



## **TROPICANA GOLD MINE ROYALTY CLAIM**

IGO Limited (ACN 092 786 304) (“IGO”) announces that it has been served with a writ of summons issued out of the Supreme Court of Western Australia by South32 Royalty Investments Pty Ltd (“South32”).

The writ (which was received by IGO after close of business on 31 January 2024) claims that IGO is liable to pay royalties to South32 concerning the mining operations at the Tropicana Gold Mine in Western Australia, together with interest and costs. IGO rejects South32’s allegations and considers the claim to be without merit.

South32 has estimated in the writ that the royalties payable by IGO are AUD 122,100,825 (exclusive of interest and costs) for the period from December 2014 until 30 September 2023. As IGO has previously announced, it no longer has an interest in the Tropicana Gold Mine having sold its 30% interest in the Tropicana Gold Mine Joint Venture to Regis Resources Limited effective 31 May 2021. As explained below, IGO has an indemnity in its favour from Regis concerning any royalty liability to South 32 from that date onwards. IGO estimates that the relevant portion of the above claim amount in the period from 31 May 2021 to September 2023 (covered by the Regis indemnity) is in the range of approximately AUD 35 to AUD 40 million. South32 also seeks a declaration from the Court that royalties are payable on gross revenues realised from ongoing mining operations at the Tropicana Gold Mine (as to which IGO also relies upon the Regis indemnity).

South32 makes its claim under an Agreement for Sale of Assets and Mining Tenements dated 1 August 1997 (along with subsequent agreements for its assignment and novation) which granted a license to access certain soil samples subject to an obligation to pay a royalty (“Sample Royalty”) in certain circumstances involving a discovery of minerals related to the use of the soil samples.

South32 asserts that the use of the soil samples by IGO led to the discovery of gold in the area of various exploration licences granted to IGO (and another) in August 2002, and that IGO’s subsequent development of the Tropicana Gold Mine (as part of joint venture operations) renders it liable to pay a 1.5% Sample Royalty to South32 on the gross revenue earned from its interest in the mine as from December 2014.

IGO denies that it has any liability to South 32. IGO has thoroughly reviewed its obligations under the relevant agreements and maintains that the pre-conditions to the entitlement to be paid the Sample Royalty have not been satisfied. IGO has instructed lawyers to act on its behalf, and intends to fully and vigorously defend the claim.

IGO notes that as part of IGO’s divestment of its interest in the Tropicana Gold Mine in 2021, the sale agreement between IGO and Regis Resources includes a provision which maintains IGO’s liability for the Sample Royalty prior to completion on 31 May 2021, with Regis Resources assuming those liabilities beyond that date. From that date, and based on the terms of the sale agreement, Regis agreed to indemnify IGO for any liabilities arising in relation to the royalty obligations.

This announcement is authorised for release to the ASX by Managing Director and CEO, Ivan Vella.

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