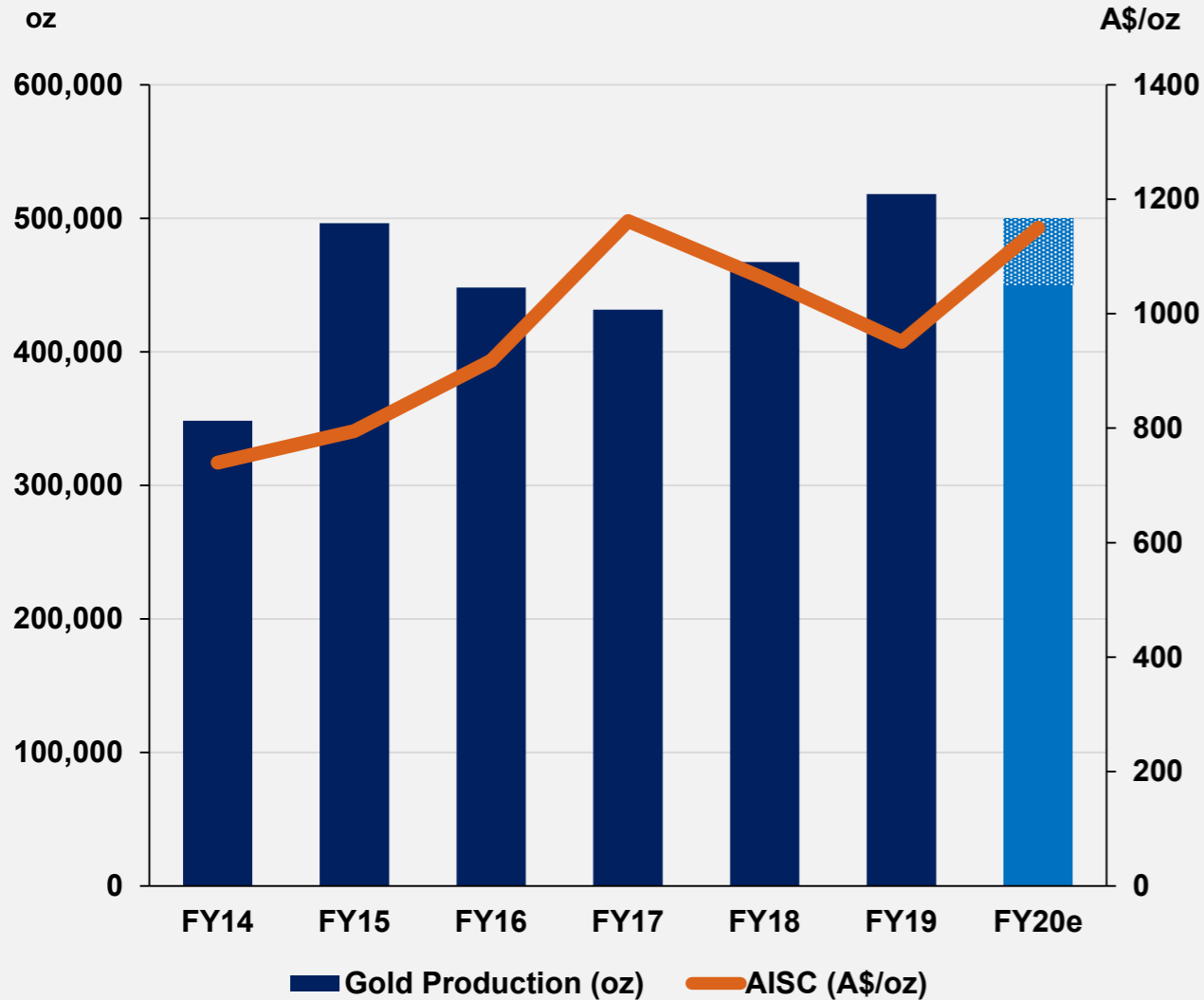


Gold Production (100%)  
**257koz**

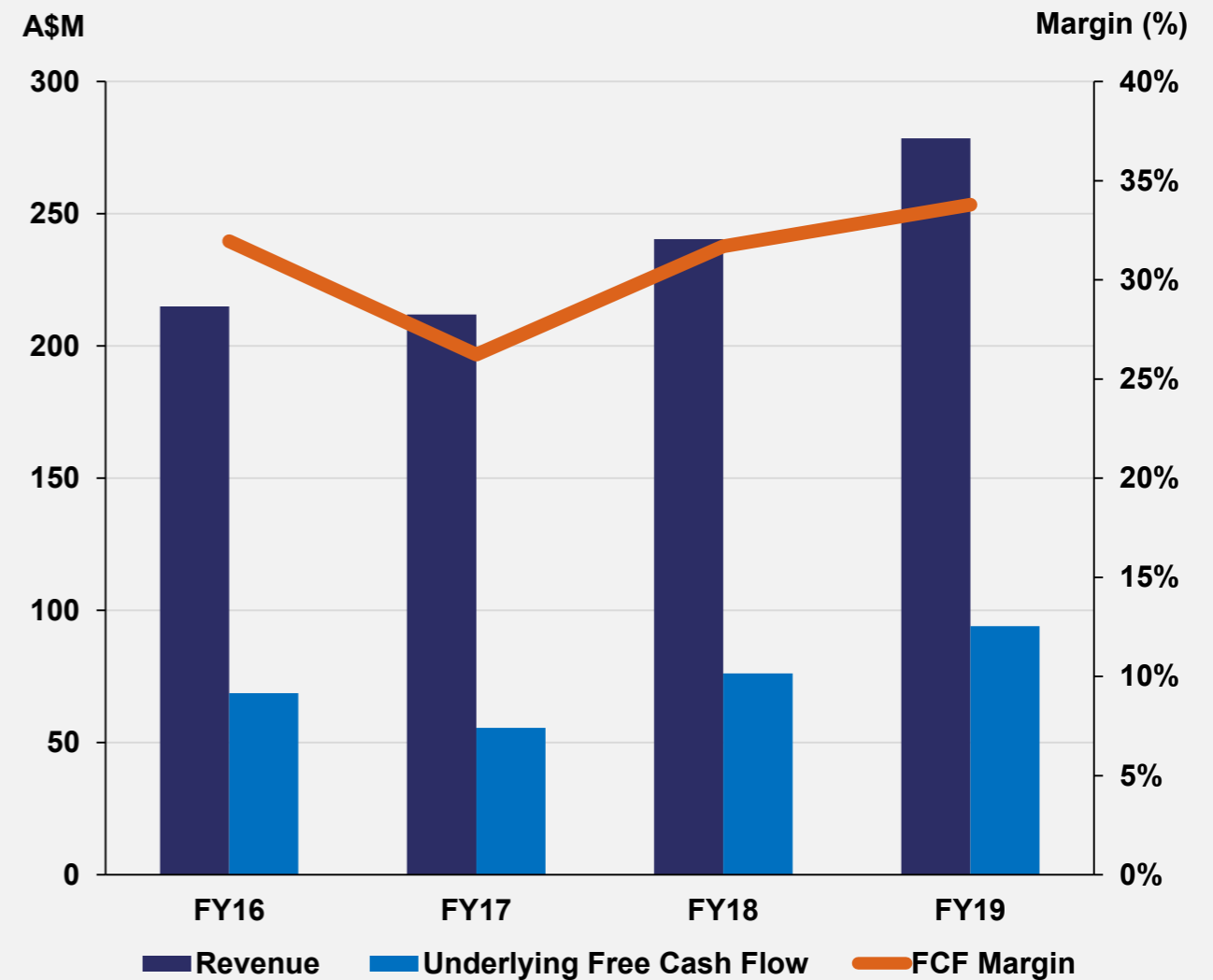
AISC  
**A\$1,007/oz**

Mine life remaining  
**7 years**

### Strong production and cost performance



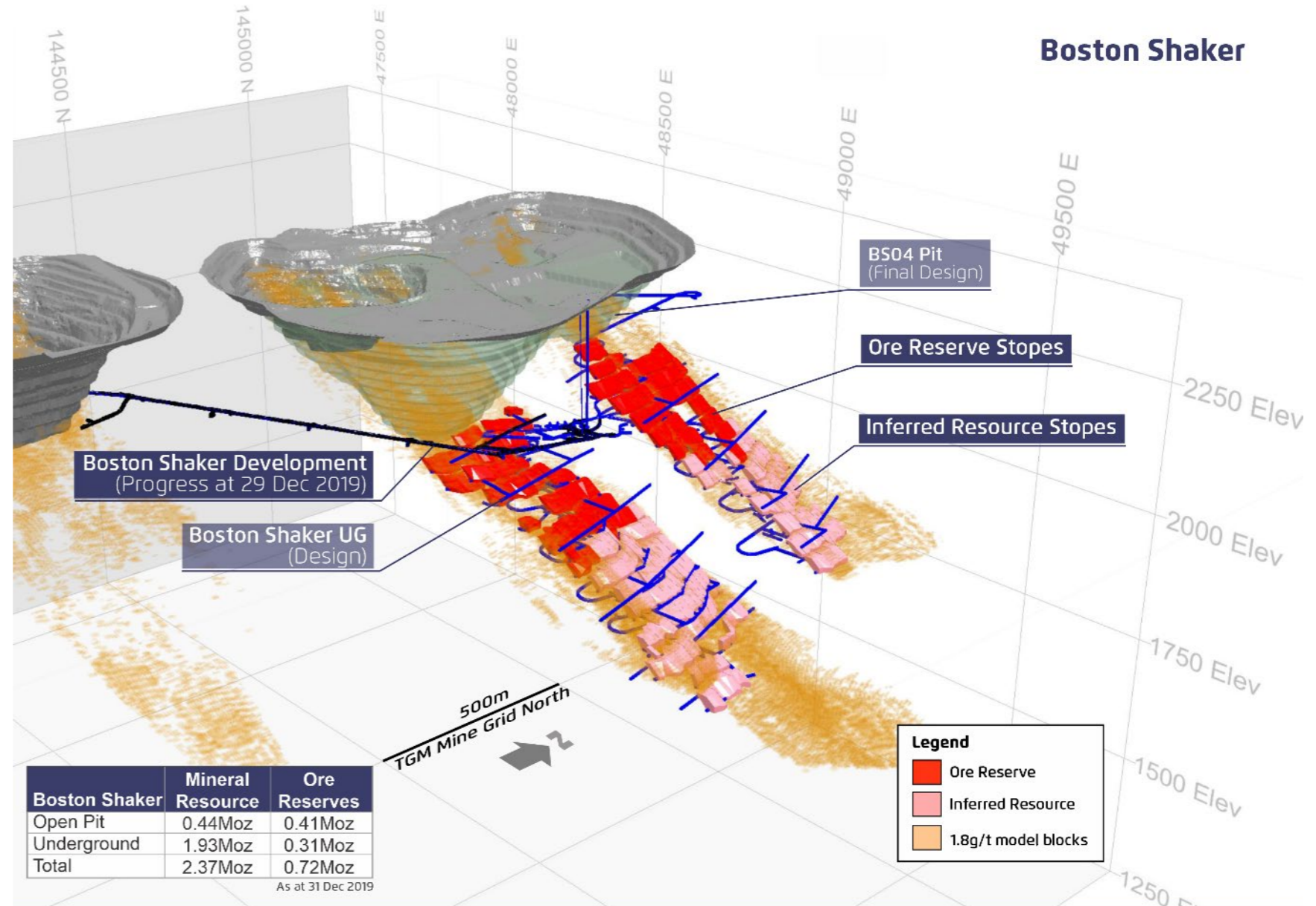
### Excellent FCF generation and margins



Decline and raisebore development progressing well

Development on schedule – first gold expected 1Q21

Studies on additional underground opportunities being completed

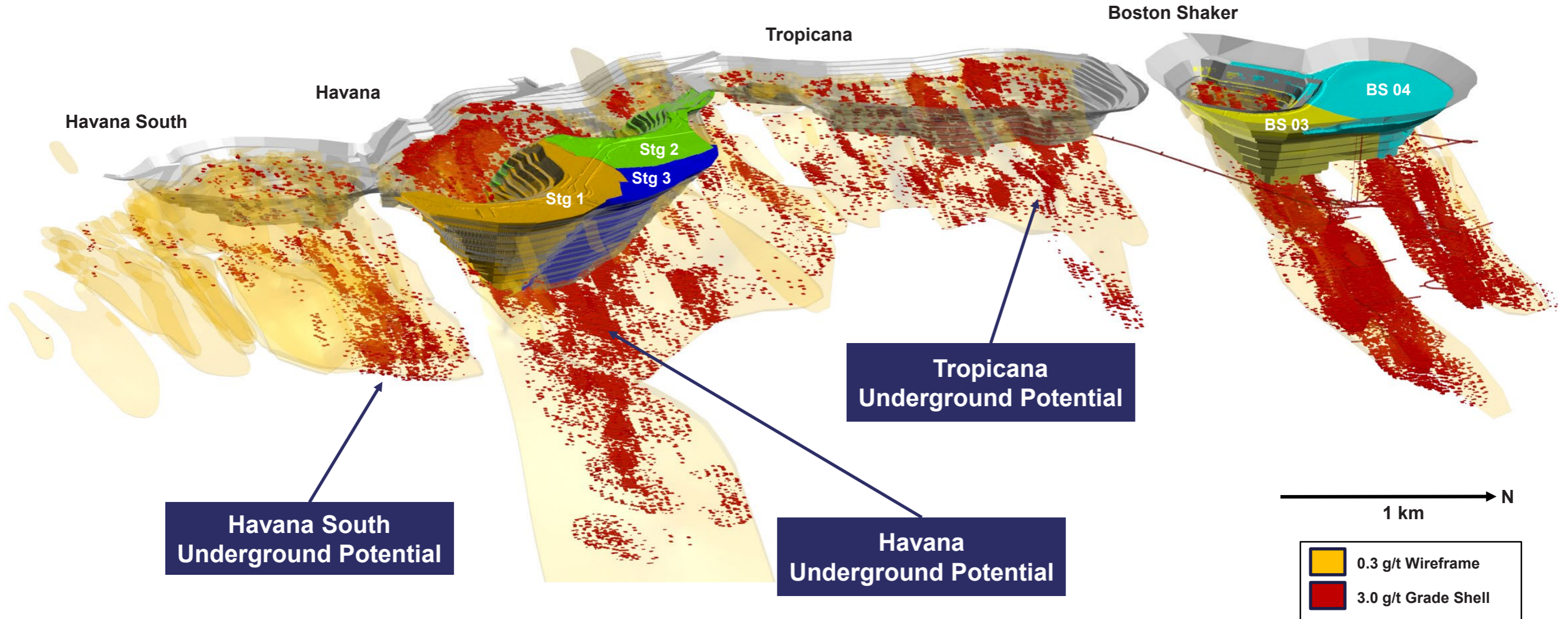


1) Refer: Annual Update of Exploration Results, Mineral Resources and Ore Reserves released to ASX on 30 January 2020  
 2) Refer to ASX release dated 28 March 2019: Tropicana Joint Venture Approves Boston Shaker Underground Development



# Tropicana

Significant upside from underground development



An aerial photograph of a mining exploration site. The site is located in a dense forest of green trees on a reddish-brown soil. A dirt road winds through the forest, leading to a central area where several pieces of heavy machinery are parked, including a yellow drilling rig and a white truck. The area is illuminated by bright sunlight, creating a strong shadow and highlighting the equipment.

# Exploration

# Unlocking the mines of the future

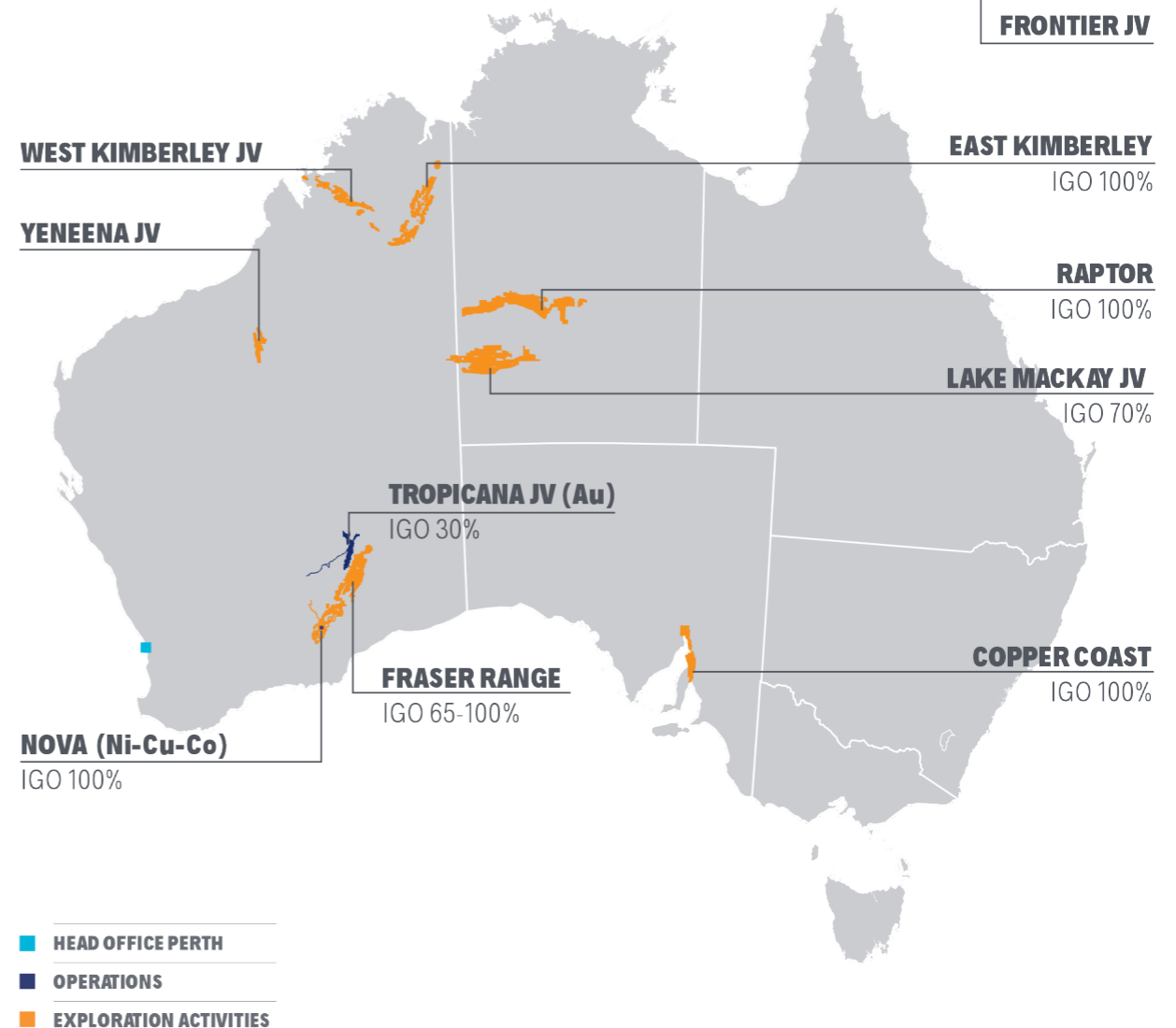
Increased exploration budget in FY20 to accelerate organic growth opportunity



FY20 Exploration Budget



- Nova
- Tropicana
- Lake Mackay
- Fraser Range
- West Kimberley
- Other Greenfields & Generative



# Nova & Fraser Range

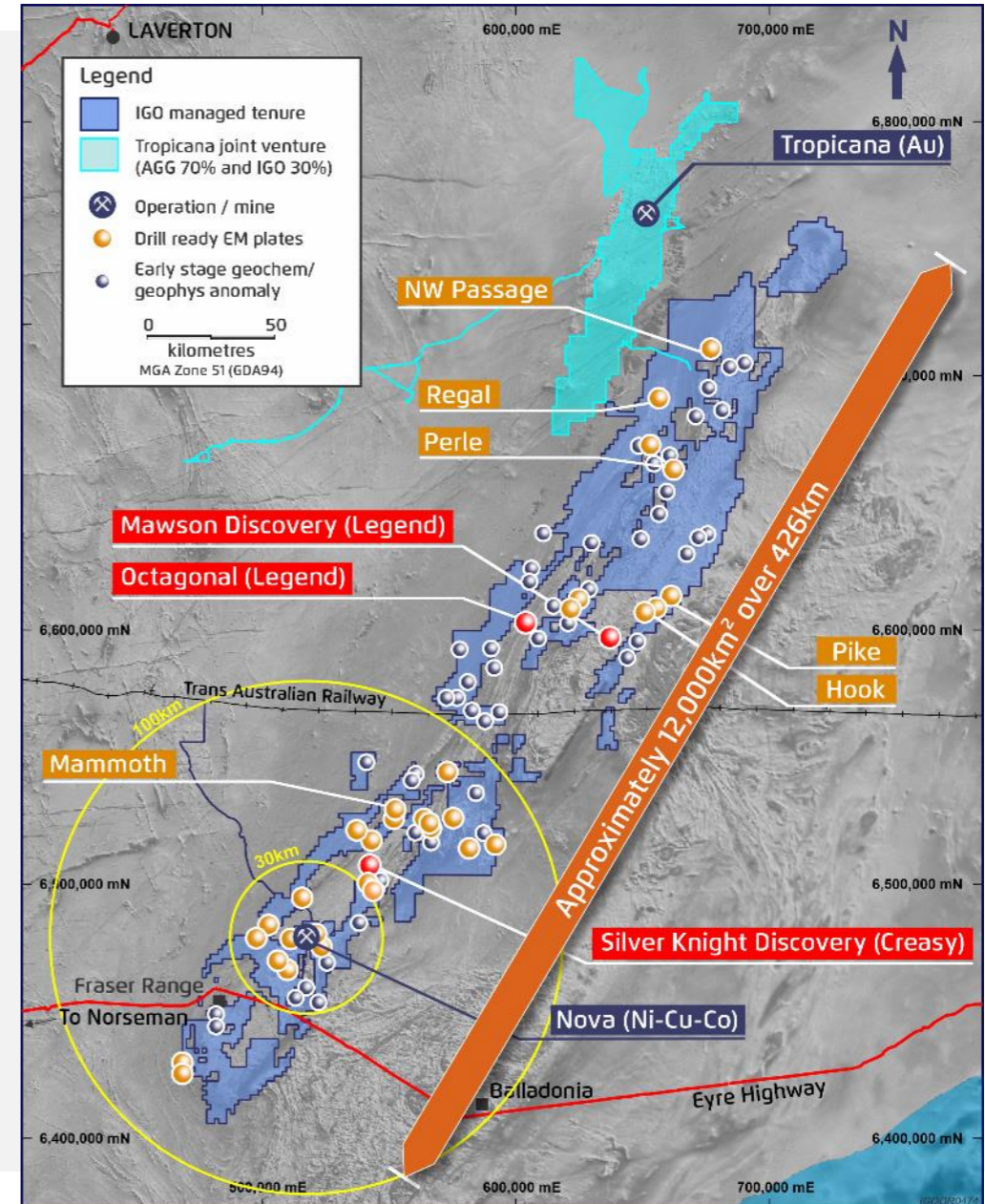
Opportunity to unlock significant value through discovery



Mafic / ultramafic intrusions with nickel/copper sulphides identified along the entire belt

VMS copper/zinc and gold prospects also identified

Systematic exploration program underway to unlock the mines of the future



# Lake Mackay

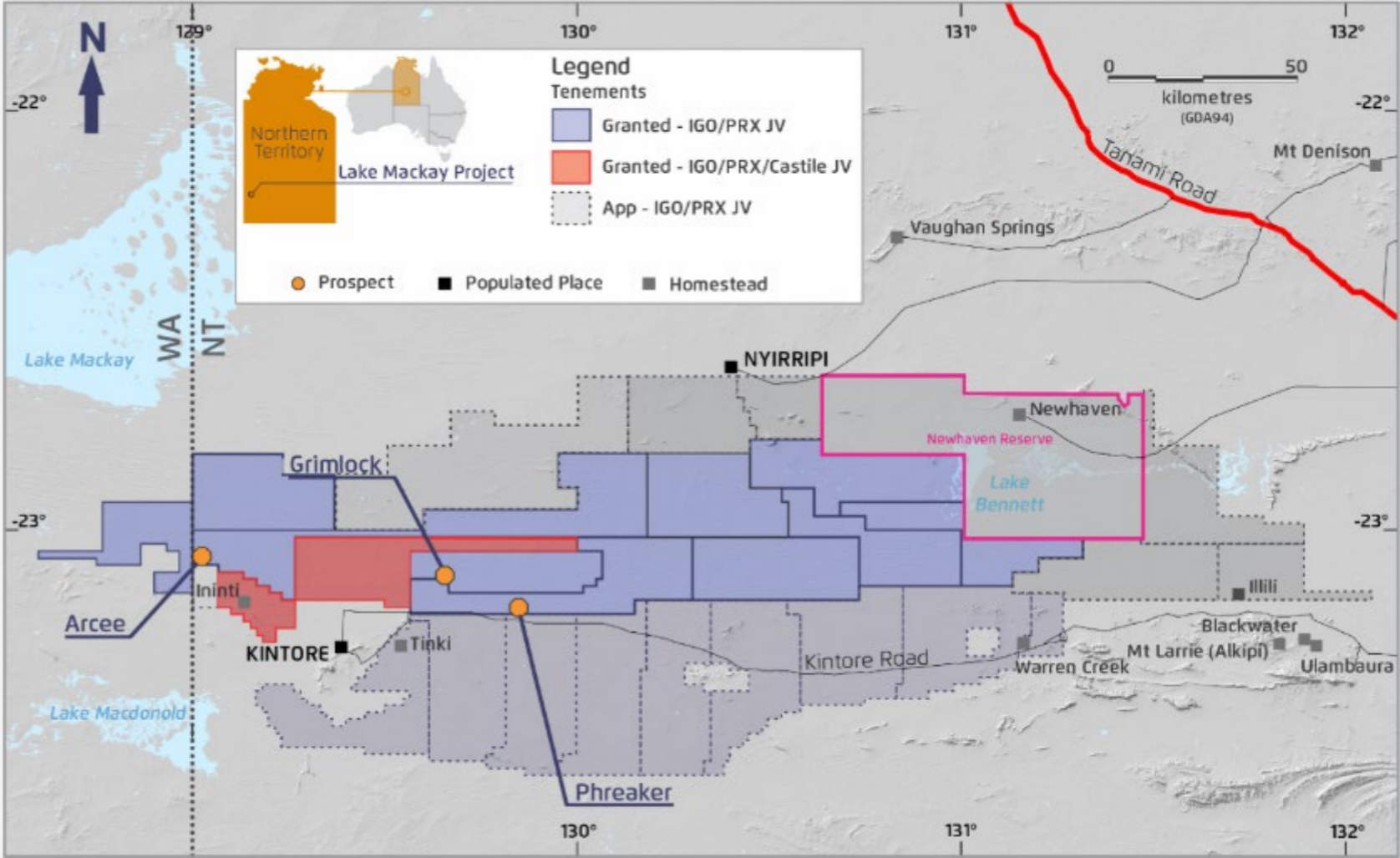
## Belt-scale multi-commodity opportunity



**Belt scale land position in the Northern Territory**

**Land position >18,000km<sup>2</sup> of granted ELs and EL applications**

**Grimlock, Phreaker and Arcee prospects identified**



1) Lake Mackay is a joint venture between IGO, Prodigy Gold NL and Castile Resources Pty Ltd (17,773km<sup>2</sup> IGO 70% / Prodigy Gold 30%; 908km<sup>2</sup> IGO 53.8% / Prodigy Gold 23.1% / Castile 23.1%)



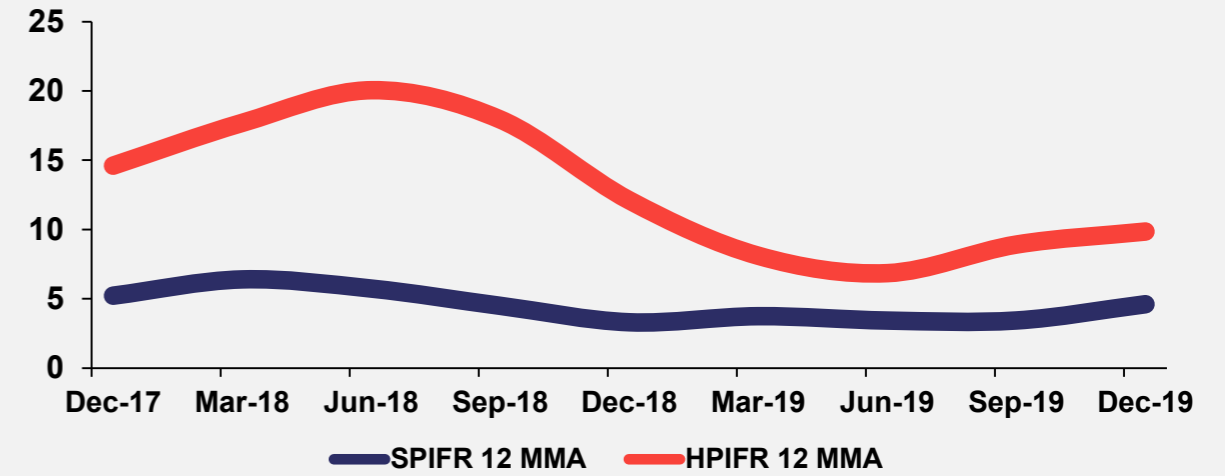
## People and Sustainability

# Safety

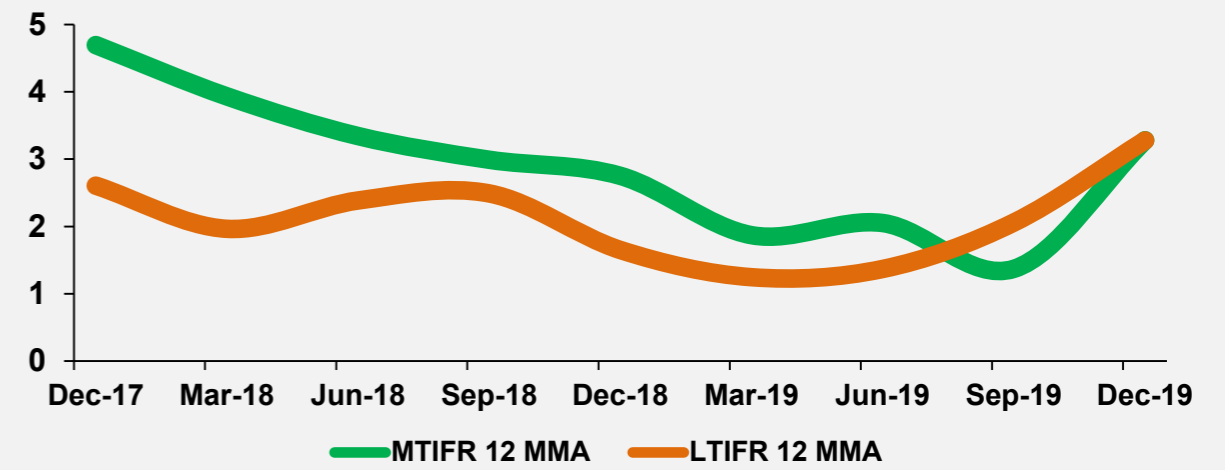
Actively creating and fostering a positive safety culture



### Key Lead Injury Metrics



### Key Lag Injury Metrics



# Employee Engagement

Above benchmark levels of engagement across a range of key metrics



## FY19 Achievements

15% increase in engagement

86% reported pride in working for IGO

37% lower staff turnover rate (YoY)

Strong alignment with IGO's values





# Sustainability

Demonstrated commitment to best in class sustainability practices



Nova hybrid solar PV-diesel facility completed – set to reduce emissions by ~6,500t CO<sub>2</sub>/year

2019 Sustainability Report published

IGO included in Dow Jones Sustainability Index at 78th percentile





# Financial Performance

# 1H20 Financial Results Highlights

Record half yearly profit and strengthening balance sheet



Record half yearly NPAT result  
**A\$100M**

Cash of **A\$453M**  
Net Cash of **A\$396M**

Underlying EBITDA  
**A\$271M**

Underlying Free Cash Flow  
**A\$206M**

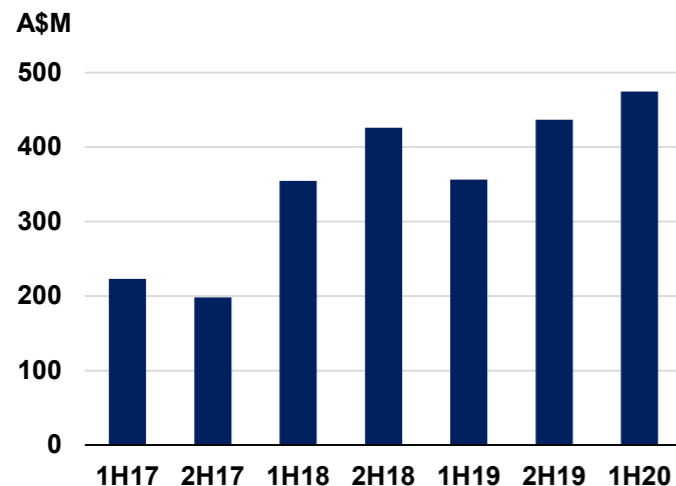
**Nova and Tropicana remain on track to deliver in line with full year production guidance**

# Financial Performance

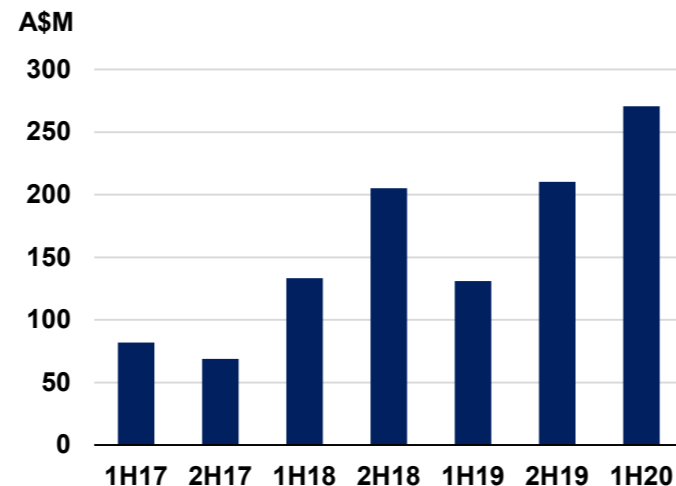
Strong momentum continues



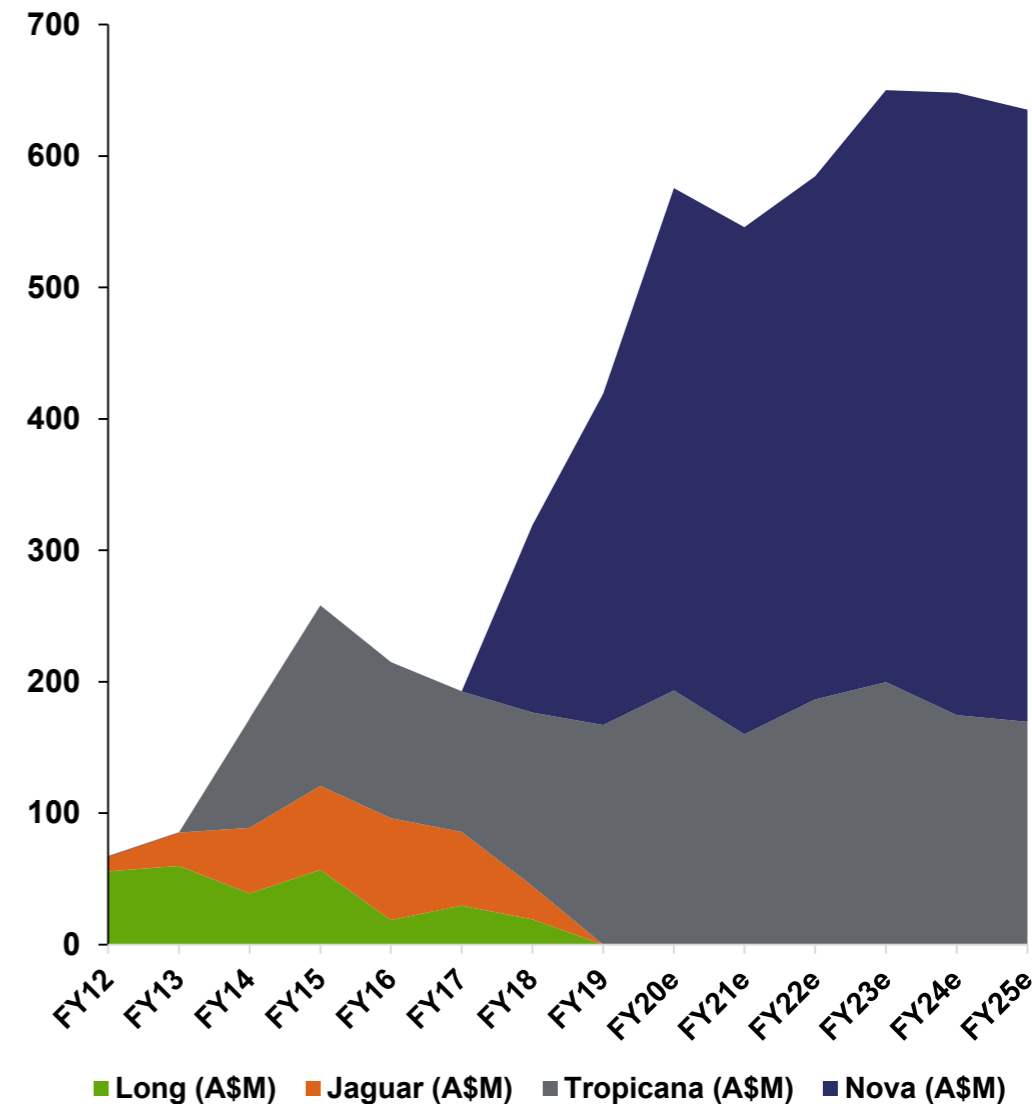
## Revenue & Other Income



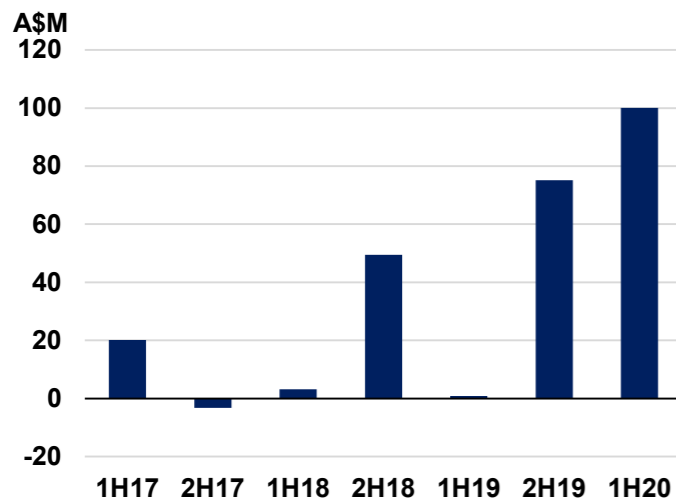
## Underlying EBITDA



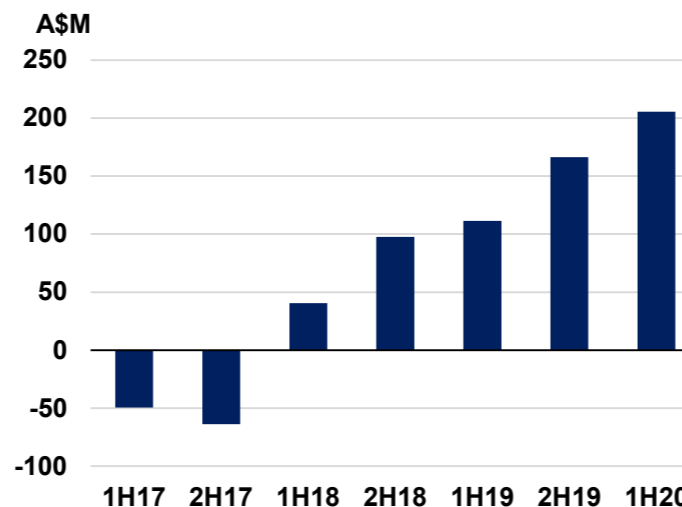
## EBITDA Profile (A\$M)<sup>1</sup>



## NPAT



## Underlying FCF



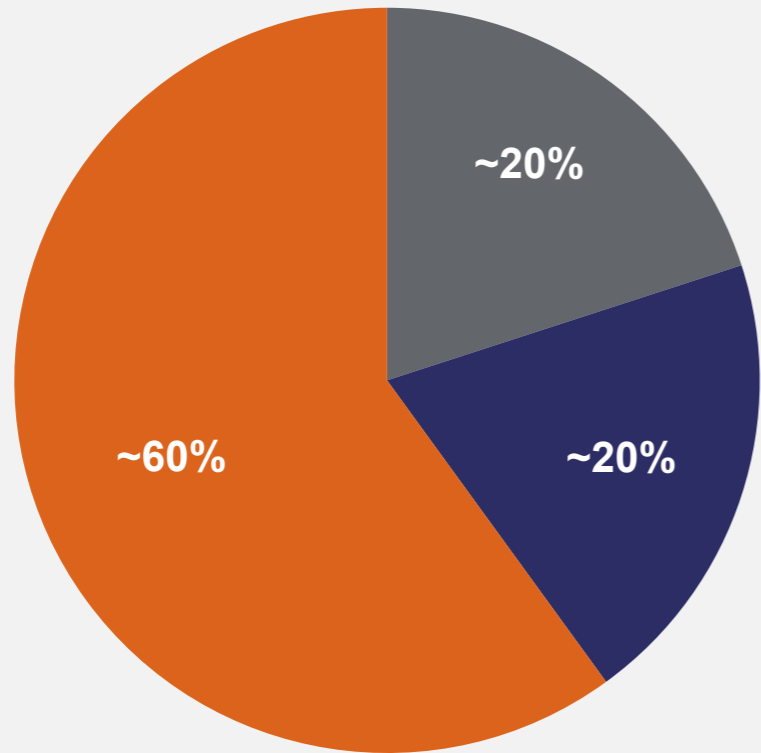
1) Source: Macquarie Research 2020

# Capital management & cash returns

Record return to shareholders in FY19



FY19 Allocation



■ Returns to Shareholders ■ Exploration ■ Balance Sheet

Policy designed to maintain balance sheet strength, fund growth and deliver returns to shareholders

Targeted return of 15 – 25% of FCF

Capital returns may include dividends or share buy backs

# Concluding Comments

Excellent operational performance from Nova and Tropicana



**Metal production on track to meet FY20  
production guidance**

**Free cash flow generation continuing to  
strengthen the balance sheet**

**Continued focus on growth through exploration  
& disciplined M&A with a clean energy metals  
focus**





# MAKING A DIFFERENCE

We believe in a world where people power makes amazing things happen. Where technology opens up new horizons and clean energy makes the planet a better place for every generation to come.

We are bold, passionate, fearless and fun – a smarter, kinder, more innovative company. Our work is making fundamental changes to the way communities all over the world grow, prosper and stay sustainable.

Our teams are finding and producing the specialist metals that will make energy storage mobile, efficient and effective enough to make long-term improvements to the lifestyle of hundreds of millions of people across the globe.

How? New battery storage technology is finally unleashing the full potential of renewable energy by allowing power produced from sun, wind and other sources to be stored and used when and where it's needed.

This technology will impact future generations in ways we cannot yet imagine, improving people's quality of life and changing the way we live.

We believe in a green energy future and by delivering the metals needed for new age batteries, we are making it happen.

**This is the IGO Difference.**

# Cautionary Statements & Disclaimer



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- There are a number of risks specific to IGO and of a general nature which may affect the future operating and financial performance of IGO and the value of an investment in IGO including and not limited to economic conditions, stock market fluctuations, commodity demand and price movements, access to infrastructure, timing of environmental approvals, regulatory risks, operational risks, reliance on key personnel, reserve and resource estimations, native title and title risks, foreign currency fluctuations and mining development, construction and commissioning risk. The production guidance in this presentation is subject to risks specific to IGO and of a general nature which may affect the future operating and financial performance of IGO.
- All currency amounts in Australian Dollars unless otherwise noted.
- Quarterly Financial Results are unaudited.
- Net Debt is outstanding debt less cash balances and Net Cash is cash balance less outstanding debt.
- Cash Costs are reported inclusive of Royalties and after by-product credits on per unit of payable metal basis, unless otherwise stated.
- IGO reports All-in Sustaining Costs (AISC) per ounce of gold for its 30% interest in the Tropicana Gold Mine using the World Gold Council guidelines for AISC. The World Gold Council guidelines publication was released via press release on 27 June 2013 and is available from the World Gold Council’s website.
- Underlying EBITDA is a non-IFRS measure and comprises net profit or loss after tax, adjusted to exclude tax expense, finance costs, interest income, asset impairments, gain/loss on sale of subsidiary, redundancy and restructuring costs, depreciation and amortisation, and once-off transaction costs.
- Free Cash Flow comprises Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities. Underlying adjustments exclude acquisition costs, proceeds from investment sales and payments for investments and mineral interests.



# Competent Person's Statements



- Any references to IGO Mineral Resource and Ore Reserve estimates should be read in conjunction with IGO's Annual Update of Exploration Results, Mineral Resources and Ore Reserves dated 30 January 2020 (Annual Statement) and lodged with the ASX for which Competent Person's consents were obtained, which is also available on the IGO website.
- The information in this presentation that relates to the Boston Shaker Feasibility Study is extracted from the ASX announcement dated 28 March 2019 entitled "Tropicana JV Approves Boston Shaker Underground" and for which a Competent Person consent was obtained.
- The information in this presentation that relates to Exploration Results is extracted from the Prodigy Gold (PRX) ASX release dated 16 October 2019 entitled "Lake Mackay JV Update – New Gold Prospect Identified" for which Competent Person's consents were obtained.
- The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements released 28 March 2019, 16 October 2019 and 30 January 2020 and, (i) in the case of estimates or Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed, (ii) the Competent Person's consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent, and (iii) the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcement.

