



CAPITAL MANAGEMENT POLICY

IGO Limited (ASX: IGO) (**IGO** or the **Company**) is pleased to announce the adoption of a formal Capital Management Policy (CMP) which outlines the key principles the Board will reference when assessing the allocation of shareholder capital.

The CMP has been adopted following a comprehensive review of IGO's risk appetite and builds on IGO's previous Shareholder Returns Policy. With the ongoing transformation of IGO's business and exceptionally strong financial performance over FY23, the Board and management have concluded that adopting formal CMP is appropriate at this time.

IGO's CMP seeks to balance reliable and consistent return of capital to shareholders, with maintaining both balance sheet strength and flexibility to respond to organic and inorganic growth opportunities as they arise.

Underpinned by the safe and reliable management of IGO's operations, capital allocation will be prioritised for:

- investment in the sustainability of the Company's operations;
- servicing of debt facilities;
- opportunities to grow the business organically, and;
- exploration activity to grow the Company's resource base;

Where appropriate, IGO may seek external capital, either via debt or equity, to fund certain organic growth projects and inorganic opportunities to grow our business via disciplined mergers and acquisitions.

As part of the new CMP, IGO's Shareholder Returns Policy has been updated, with a target returns range of between 20% and 40% of Underlying Free Cash Flow, when liquidity is below A\$1.0 billion. When liquidity is above A\$1.0 billion, the Board will use its discretion to consider a dividend payout in excess of the 40% threshold.

Remaining funds will be allocated to either the payment of special dividends, share buybacks, debt reduction or inorganic growth, or a combination of these.

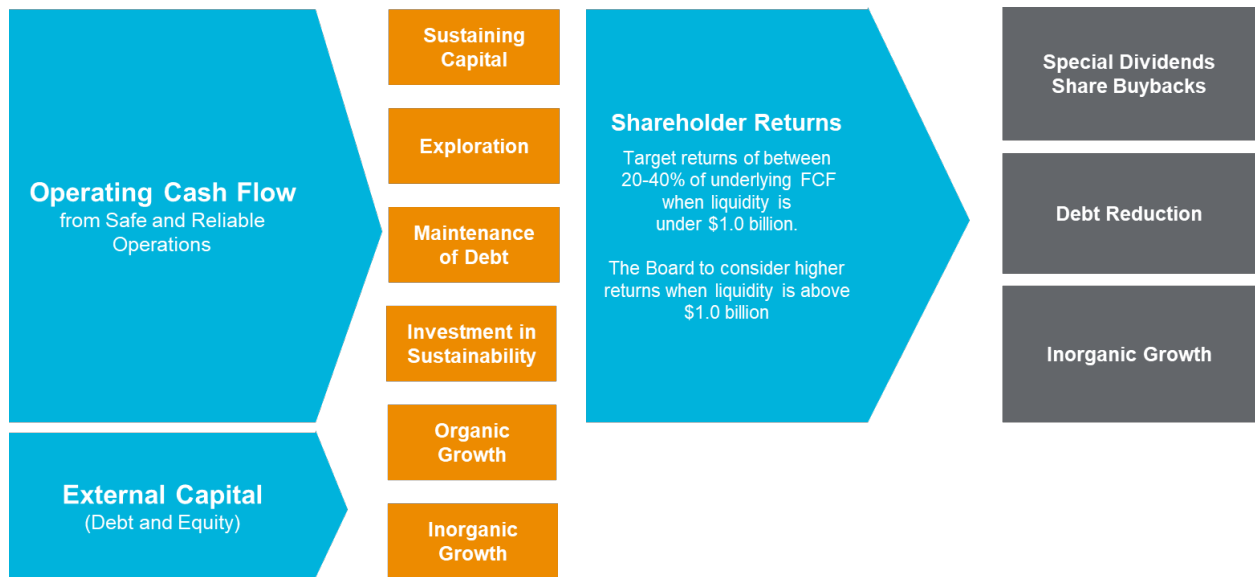


Figure 1 - IGO Capital Management Framework

IGO’s Chief Financial Officer, Kath Bozanic, commented, “We are pleased to provide our shareholders with a comprehensive Capital Management Policy which provides a clear pathway to returning capital to shareholders while balancing the needs of our business to grow and invest.

“While IGO is highly focused on delivering growth across our lithium and nickel businesses, we have been careful to ensure our business can withstand market volatility and the cyclicality of the sector while also sharing in the exceptional returns currently being generated as a result of strong lithium prices.”

IGO expects to announce its final dividend with respect to FY23 with our full year results on 31 August 2023.

This announcement is authorised for release to the ASX by Matt Dusci, Acting Chief Executive Officer

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