ANNUAL REPORT 2020

MAKING A DIFFERENCE

MAKING A DIFFERENCE

WHO WE ARE

IGO Limited ('IGO' or 'the Company') is a leading ASX-listed mining and exploration company with a strategic focus on metals that are critical to energy storage and renewable energy. Headquartered in Perth, Western Australia, IGO owns 100% of the Nova nickel-copper-cobalt operation in Western Australia's Fraser Range region and 30% of the Tropicana Gold Mine, a Joint Venture with AngloGold Ashanti Australia in WA's goldfields region. IGO has a strong purpose of Making A Difference and is an active participant in the local community. The Company is actively pursuing growth through a combination of exploration - to discover the mines of the future - and disciplined corporate activity to secure opportunities via mergers and acquisitions.

ABOUT THIS REPORT

This annual report is a summary of IGO and its subsidiary companies' operations, activities and financial position as at 30 June 2020.

All dollar figures are expressed in Australian dollars unless otherwise stated.

NON-IFRS

This report includes certian non-IFRS financial measures, including underlying measures of EBITDA and free cash flow. The meanings of individual non-IFRS measures used in this report are set out in the Glossary of Terms on page 135. Non-IFRS measures should not be considered as alternatives to an IFRS measure of profitability, financial performance or liquidity.

OUR VALUES

Never stand still

We are bold, adventurous and excited for the future.

We imagine new opportunities and seek new horizons.

Ignite the spark

We seek, question, innovate and create.

We know that without a burning curiosity and bright thinking, we risk missing the really big opportunities.

See beyond

We know that our actions today will impact the world of tomorrow.

We believe our people, community and the environment really matter.

Run through the sprinklers

We find the fun in what we do.

When our workplaces are healthier and happier, we are better.

Be better together

We empower, support and respect each other.

We act safely and with care, to the strengths of our people.

CONTENTS

FY20 Snapshot

FY20 was a year of unique challenges, including devastating bushfires and the COVID-19 pandemic. Throughout, IGO demonstrated remarkable resilience and adaptability. The Company achieved record revenue and underlying EBITDA for the second year in a row. Nova production exceeded guidance range for all metals and Tropicana delivered within guidance range. The performance of our two core producing assets generated underlying free cash flow of $311M and net profit after tax of $155M.

These outstanding financial results reflect the quality of our world class asset portfolio and our people, who are focused on delivering high margin products made safely, ethically, sustainably and reliably.

AT A GLANCE

NOVA PRODUCTION

Nova's production exceeded the top end of metal production guidance with production of 30,436t nickel and 13,772t copper.

TROPICANA PRODUCTION

Tropicana delivered 463,118oz of gold production on a 100% basis and produced its three millionth ounce of gold during the second half of FY20.

EXPLORATION ACTIVITY

Substantial exploration activity to unlock the mines of the future continued across the IGO portfolio, while also expanding our belt-scale land holdings.

PROACTIVELY GREEN

Nova Solar Farm commissioned generating enough power to displace ~6,500t of CO_2 emissions per annum. This is equivalent to the emissions of ~450 Australian households.

NEW DEVELOPMENT

Development of the Boston Shaker Underground Mine at Tropicana on track to reach commercial production in the September 2020 quarter.

FINANCIAL SUMMARY

REVENUE

$892M

↑ 13%

Total revenue and other income

PROFIT AFTER TAX

$155M

↑ 104%

DIVIDENDS PER SHARE PAID

14.0c

↑ 250%

OUR PEOPLE

We believe that our organisational culture is an important reason why our employees choose to work for us and that building the strength of our culture is vital to our success.

Pg 12

- Company-wide employee engagement is strong and stable with positive results across many areas:
  - Overall engagement score of 69%, a stable result after achieving 70% in 2019
  - 87% of those surveyed said IGO has a work environment accepting of diverse backgrounds; and
  - 88% of those surveyed indicated that they are proud to work for IGO.

OUR SAFETY

IGO has a culture of care and, as a result strive to provide a safe place of work, a safe system of work and demonstrated safety behaviours.

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- With great sadness, in September 2019, IGO reported the tragic death of one of our contractors' employees in an accident at Nova.
- IGO's Total Reportable Injury Frequency Rate (TRIFR) for FY20 was 16.9, significantly up from 9.6 for the previous year.
- Establishing an improved safety culture and reducing both actual and potential incidents continued to be a key focus for the Company in FY20.

OUR COMMUNITY

Making a Difference is our reason for being, our purpose. Every single person in our business has made a difference this year.

Pg 32

- Over $603,000 invested in Corporate Giving compared to $475,000 in FY19.
- In addition to the Corporate Giving spend, IGO pledged an additional $250,000 Community Fund to be distributed to the Norseman and Esperance communities to assist with their COVID-19 and bushfire recovery plans.

SUSTAINABILITY

We care about doing what is right – not just because it is good for business but because it is the right thing to do.

Pg 34

- Production royalty payments from Nova to the Ngadju Native Title Aboriginal Corporation (NNTAC) totalling $3.7M, up from $3.3M in FY19.
- Payments to government entities in royalties and taxes totalled $36.4M.
- Admitted to the Dow Jones Sustainability Index Australia in September 2019.
- A large-scale Environmental Impact Assessment (EIA) completed across all our exploration activities within the Fraser Range Project.

Chairman & CEO Message

It is our joint pleasure to summarise IGO's performance for the 2020 financial year.

STRATEGY AND PURPOSE

IGO remains firmly focused on our strategy to become a globally relevant supplier of metals, which are critical enablers of the rapidly growing energy storage and renewable energy markets as well as electrification of transport. Despite the uniquely challenging global events during the year, demand for high quality, sustainably produced raw materials, such as nickel and copper, continues to increase as the world progresses down a pathway toward decarbonisation. IGO is excited to be part of and ideally positioned to benefit from this revolution, continuing to Make a Difference.

We strongly believe that our reason for being goes far beyond merely being a mining company. We know we are accountable to all of our stakeholders in the way in which we go about our business, be they shareholders, employees, contractors, Traditional Owners, local communities or our customers. During FY20, we continued to pursue our commitment of value and care to deliver safe, reliable and sustainable operations while improving our operating and financial performance.

OUR PEOPLE – OUR PRIORITY

While the impact of the global COVID-19 pandemic has been disruptive on a global scale, the mining industry has demonstrated its ability to adapt quickly to changing circumstances and, importantly, proven its critical role in supporting the Australian economy. IGO is pleased to have played our part and are proud of our industry which has shown genuine care for the safety and wellbeing of its people and the broader community during this crisis.

The pandemic has impacted all of us and continues to present unprecedented changes to the way we live and work. During the year, our people also faced the threat of bushfires at Nova, as well as the tragic death of one of our contractors' employees at Nova. At the time of writing it has been some 10 months since the accident and we continue to feel for the loss of his family and friends. These events impacted our team deeply and tested our unique culture, but we are proud of the way in which our people have supported each other and shown that we really are Better Together.

Despite our ongoing commitment to safety, we are disappointed that our safety performance was below where we would like it to be, with our Total Reportable Injury Frequency Rate (TRIFR) increasing over the course of the year. As a result, we have implemented a Safety Improvement Plan focused on our systems of work, workplace hazard reduction and the behaviours known to lead to better safety outcomes. Board and management are acutely focused on this issue and we are confident these changes will result in an improvement in our future safety performance.

The success of our business is a direct reflection of our culture and the level of engagement our people have with what we are aiming to achieve. We are pleased that our 2020 Engagement Survey found our people remain highly engaged and are proud to work for IGO. We have proactively worked to build a culture which is friendly, supportive, challenging and fun, and the feedback we have from our people is that they are energised and motivated to go the extra mile for IGO, a direct result of our culture.

SUSTAINABLE OPERATIONS

Sustainability is a key pillar of IGO's strategy, and our people are committed to ensuring we are able to deliver value and care over the long-term for all of our stakeholders. Reducing our impact on the environment through innovative thinking, processes and technology, is central to our strategy to be Proactively Green.

During FY20, our partner Zenith Energy completed and successfully commissioned the 5.5MW solar farm at Nova with first power delivered during December 2019. The solar farm is designed to generate enough power to displace approximately 6,500 tonnes of CO_2 emissions per year, while also lowering costs at Nova. This demonstrates IGO's commitment to reducing our carbon footprint.

Elsewhere, we also continued to support our local community stakeholders, through high levels of engagement, offering employment opportunities and our active corporate giving program. During the year, we made financial donations to a number of organisations important to our host communities, including the Royal Flying Doctor Service, the Earbus Foundation WA and Madalah, as well as local community groups in Norseman and Esperance.

As a result of our commitment to sustainability, IGO was proud to have been admitted to the Dow Jones Sustainability Index Australia in September 2019. This is an important recognition for the Company. IGO is placed in the top 30% of companies in the S&P/ASX 200 Index.

CONTINUED OPERATIONAL PERFORMANCE

During the year our teams at Nova and Tropicana delivered outstanding operational results, despite the challenging conditions.

Key achievements during FY20 included:

- Nova production exceeded our guidance range for all metals for the second year in a row
- Tropicana delivered performance within guidance while progressing the development of the Boston Shaker Underground Mine to plan; and
- We successfully progressed our extensive exploration portfolio toward discovery, with substantial drill programs testing numerous targets during the year, while also expanding our belt-scale land holdings.

At Nova, we have continued on our journey to unlock productivity, cost savings and safety outcomes through technology and innovation. This is a work program that will continue at Nova and promises to deliver stronger returns and a more engaged workforce.

At Tropicana, the focus during FY20 has been on delivering the first underground mine at Boston Shaker, which at the time of publication was on track to achieving commercial production in the September 2020 quarter. The development of this project on time and on budget, is testament to the ability and strong management of our joint venture partner, AngloGold Ashanti Australia and our key contractors.

POSITIONED FOR GROWTH

With our record of strong operational and financial performance, IGO is in an ideal position to deliver on our growth ambitions – both through exploration and discovery, and via disciplined mergers and acquisitions.

During FY20, we continued our commitment to exploration and discovery to unlock the mines of the future. Our technical capability in this area is 'best in class', and we have built a portfolio of belt-scale projects which are highly prospective for commodities aligned to our clean energy metal strategy.

In Western Australia, we continue to prioritise work on the Fraser Range, where we have systematically worked to discover repetitions of the Nova orebody over the past two years. Discovery on the Fraser Range would deliver significant value to IGO shareholders and this remains a key focus into FY21 and beyond.

Elsewhere in Western Australia, we have expanded our belt-scale positions in the Kimberley and consolidated a new land package in the Paterson region which is highly prospective for Tier-1 copper and precious metals discoveries. In addition, we continued to progress the Raptor and Lake Mackay Projects in the Northern Territory, the Copper Coast Project in South Australia and the Frontier Project in Greenland.

We also remain highly active in assessing opportunities to grow the business via mergers and acquisitions, as evidenced by the public takeover offer for Panoramic Resources Ltd in late 2019. While IGO did not proceed with this transaction, our team continue to review and conduct due diligence on a range of opportunities which are aligned to our strategy and which deliver superior returns for our shareholders.

THANK YOU

Despite the global challenges we are all facing, IGO is in a very strong position. This has been in large part thanks to our dedicated and hardworking people who have adapted to new ways of working and have continued to Make a Difference. We take this opportunity to thank our people for their contributions and their families and friends for their support.

We also express our thanks to our host communities, suppliers, contractors, industry associations and regulators for their assistance throughout the year.

Lastly, we would like to thank our shareholders and our employees, many of whom are also owners of the business, for your continuing support and trust in the Board and Leadership team.

PETER BILBE
CHAIRMAN

PETER BRADFORD
MANAGING DIRECTOR
& CHIEF EXECUTIVE OFFICER

CFO Report

SCOTT STEINKRUG
CHIEF FINANCIAL OFFICER

I am delighted to provide this overview of IGO's FY20 Financial Results – a year in which the quality of our portfolio and our continuing pursuit of operational excellence combined to deliver record revenue, underlying free cash flow and net profit after tax. The outstanding financial results have positioned IGO with a strong balance sheet to provide strong returns for our shareholders, fund our extensive exploration programs to unlock value through discovery and to pursue growth through disciplined mergers and acquisitions.

Our operations delivered year-on-year growth across all key measures. Group revenue and other income in FY20 was $892M, 13% higher than FY19, primarily driven by higher realised metal prices over the year. Underlying free cash flow was 11% higher than the FY19 result at $311M, while net profit after tax of $155M was 104% higher than FY19.

Delivery of this strong financial performance was possible due to strong production performance in line with guidance, combined with sustained high margins from both Nova and Tropicana.

- Nova delivered metal production in excess of guidance (30,436t Ni, 13,772t Cu, 1,142t Co) at cash costs of $2.41 per payable pound of nickel, which was within guidance. Nova recorded full year EBITDA and free cash flow margins of 59% and 54% respectively.
- Gold production from Tropicana was 463,118oz (100% basis) at an all-in sustaining cost of $1,171 per ounce, which was within our guidance range. Tropicana EBTIDA margin was 60%, while delivering a free cash flow margin of 29%.

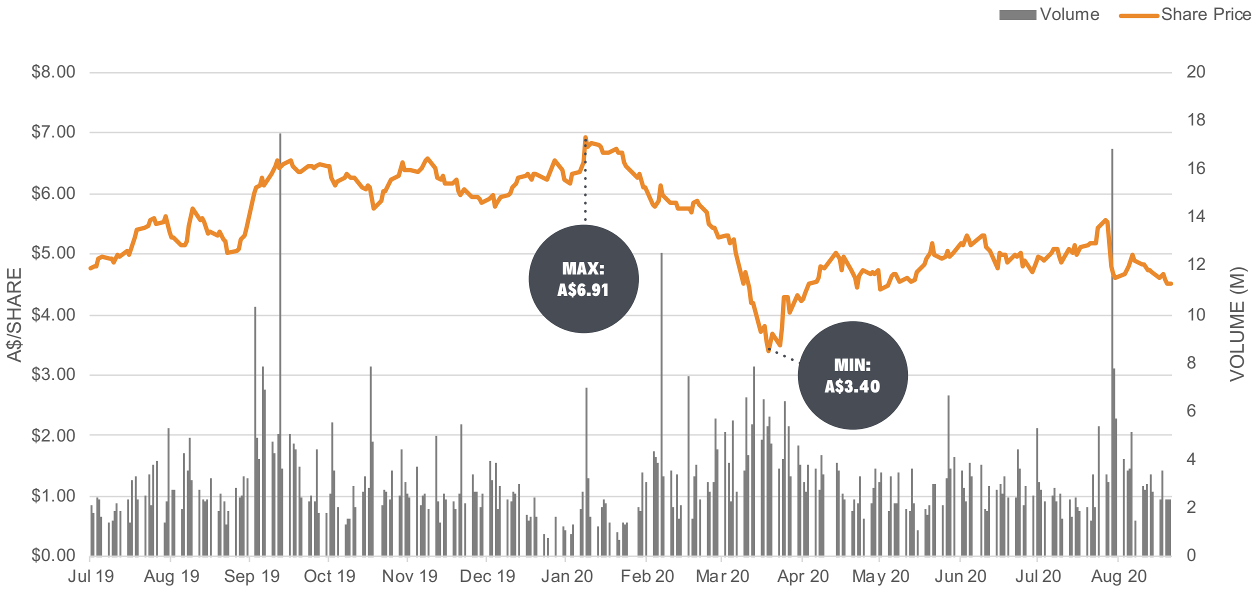
The ability of IGO to generate strong free cash flows resulted in significant strengthening of the balance sheet over the course of FY20. As at 30 June 2020, the Company held a record cash balance of $510M, investments of $108M and a small debt position of $57M. IGO had intended on making a principal payment of $29M in March 2020, however due to the onset of the COVID-19 pandemic, it was deemed prudent to defer this debt payment until September 2020. It is expected that the debt will be repaid in full in September 2020.

Sustaining and improvement capital expenditure at Nova of $7M was below guidance. This underspend relates to the deferral of expenditure relating to water infrastructure, a project which continues to be assessed for delivery in FY21. Capital expenditure at Tropicana was also below guidance for FY20, primarily driven by capital efficiencies gained during the year.

IGO has continued its commitment to delivering returns to shareholders via dividends. In line with our shareholder return policy to return 15-25% of free cash flow to shareholder via dividends, IGO's interim and full year dividends totalled 11.0 cents per share (both unfranked). The shareholder return policy was amended in early 2019, and this along with capital management more broadly will next be reviewed by the Board in January 2021.

We have also continued to deliver on our reputation for high quality and transparent financial reporting. In particular, IGO is among the few companies that provide simultaneous reporting of our audit reviewed half-year results with our December quarterly result, a practice which is well regarded by many investors. In addition, we have retained our commitment to preparing voluntary Tax Transparency Reporting with the FY20 report due for release in November 2020. In line with our culture, we believe this is the right thing to do and is another way IGO is Making a Difference.

SHARE PRICE PERFORMANCE [1]



[1] As at market close 21 August 2020.

FY20 FINANCIAL SUMMARY

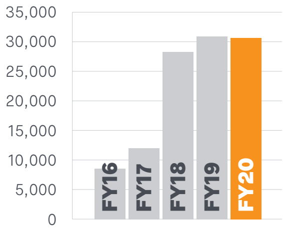
HIGHLIGHTS	FY20 $M	FY19 $M	FY18 $M
Total revenue and other income	892	793	781
Underlying EBITDA[1]	460	341	339
Profit after tax	155	76	53
Net cash flow from operating activities	398	372	278
Underlying free cash flow[1]	311	278	138
Total assets	2,293	2,190	2,175
Cash	510	348	139
Marketable securities	108	28	24
Total liabilities	367	341	396
Shareholders' equity	1,926	1,849	1,779
Net tangible assets per share ($ per share)	$3.26	$3.13	$3.03
Dividends per share paid	14.0	4.0	2.0

[1] See Glossary of Terms for definition.

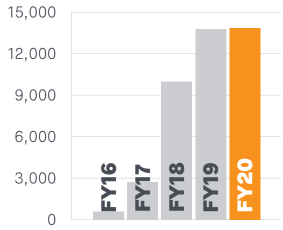
HISTORICAL METAL PRODUCTION [1]

The historical metal production charts below, represent five years of contribution from IGO's current operations and historical contributions from the Long and Jaguar Operations that are no longer in the IGO portfolio. [2]

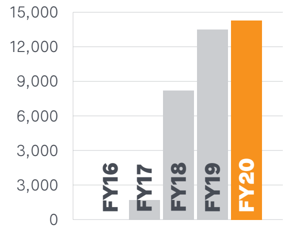
NICKEL (t)



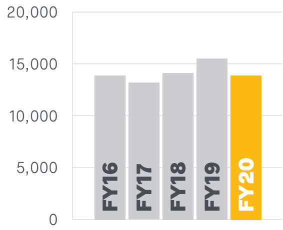
COPPER (t)



COBALT (t)



GOLD (oz) [3]



[1] Historic metal production of nickel, copper and cobalt includes metal units produced in concentrate (Nova and Jaguar) and metal in ore (Long).
[2] The Long and Jaguar Operations were divested in May 2019 and May 2018 respectively.
[3] Gold production for FY20 was lower than FY19 due to the operation commencing transition from open pit mining to a combination of open pit and underground mining resulting in treatment of low grade stockpiles.

Our Purpose & Strategy

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. Our people are bold, passionate, fearless and fun – we are a smarter, kinder and 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 the 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.

We are the IGO Difference.

Our Purpose, Making a Difference, drives everything that we do at IGO.

We believe our reason for being stretches further than simply being a mining company.

We want to make a positive contribution to the world by enabling the clean energy future through our work discovering and producing the metals which are critical to this revolution. Nickel, copper and cobalt are the key ingredients for high-performance batteries used in electric vehicles and grid-scale energy storage systems, as well as renewable energy generation such as solar and wind power. Through the work we do, we are helping the world transition to a low-carbon future, which will make the world a better place for generations to come.

Our purpose is what drives and motivates our people as they go about their work to generate returns for our shareholders, while Making a Difference to our environment and our communities.

IGO STRATEGY

Our strategy is to become a globally relevant producer of metals critical to clean energy.

This strategy recognises the opportunity IGO has to leverage its financial strength, highly capable team, diverse asset base and track record of success to become a leader in the discovery, development and operation of metal projects which will play an important role as the world progresses down the pathway of decarbonisation.

In FY20, our strategy had a particular focus on growth to deliver mine-life extensions and new discoveries which provide value to our stakeholders.

Our organic growth strategy is focused on exploration and discovery to unlock the mines of the future. We are actively pursuing step-change organic growth through our portfolio of belt-scale exploration projects in Australia and internationally. IGO has established a commanding position through our consolidation of an extensive ground position in the highly prospective Fraser Range, as well as belt-scale greenfield opportunities in Western Australia at the West and East Kimberley Projects and the newly expanded Paterson Project, in the Northern Territory at the Lake Mackay Project and the 100% owned Raptor Project, as well as the Frontier Project in Eastern Greenland. Our highly capable in-house team has a wide breadth of experience and expertise firmly aligned with our strategic focus on energy storage and transmission metals.

We also have a focus on growing the business through disciplined mergers and acquisitions. Our team is highly active in assessing opportunities which are aligned with our strategy, targeting new clean energy metals projects which meet scale, mine life and quality metrics, while also delivering robust financial returns and strong Environmental, Social and Governance (ESG) credentials.

We also remain determined to become vertically integrated by aligning ourselves with the supply chains for energy storage and renewable energy markets. During FY20 we continued to develop The IGO Process™, a proprietary, innovative processing technology that efficiently converts nickel sulphide concentrate into nickel sulphate, a key raw material for the clean energy and the electric vehicle battery market. We are assessing partnership and collaboration opportunities to leverage our proprietary technology into the battery precursor and cathode supply chain.

Our strategy is focused on eight key imperatives which will drive success.

SAFETY & WELLBEING
We care about the health and wellbeing of our people and recognise that ensuring their safety at all times is the most critical element to our success as a business.

OPERATIONS
We are in control and committed to delivering on our promises. We continue to strive to optimise and maximise the assets through an enduring commitment to operational excellence.

FINANCIAL
We recognise that consistent financial performance will be a critical enabler to deliver on our strategy.

PEOPLE
We value our people and the importance of culture. We are bold, passionate, fearless, and fun - a smarter, kinder, more innovative team.

ENVIRONMENT AND CLIMATE
We care about the environment and we are committed to taking action on climate change initiatives.

STAKEHOLDERS
We demonstrate and deliver our distinctive value proposition to all our stakeholders.

BUSINESS SUPPORT AND TECHNOLOGY
We have 'fit-for-purpose' systems, processes, and technologies, while fostering a culture of continuous improvement.

GROWTH
We deliver transformational growth through discovery, vertical integration and M&A.

The IGO Strategy

Strategically focused on metals critical to clean energy

GLOBALLY RELEVANT

Globally relevant supplier of metals that are critical to energy storage and renewable energy.

VERTICALLY INTEGRATED

Vertically integrated to produce battery grade chemicals and cathode precursors.

QUALITY PRODUCTS

Quality products desired by end users made safely, ethically, sustainably and reliably.

PROACTIVELY GREEN

Proactively green using renewables, energy storage and EV mining equipments to reduce carbon footprint.

Delivered by people who are bold, passionate, fearless and fun – a smarter, kinder, more innovative team.

Executive Leadership Team

PETER BRADFORD MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

BAppSc (Extractive Metallurgy), FAusIMM

Peter is accountable to the Board of Directors, for the day-to-day management of the Company.

Peter was appointed Managing Director & CEO of IGO in 2014. Peter is a metallurgist and has significant experience in senior leadership roles with exploration, project development and mining companies in Australia and internationally. Peter is President of the Association of Mining and Exploration Companies Inc (AMEC) and Chairman of the Curtin University Brighter Futures Scholarship Program.

KEITH ASHBY HEAD OF HSEQ & RISK

BSc (Botany)(Hons), MSc (Environmental Science), MAICD, RMIA, FAusIMM

Keith's role is accountable for strategic leadership and good governance of occupational health and safety, environment, land access, quality, internal audit and risk management within IGO.

Keith joined IGO in 2015 in the role of Sustainability Manager. Keith has 25 years' local and international experience in the resources industry and has held HSEC management positions within WMC Resources, BHP Billiton, Zinifex, Nyrstar and Newcrest. These included HSEC Manager, Group Environment Manager, Approvals Manager and Resettlement Manager.

KATE BARKER GENERAL COUNSEL

LLB, BA

Kate's role is to provide guidance to the Company on all legal matters. She provides legal oversight to assist with the Company's growth strategy, supports the Exploration and Operational teams, and is directly involved in the Company's key stakeholder relationships and negotiations.

Kate joined IGO in 2011 and was appointed General Counsel in 2017. Kate has 20 years' experience as a lawyer specialising in large scale resources litigation, corporate law and native title. In addition to her corporate work, Kate was legal member of WA's Mental Health Review Board for eight years and was previously the sitting lawyer on WA Health's Human Research Ethics Committee.

MATT DUSCI CHIEF OPERATING OFFICER

BAppSc (Geology) (Hons), MAIG

Matt's role is accountable for the day-to-day operational delivery and performance of the Company. This includes the Nova and Tropicana Operations, Exploration, Health and Safety, Technical Services, Technology and Innovation, and Information Technology.

Matt joined IGO in 2014 and was appointed Chief Operating Officer in early 2018, and prior to that was Chief Growth Officer. Matt has over 25 years' experience in all facets of the industry including exploration, resource development, technical studies, corporate development, public markets, operations, and executive leadership. Matt has previously held senior management positions within PMI Gold, Gold Fields and WMC Resources. Matt has extensive global experience, having worked in Australia, South America, Africa and Asia.

ANDREW EDDOWES
HEAD OF CORPORATE DEVELOPMENT

B.Sc (Earth Science) (Hons), MAusIMM, FGeolSoc

Andrew's role is accountable for the growth of the IGO portfolio through partnering, acquisition and divestment of advanced assets aligned with the Company strategy.

Andrew joined IGO in 2003 and has held a number of senior roles in Exploration, Investor Relations and New Business. In February 2018, Andrew was appointed Head of Corporate Development. Andrew is a geologist with over 20 years' experience in the exploration and mining industry. He has worked on major projects within Australia and internationally, with his experience extending from project generation to mine development in a variety of technical and corporate roles.

JOANNE McDONALD
COMPANY SECRETARY AND HEAD OF CORPORATE AFFAIRS

MSc (Corporate Governance), MSc (Professional Accounting), FGIA, GAICD

Joanne's role is to support the business of the Board as well as advising and implementing good governance practices across the organisation. Joanne also provides leadership and oversight of Corporate Affairs, which includes stakeholder engagement, communications, investor relations and the Company's Corporate Giving Program.

Joanne joined IGO in 2015 as Company Secretary and in July 2018 was also appointed Head of Corporate Affairs. Joanne has over 16 years' experience as a company secretarial professional working for listed companies in Australia and the UK. Prior to joining IGO, Joanne held positions with Paladin Energy Ltd, Summit Resources Ltd and Unilever plc. Joanne is currently a WA State Councillor for the Governance Institute of Australia.

SAM RETALLACK
HEAD OF PEOPLE & CULTURE

Dip (App Science, B. Health Science), CAHRI, GAICD

Sam's role is to provide leadership and oversight of all People and Culture activities, including diversity, equity and inclusion initiatives, learning and talent development and reinforcing the organisation's culture, purpose and values.

Sam joined IGO in 2013 as Human Resources Manager and was appointed Head of People & Culture in 2017. Sam has over 25 years' experience in senior management, human resources, consulting and operational roles working for a range of organisations. Prior to joining IGO, Sam led large workforce-based businesses within Aherns Department Stores and Ansett Airlines, before turning to roles in Human Resource management across the mining, finance, legal and biomedical sectors.

IAN SANDL
GENERAL MANAGER – EXPLORATION

BSc (Geology, Geophysics) (Hons)

Ian's role is to lead and develop a best-in-class exploration team, driving technical and operational excellence, and ensuring an enduring high-quality pipeline of projects to deliver material discoveries to IGO.

Ian joined IGO in 2017 as General Manager - Exploration. Ian has over 30 years' experience in mineral exploration and associated geoscience, including near-mine and greenfields exploration for a wide range of commodities. He has previously held senior management and technical positions within Teck Resources, BHP Minerals and Geo Discovery Group, and also has significant international experience having worked across Australia, Africa and Asia.

SCOTT STEINKRUG
CHIEF FINANCIAL OFFICER

F.C.A. B.Comm, BSc., GAICD

Scott's role includes responsibility for statutory financial compliance and reporting, taxation, treasury, budgeting and forecasting, sales and marketing, and Group procurement.

Scott joined IGO in 2011 as Chief Financial Officer. Scott is a Fellow of Chartered Accountants Australia and New Zealand having gained over 20 years' experience in the resources industry with Rio Tinto, Sons of Gwalia, Perilya and Consolidated Minerals. Positions held over this period include Chief Financial Officer, Manager - Treasury & Finance and Financial Controller.

Our People

AT A GLANCE

91%

↑ **1%** FY19

Employees said IGO has a work environment accepting of diverse backgrounds.

88%

↑ **2%** FY19

Employees said they are proud to work for IGO.

83%

Employees said IGO actively supports their learning and development, consistent with FY19.

89%

↑ **4%** FY19

Employees said they get a sense of accomplishment from their work.

At IGO, we believe that our organisational culture is an important reason why our employees choose to work for us and that building the strength of our culture, year-on-year, is vital to our success.

ENGAGED IN OUR CULTURE

We understand that employee engagement is key to our success and we know that it requires focus and commitment to build and maintain. Engaged employees go above and beyond, are optimistic and team oriented and show a passion for their and others learning and development. With that in mind, it is pleasing to observe our progress over time and our employees' year-on-year commitment to providing us with this feedback on how to improve.

In FY20, we conducted our fourth Company-wide annual Employee Engagement Survey with a response rate of 77% and a strong and stable overall engagement score of 69% (70% in FY19). Each year we use the results to conduct deeper investigations to understand specific feedback, then weave this into our culturing plans for the next year. This year some strong themes emerged to focus our efforts and programs of work for the coming year, including:

- Performance and relationship management
- Leadership and career development; and
- Leadership capability.

Enduringly, our people tell us that our culture is friendly, challenging, ambitious, supportive and busy and, this year, they have added happy and inclusive to that impressive list.

DEVELOPING OUR PEOPLE

Learning and Development Refreshed

While 83% of our people said that IGO actively supports their learning and development, consistent with FY19, our focus group work has highlighted that our people want even greater support in this area.

We care about the growth of our people and believe that all employees should enjoy the benefits that an individually focused development plan can offer to their professional effectiveness. Plans are tailored with programs for entry and early career people – such as scholarships, graduate programs and mentoring – designed to attract, support and develop talented individuals. Programs centred on deepening leadership expertise, empowerment, engagement and team performance become prominent in plans for our established career people. Details on several of these programs are provided in our 2020 Sustainability Report.

Our upgraded Learning Management System will allow us to better plan and manage job-specific and career development training opportunities, technical skill development, feedback and collaboration opportunities and will form the basis for our enhanced leadership development programs in FY21.

Systems Support

High performing organisations have effective systems to enhance employees ability to do their jobs well.

In March 2020, we began implementing a new, whole of business Human Resource Information System (HRIS) – taking the bold step to introduce concurrent modules to support core HR functions including employee master data, learning and succession planning, performance and goal management, payroll, time and attendance, remuneration management and data analytics. The implementation of this new system will provide the foundation for improvements in our employee experience and enable a range of initiatives throughout the organisation through enhanced data management and analytics.

MORE THAN JUST DIVERSITY

In a competitive talent market, our focus on building an inclusive culture is critical to IGO's ability to retain our talented people. By valuing diversity and supporting inclusion, we know that we will see many benefits, including higher employee engagement and happier people, improved performance, greater innovation and improved employee wellbeing.

Improving gender diversity and Aboriginal employment has been the focus of the IGO leadership team for many years. Whilst it is acknowledged that true diversity goes much further than this, at a basic level the IGO approach has been to improve gender balance as a natural starting point on a journey to drive more widespread change.

Our Annual Engagement Survey indicated that our workforce is highly aligned to this view with 91% of respondents agreeing that our workplace is accepting of diverse backgrounds and thinking.

Gender Balance

IGO continues to maintain a gender balance that is better than many mining industry employers, however achieving a more gender balanced workforce in a year of significant challenge has been a collaborative effort. In FY20 the key highlights included:

- Appointment of an additional female Non-executive Director
- The award of 11% of internal promotions to female candidates
- Achievement of an improved gender diversity of FY20 vacation students (61% female in FY20, up from 20% in FY19)
- Strong support for our Paid Parental Leave program with the majority of participants (83%) being male; and
- Broadening our flexible work arrangements.

Our Gender Equality Report for FY20, lodged with the Workplace Gender Equality Agency, can be found on our website and comments on the report are welcomed by emailing igofurther@igo.com.au.

FEMALE REPRESENTATION	
FY19	**FY20**
Board	
14%	29%
Senior Executive roles	
33%	33%
All management and professional roles	
25%	25%
Total workforce	
25%	24%

CASE STUDY: EMPLOYEE DEVELOPMENT

Callum first joined IGO in 2011 as a Graduate Mine Geologist at the Jaguar site and within 12 months was offered a permanent role as a Mine Geologist. Callum then transitioned into the role of Production Geologist at our Long Operation, a role he held for over three years.

After his initial time with the Company, Callum decided it was time to see more of the world and went travelling for 14 months.

Upon his return to Australia, Callum's enhanced skills of communication, adaptability, planning, budgeting and an appreciation for diversity were ready to be put to good use professionally. Callum found he could not refuse when asked to rejoin IGO in 2016 at our then new Nova site, in the role of Mine Geologist.

Since then, Callum has worked at both our Nova Operation and our Corporate office where he has applied his skills and experience and been able to capitalise on continued development opportunities. This experience has paved the way for Callum to be promoted to his current role as Senior Mine Geologist whilst also working towards completing an MBA.

If Callum wasn't busy enough, he is also expecting his first child with wife Emma who will welcome their baby into the world in early 2021 and plans on utilising IGO's paid parental leave.

For Callum, job satisfaction comes from being able to experience different facets of the business, including the ability to work across different sites, participate in strategic projects and work closely with experts in the field. These experiences have made a big difference to Callum's job satisfaction and is one of the reasons he returned to IGO.

IGO is proud to have been able to support Callum in his career development over the last nine years and now personally as he soon enters the new and exciting world of parenthood.

Callum Laming, Senior Mine Geologist

Aboriginal Employment

In FY20, we continued our programs to support the employment of Aboriginal people across the business. Key highlights include:

- Maintaining Aboriginal employment at approximately 3% of direct employees
- Development and engagement of leaders to better support Aboriginal employees in the workplace
- Continued support for our Ngadju cultural competency workshops; and
- Continued support for Ngadju apprenticeships in partnership with Barminco, one of whom was named 2019 WA Apprentice of the Year.

In FY21, IGO will implement additional measures to improve inclusion through our culturing programs, KPIs and learning and development. While we understand that our people believe inclusion is already a feature of our IGO culture, we believe that this increased focus will be key to improving diversity across the business over time.

WELLNESS AND WELLBEING

While FY20 was a challenging year for health and wellbeing, we maintained our holistic approach, aiming to address the needs of our unique workforce by tailoring programs and events to address individual and team needs. In FY20, IGO continued health initiatives begun in FY19 with our annual Health and Wellbeing calendar including skin checks, health screens, volunteering programs and mental health awareness. New for FY20 was the inclusion of a "Psych on Site" psychology service and the commencement of our IGO Mental Health Guidelines at Nova.

With the arrival of COVID-19, our challenge was to continue the important work of supporting our employees physical and mental wellbeing in an immediately online world. We were able to quickly convert most programs (education webinars, mental health initiatives, exercise classes and ergonomic assessments) to an online health platform, supplied to us by our partners WFR and is called 'Working from Home, Working Alone'. This program provided support to our people and their direct family members to stay motivated and remain active and healthy whilst in isolation.

Key to our COVID-19 response was the Mental Health Support Survey we conducted to assess the fast-changing circumstances and allowing us to action the issues and concerns surrounding the impact of COVID-19 on our people and their families. One such action was the introduction of a temporary COVID-19 leave category. This leave provided our people with an additional 20 days personal leave, should they require it, to care for themselves or their family through the pandemic without loss of earnings.

EMPOWERMENT THROUGH OWNERSHIP

At IGO, we believe that we can Be Better Together. Harnessing the talent and energy that are within our people is one of our competitive advantages and we know that only engaged and empowered employees will do this.

In collaboration with our culturing programs aimed at improving empowerment, satisfaction and ownership, at IGO we believe that employee share ownership has made a difference to the connection that our employees have to our business and our strategic objectives, and their part in achieving our future. In FY20, key achievements included:

- 100% of eligible employees accepted their $1,000 grant under the Employee Share Ownership Award with the program now an important part of the IGO employee value proposition for current and prospective employees
- 54% of employees have elected to participate in our Salary Sacrifice Share Plan to purchase IGO shares and receive the 1 for 1 share benefit (up to $5,000) – an increase of 7.4% of employees in FY19; and
- 69% of employees believe that if IGO does well, they will appropriately share in its financial success, an improvement of 8% on FY19.

COVID-19

The COVID-19 global pandemic, has profoundly impacted the lives of people around the world. At IGO, the health and safety of our people, their families, and the communities in which we operate is our highest priority. In response to the pandemic, we implemented a range of measures to safeguard our people, protect our ability to operate and to minimise the spread of COVID-19 within the communities closest to our operations.

Our response to the crisis was swift and effective, and we are proud that the broader mining industry also demonstrated a high degree of care for its people and an ability to act quickly to ensure people's safety. The mining industry has played an important role in providing economic stability for Australia during this crisis and we feel privileged to be able to continue our important work.

Safeguarding the Welfare of our People

In response to the pandemic, IGO implemented a number of measures and put in place several programs and policies to help our people through this disruptive and uncertain period. These included:

- Encouraging remote working wherever possible
- Site travel restrictions and pre-flight health screenings
- Temporary changes to operational rosters to minimise crew changes and interactions
- Enabling physical distancing on site through additional charter flights and bus transport, meeting structures and changes to some services/processes at the accommodation village
- Establishing on-site quarantine and testing capacity
- Increasing staffing levels for key roles
- Specific mental health support through expanded employee assistance programs and new 'Working from Home, Working Alone' resources
- COVID-19 Health Hotline and Information Hub
- A COVID-19 leave category offering an additional 20 days personal leave to people directly impacted by COVID-19; and
- Increased levels of communication between leaders and their teams to assist in team morale and engagement with the business.

The COVID-19 pandemic is expected to continue for some time, and IGO remains alert to the risks to our people, operations and our communities. The measures we have implemented are continuously reviewed and, if necessary, updated in response to the changing risk profile, as well as government directives and guidelines.

To date, our response to the pandemic has been successful, and this is a credit to all at IGO.

Our Safety

AT A GLANCE

EMPLOYEE SAFETY

FY20 was a poor year for IGO in respect of safety outcomes. It is with sadness we note the death of one of our contractors' employees at our Nova Operation.

INCREASED TRIFR

16.9 TRIFR IGO's Total Reportable Injury Frequency Rate, significantly up from 9.6 in FY19.

MANAGING RISK

Continued to be a key focus for the Company in FY20.

IGO has a culture of care and, as a result we strive to provide a safe place of work, a safe system of work and demonstrated safety behaviours.

RESULTS

It is with sadness we note the death of one of our contractors' employees at our Nova Operation in September 2019. We offer our condolences to this person's family, friends and colleagues. As the accident is still subject to review by the Western Australian Department of Mines, Industry Regulation and Safety, and may be subject to legal proceedings in the future, IGO is unable to provide insight into the circumstances of the accident. Notwithstanding this, this tragedy has served to redouble our resolve to improve the safety of our workplaces, the efficacy of our systems of work, and our efforts to support a culture focused on the safety and wellbeing of our people.

Beyond this tragedy, our people, a term we use in reference to both IGO employees and contractors, also suffered a total of 27 reportable workplace injuries. This is the worst result we have had in many years. Clearly this outcome is unacceptable. In FY20, IGO experienced 26 serious and high potential incidents in comparison to 14 recorded for FY19. Although each of these events resulted in no injury or only a minor injury, the potential outcomes are recognised and changes have been made to our business processes so as to minimise our people's exposure to the hazards involved.

REVIEW OF OUR SYSTEMS AND CULTURE

In response to these outcomes, IGO is in the process of completing a range of improvement activities.

As a central element of our safety system we investigate incidents and then look for patterns or trends in the accumulated data. In FY20, we completed a review of both the incident report data and that associated with the four preceding years. This work was completed by an independent third party, Fusable. Whilst the work provided many useful insights, it did not identify any significant common causal factors.

In FY20, we again completed our Engagement Survey of our workforce to gauge sentiment on, among other issues, the management of safety and our safety culture. The results revealed that most of our people continue to feel supported by their supervisors and management and are empowered to take responsibility for their own safety and that of their workmates. Notwithstanding this positive feedback, we are mindful of the limitations of self-assessment. During the year we also engaged an independent safety expert, Churchill Consulting, to complete a review of our safety culture and systems. This process, which involved interviewing more than 10% of our workforce, revealed both strengths and weaknesses in our approach. It was noted that our people:

- Believe care is a real IGO value
- Have a high level of trust in each other and management
- Are motivated to 'get the job done'
- Are receptive to feedback and actively pursue business improvement; and
- Have a strong incident and hazard reporting culture.

However, it was also noted that IGO needs renewed focus on:

- The visibility of our leaders 'on the job'
- Long-term safety risk reduction and process safety
- The management of critical risks and their controls
- Consistent organisational discipline regarding adherence to safety procedures; and
- The direct mentoring and on-the-job coaching of our people in good safety practice.

DELIVERY ON THE FY20 SAFETY IMPROVEMENT PLAN

IGO's safety improvement planning is overseen by a Safety Steering Committee comprised of representatives of IGO's Executive Leadership Team, our operations' General Managers, and our senior safety professionals. The Committee is responsible for the development and execution of the corporate-wide safety improvement plan and providing oversight of execution of the operational safety improvement plan. This structure is intended to bring focus to shaping IGO's safety culture, improving the physical safety of our workplaces, and improving our systems of work.

In response to both the incidents and the outcomes of the reviews described above, our FY20 Safety Improvement Plan drove the following activities:

- Field Engagement – coaching our people on the job (see Case Study – Engaging Our People)
- Design Reviews – reviewing hazards inherent to the design of key elements of the plant at Nova in respect of both operability and maintainability
- Risk Management – improving our focus of the management of 'critical controls' – the systems or activities used to manage the most significant workplace hazards
- Documented Safety Systems – providing greater clarity about the performance levels expected
- Training and Competence – ensuring that our people know what is required of them
- Assurance – checking to make sure that everything is working, and we are doing what we said we would do
- Safety Support – ensuring our safety professionals are focused on where they add most value; and
- Incident Investigations – doing more to learn from when things go wrong.

These activities will be continued into FY21.

IGO'S DESIRED SAFETY CULTURE

The most significant determinant of safety outcomes is workplace culture. At IGO we proactively act to create a workplace culture that is characterised by the following attributes:

- We care for each other's safety and wellbeing
- We act on the knowledge that the design of workplaces and work is central to safety outcomes
- We believe that our manager or supervisor is concerned about our safety and wellbeing
- We each understand our personal responsibility for the management of workplace hazards, the effectiveness of our systems of work, and how our behaviours shape workplace culture; and
- We each have the courage to speak up or intervene in unsafe situations or if someone is at risk.

CASE STUDY: ENGAGING OUR PEOPLE

IGO deliberately seeks to shape our organisation's culture. We recognise that culture trumps strategy and business process in determining performance outcomes. This is most pertinent for safety outcomes. IGO has refocused our safety effort on establishing a discrete set of behaviours and processes intended to define 'what good looks like'. In particular, we want our people to engage each other 'in the field' in conversation about how safety can be improved and where necessary, intervene if some aspect of a job looks unsafe. This is a skill needed by both supervisors, managers, and front-line employees alike. Experience has demonstrated that this skill is best developed by means of on-the-job coaching.

In FY20, IGO initiated a coaching program at our Nova Operation. The first step was to engage expert coaches to mentor a group of our supervisors. Having satisfied ourselves that these individuals have truly learnt the required skills, they in turn become our internal coaches. We call this process Field Engagement. The success or otherwise of this type of process is determined by the quality of the conversations; not just in terms of the technical insight but perhaps more importantly, the sincerity of those involved in the engagement. We already have a culture of care. We want this to translate to action.

To date, we are pleased with the initial results, however it takes time to realise the benefits of culture shaping efforts. This program will be rolled out throughout the Company.

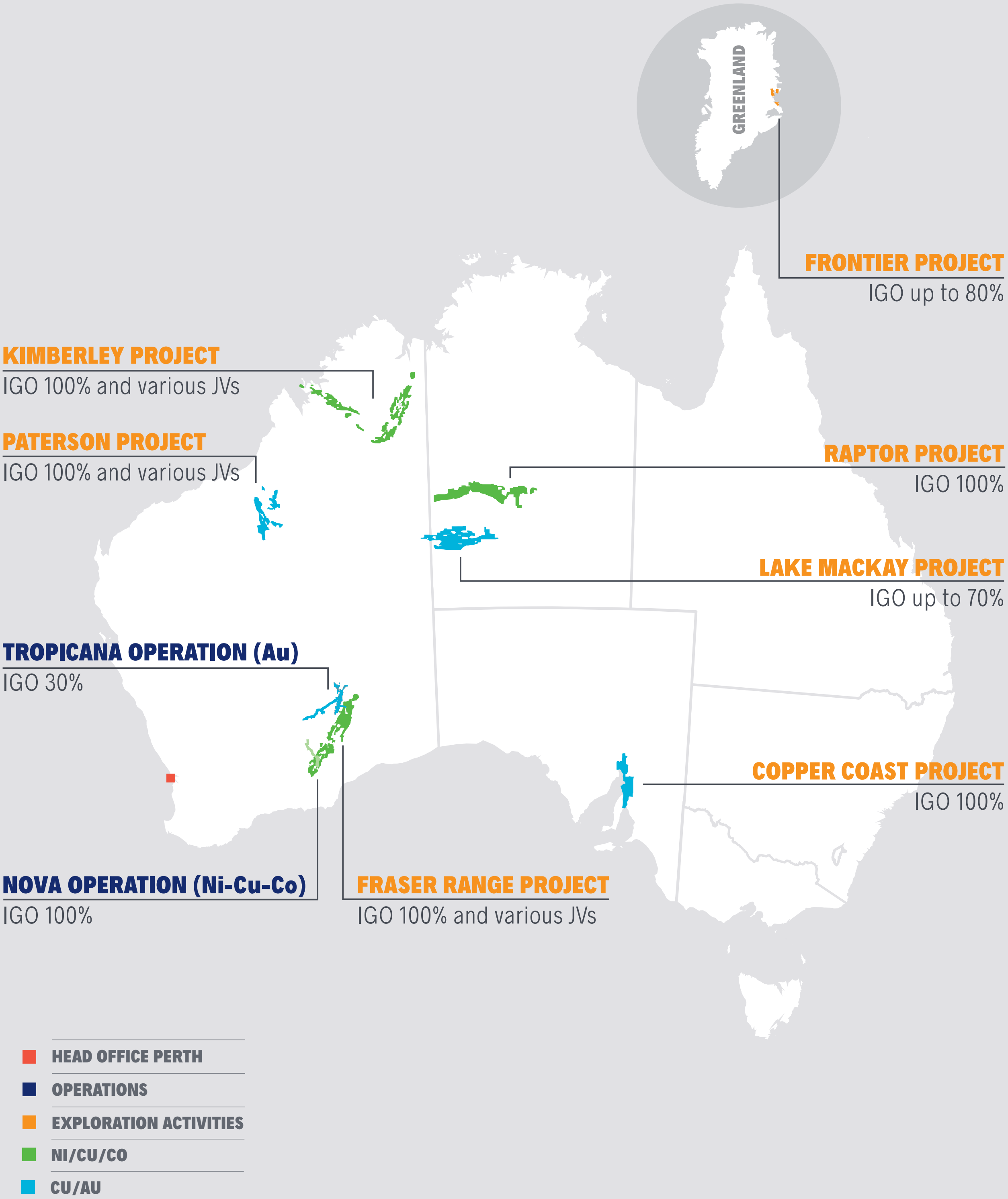
For further information on IGO's safety performance and safety programs, please refer to the 2020 Sustainability Report which will be released in September 2020 and can be found in the Sustainability section of IGO's website at https://www.igo.com.au/site/investor-center/sustainability-reports2.

ERT training at Nova.

Operational Scorecard & Outlook

MINING OPERATION	UNITS	FY20 GUIDANCE RANGE	FY20 ACTUAL	FY21 GUIDANCE RANGE
NOVA (IGO 100%)				
Nickel in concentrate	t	27,000 to 30,000	30,436	27,000 to 29,000
Copper in concentrate	t	11,000 to 12,500	13,772	11,000 to 12,500
Cobalt in concentrate	t	850 to 950	1,142	850 to 950
Cash cost (payable)	$/lb Ni	2.00 to 2.50	2.41	2.40 to 2.80
Sustaining & improvement capex	$M	24 to 26	6.9	18 to 20
Development capex	$M	6 to 8	6.3	2 to 4
TROPICANA (IGO 30%)				
Gold produced (100% basis)	oz	450,000 to 500,000	463,118	380,000 to 430,000
Gold sold (IGO's 30% share)	oz	135,000 to 150,000	141,169	114,000 to 129,000
Cash cost	$/oz Au	700 to 780	806	1,040 to 1,120
All-in Sustaining Costs	$/oz Au	1,090 to 1,210	1,171	1,730 to 1,860
Sustaining & improvement capex (30%)	$M	13 to 15	9.1	11 to 16
Capitalised waste stripping (30%)	$M	42 to 47	37.8	65 to 70
Underground capex (30%)	$M	26 to 29	23.5	10 to 14
EXPLORATION EXPENDITURE				
Total Exploration Expenditure	$M	63 to 68	64.8	65

Key Operations & Projects



Nova Operation

NICKEL-COPPER-COBALT
IGO 100%

AT A GLANCE

Location
140km by road, east northeast of Norseman, Western Australia.

Product
Nickel (Ni), Copper (Cu), Cobalt (Co), produced as a concentrate.

Mining
Underground mining utilising our primary contractor, Barminco.

Processing method
Owner-operated processing operation, using conventional crushing, grinding, flotation and filtration.

Sales/Offtake
All of nickel concentrate product is sold in equal volumes to BHP Billiton Nickel West Pty Ltd and Trafigura Pte. Ltd (previous to 31 December 2019 sold to Glencore Australia). 100% of copper concentrate is contracted to Trafigura Pte.Ltd.

FY20 Production
30,436t Ni, 13,772t Cu, 1,142t Co

FY20 Payable Cash Costs
A$2.41/lb Ni

Resources[1]
234,000t Ni, 94,000t Cu, 8,000t Co

Reserves[1]
177,000t Ni, 74,000t Cu, 6,000t Co

Estimated Mine Life
6 years

Growth Potential
Discovery of new magmatic nickel deposits within IGO's extensive tenement positions in the Fraser Range. Processing of Nova's nickel concentrate into a nickel sulphate product for the energy storage market.

1 See Resources and Reserves section on pages 28 to 30 of this report.

The Ngadju are the Traditional Owners and custodians of this area and their native title was recognised by the Federal Court on 21 November 2014.

Nova is located in the Great Western Woodland, approximately 140km by road east northeast of Norseman in Western Australia.

The Nova deposit was discovered in July 2012, with development of the current operation commencing in January 2015. Following a successful construction and commissioning phase, the operation commenced commercial production in July 2017, and reached its nameplate production rate in the December 2017 quarter.

FY20 PRODUCTION

Nova's strong track record of operational performance continued in FY20 with nickel, copper and cobalt production exceeding the top end of our guidance range. Outperformance was primarily driven by higher than forecast milled grades, and improved copper recoveries over the year.

MINING

An updated Annual Mineral Resource and Ore Reserve Statement was published in January 2020, demonstrating substantially all ore reserves are in the Proved Ore Reserve category. IGO's early investment in life of mine grade control drilling has enabled enhanced mine planning and forecasting for the remaining mine life.

Mine development is also substantially complete, enabling a high degree of flexibility in the stoping sequence, which assisted in the strong performance in FY20. The jumbo team was reduced to a single crew as mine development became part of the production cycle.

Mined grades during FY20 were higher than reserve grade due to the prioritisation of mining of high-grade stopes.

PROCESSING

Processing operations at Nova performed exceptionally well during FY20, with total ore milled in line with the plant's 1.5Mtpa nameplate capacity. Strong improvements were achieved for copper recoveries, which increased from 85.6% to 87.7% over the year. A program of work is ongoing to transfer learnings from this achievement to improving nickel recoveries over the course of FY21.

OPERATIONAL EXCELLENCE

At IGO, we continue to seek ways in which we can improve productivity and reduce costs while maintaining a safe and sustainable operation. Our pursuit of operational excellence involves a particular focus on leveraging technology and innovation, which we call Smart Solutions.

During FY20, we continued to assess and implement a range of Smart Solutions at Nova including:

- Remote bogging from surface, which improves equipment utilisation rates and keeps operators out of harm's way
- Remote firing from surface via our optic fibre network
- Advanced data capture, processing and analytics to enable real-time decisions at mine-control to improves efficiencies; and
- Real time tracking of personnel underground.

IGO also undertook a study focused on electrification of the mining fleet which has the potential to significantly reduce carbon emissions, improve working conditions underground, and lower operating and maintenance costs. This is an exciting area, and IGO will continue to assess this emerging technology for application at both Nova and any mine development we undertake in the future.

SUSTAINABILITY

As part of our strategy to be Proactively Green, IGO has continued to seek ways in which to minimise our impact on the environment.

During FY20, our partner Zenith Energy completed and successfully commissioned the 5.5MW solar farm, which has been fully integrated with the existing diesel power station at Nova. This hybrid system has exceeded performance targets for power output and energy efficiency and has delivered over 10% of Nova's total power requirements since commissioning. This has resulted in significant savings of diesel usage, as well as reducing Nova's carbon emissions by 7.3% for just the half year.

NEAR-MINE EXPLORATION

IGO has an enduring commitment to organic growth through exploration and discovery. During FY20, a significant proportion of our overall exploration budget was allocated to near-mine exploration at Nova.

Our activity during FY20 was highly drill intensive, as we tested a large number of targets identified through geophysical and geochemical programs in previous years. Over 23 targets were drilled, with multiple holes intersecting mafic-ultramafic intrusions – the rock types which are associated with the Nova orebody. These intrusions contained disseminated magmatic iron-nickel-copper sulphides, which is encouraging.

In FY21, we will continue to focus our skills and resources on drilling in close proximity to Nova – where successful discovery promises to deliver further value to shareholders.

Leveraging the latest exploration technology, our focus will be on diamond and aircore drilling to test the best geophysical, geochemical and geological targets we have identified in past programs. We will also continue to generate new targets through our low and high temperature SQUID electromagnetic surveys, technology which is at the forefront of deep sensing geophysical methods.

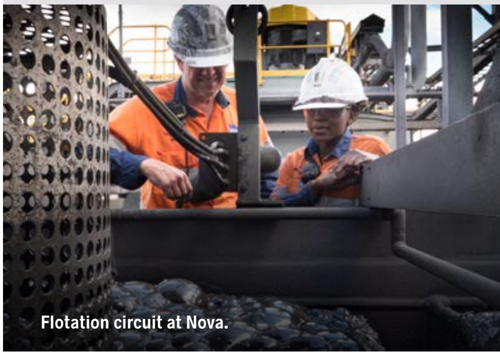
CASE STUDY:
COPPER AND NICKEL RECOVERY IMPROVEMENTS AT NOVA

As part of our ongoing pursuit for operational excellence and process improvement, the metallurgy team at Nova undertook a series of projects during FY20 designed to improve both nickel and copper recoveries.

The first focus was achieving process stability, as identifying problems and measuring improvements is difficult for an unstable process. Changes in operation of the grinding circuit have resulted in more stable throughput rates, flotation feed density and product particle size distribution. Once this stability was achieved, targets and control strategies were employed to ensure flotation feed conditions were optimum for maximising copper and nickel recovery. Improvements in flotation stability were also achieved through progressive changes to the StarCS® advanced control software employed at Nova.

Control philosophies for each flotation stage were then revised to target improved recovery. Examples include control of pH levels in the copper circuit, splitting control of flotation banks to independently target recovery and product specification, use of combined air and level control, and reductions in mass pull to cleaning banks resulting in more efficient cleaning.

These changes have resulted in an improvement in the average copper recovery from 85.6% to 87.7% across the year, and significantly better control over nickel impurities in the copper concentrate. Following this success, and using the valuable knowledge gained, attention has now turned to improvements in the nickel circuit. While there is further work to complete in FY21, the team have achieved stable periods of 90% nickel recoveries – a very promising sign.



Flotation circuit at Nova.

Tropicana Operation

GOLD
IGO 30%
(ANGLOGOLD ASHANTI 70% AND OPERATOR)

AT A GLANCE

Location
330km northeast of Kalgoorlie, Western Australia

Product
Gold (Au)

Mining
Open pit mining utilising Macmahon as primary contractor, from four contiguous open pits, Tropicana, Boston Shaker, Havana and Havana South.

The Boston Shaker Underground Mine is expected to produce first gold during the September 2020 quarter.

Processing
Conventional crushing, grinding and CIL (carbon-in-leach) recovery.

Sales
Gold dore is delivered to Perth Mint. Golds sales are via forward sales contracts with IGO's banking partners and spot price sales to the Perth Mint.

FY20 Production
463,118oz (100% basis)
141,169oz (IGO 30% share)

FY20 Cash Costs and All-in Sustaining Costs
A$806/oz
A$1,171/oz

Resources[1]
7.02Moz Au (100%)

Reserves[1]
3.03Moz Au (100%)

Estimated Mine Life
Approximately 7 years at current throughput rates based on reserves.

Growth Potential
Production from the Boston Shaker Underground Mine will improve the production profile and extend mine life. Resource extensions below the Tropicana, Havana and Havana South open pits provide the potential for additional future underground operations.

1 See Resources and Reserves section on pages 28 to 30 of this report.

The Tropicana Operation is located on the western edge of the Great Victoria Desert, with the Wongatha and Spinifex people recognised as the Traditional Owners and custodians. Tropicana is operated as a Joint Venture between IGO with 30% ownership and AngloGold Ashanti Australia (AGAA), who are the operators and holders of the remaining 70%.

IGO first identified and secured the Tropicana tenements in 2001 and, following the formation of the Joint Venture with AGAA, the Tropicana discovery was made in 2005. Additional discoveries were made at Havana in 2006 and Boston Shaker in 2010, which was the catalyst for the completion of a Bankable Feasibility Study and development approval in 2010. Mining commenced in 2012 and first gold was produced in September 2013.

Since then, over three million ounces have been mined via open pit from the Tropicana Operation. In the September 2020 quarter, gold production will commence from the first underground development beneath the Boston Shaker open pit.

FY20 PRODUCTION

Gold production for FY20 was 463,118oz Au (100% basis), in line with guidance, with IGO's share of gold sold (30% basis) being 141,169oz Au.

Tropicana has demonstrated consistent performance since production began in 2013, with a track record of high margin production, ongoing value optimisation, and outstanding safety.

MINING

During FY20, a total of 10.6Mt of ore and 81.7Mt of waste material was mined at Tropicana from a combination of the Boston Shaker, Tropicana, Havana and Havana South open pits. Pit cut-backs at Havana and Boston Shaker were progressed during the year, as was development of the Boston Shaker Underground Mine.

PROCESSING

The Tropicana processing plant milled a total of 8.7Mt of ore during FY20, at an average grade of 1.84g/t Au. This higher throughput rate, as compared to FY19, was implemented to offset lower head grade milled during the year as the operation transitions from open pit to underground.

Average gold recoveries for the year were 90.1%, an improvement on the FY19 result of 89.4%.

BOSTON SHAKER UNDERGROUND MINE

Development of the Boston Shaker Underground Mine commenced in May 2019 following the successful completion of a Feasibility Study.

During FY20, development has progressed on time and on budget, with strong collaboration with the lead underground mining contractor, Macmahon Holdings. Commissioning commenced in late FY20, with commercial production remaining on track to commence during the September 2020 quarter.

Mining from the Boston Shaker Underground Mine is targeted at approximately 1.1Mtpa at an estimated grade of 3.5g/t Au, delivering circa 100,000 ounces of gold per annum over a current mine life of seven years. This underground material will displace lower grade open pit material resulting in an improved production profile and extend the overall mine life at Tropicana.

With the underground now readying for commercial production levels, the Joint Venture partners have commenced studies into the viability of additional underground mines at Tropicana, beneath the current Tropicana, Havana and Havana South pits.

TROPICANA EXPLORATION

The Tropicana mine sits on a broader 2,600km^2 tenement package which remains relatively underexplored. During FY20, the Joint Venture partners significantly increased the focus on unlocking regional brownfields discovery through various deep diamond and RC drill programs.

Brownfields drilling activity was mainly focused on resource definition at the existing Havana open pit. This drilling returned strong results which has derisked the resource and will allow the Joint Venture partners to progress toward a decision to develop an underground mine at Havana.

Regional exploration programs were also successful, with encouraging results from targets including Voodoo Child, New Zebra, Springbok and Paradise, which will be followed up in FY21.

Looking ahead, the Joint Venture partners intend to continue focusing on greenfield and brownfields discovery, with a total $9M budget (100% basis) for FY21.

CASE STUDY: TROPICANA ACHIEVES THREE MILLION OUNCE MILESTONE

Tropicana Joint Venture partners AGAA and IGO celebrated a major milestone during March 2020, with the mine pouring its three millionth ounce of gold.

First gold from Tropicana was produced in September 2013 and since then, IGO and AGAA have worked together to optimise productivity, reduce costs and importantly, keep people safe.

The three million ounce production milestone is an outstanding achievement given construction of Tropicana was approved in 2010 on the basis of an initial 3.3 million ounce ore reserve and 5.01 million ounce mineral resource. At 31 December 2019, Tropicana gold reserves were 3.03 million ounces, while resources were 7.02 million ounces.

While a planned celebration to mark the three million ounce milestone had to be cancelled due to COVID-19, AGAA's Senior Vice President, Mike Erickson, commented that the milestone was testament to the quality of the mine, the management and people.

“When you consider the mine was originally based on a reserve of 3.3Moz and still has 3.03Moz ahead of it, as well as underground production starting in the second half of 2020, Tropicana really has been a tremendous success,” he said.

IGO's Managing Director and CEO, Peter Bradford, added “Tropicana is an outstanding asset which continues to deliver high margin gold production and strong cash flows to IGO. With the Boston Shaker Underground Mine set to produce first gold in the September quarter of 2020, and further opportunities for growth ahead, the future at Tropicana is bright.”

Gold pour at Tropicana Gold Mine.

Regional Exploration & Development

EXPLORATION PROJECTS & FY20 ACTIVITY

Fraser Range Ni, Cu, Co IGO 100% and various JVs	Targeting magmatic nickel-copper-cobalt deposits within the Albany Fraser Orogen. Activities included: • Extensive drilling of targets • Ongoing regional RC/AC drilling • Continuation of geophysics program.
Lake Mackay Cu, Au, Ni, Co IGO up to 70%	Targeting base metals deposits in an unexplored mineral province. Activities included: • RC drilling of prospects • Regional geochemical soil sampling • Bench scale leach testwork of cobalt-nickel samples collected from Grimlock.
Kimberley Ni, Cu, Co IGO 100% and various JVs	Belt-scale project targeting magmatic nickel-copper-cobalt sulphide deposits along the Halls Creek and Wunaamin-Miliwundi Ranges. Activities included: • Airborne magnetic and radiometric surveys • Engagement with Traditional Owners.
Raptor Ni, Cu, Co IGO 100%	Belt-scale project targeting nickel-copper-cobalt sulphide deposits along the Willowra Gravity Ridge in the Northern Territory. Activities included: • Aeromagnetic and radiometric surveys.
Paterson Cu, Co, Au IGO 100% and various JVs	Newly consolidated, belt-scale project targeting Tier-1 copper-cobalt and copper-gold deposits in a highly prolific mineral province. Activities included: • A large-scale magnetotelluric survey • Geochemical analysis of surface soil samples.
Copper Coast Cu IGO 100%	Targeting sediment-hosted copper mineralisation on the Stuart Shelf. Activities included: • A regional ground gravity survey • A regional magnetotelluric line • Planning for future geophysics and stratigraphic drilling programs.
Frontier Cu IGO up to 80%	Joint Venture targeting sediment-hosted copper deposits in geological setting analogous to the Central African Copper belt. Activities included: • The first field season during which geological mapping and geochemical sampling provided data for drill target definition.
De Beers Database	Continued unlocking of unique sample database for new project generation.

ENDURING STRATEGY TO UNLOCK ORGANIC GROWTH

Exploration to discover the mines of the future is a core part of IGO's growth strategy and a key area of competence for the business.

IGO has an enduring commitment to exploration and has built a best-in-class team of experts to unlock value from our extensive green and brownfields exploration portfolio. Our primary focus is on the discovery of nickel, copper and cobalt, commodities which are aligned to our clean energy metals strategy.

During FY20, we made great progress toward unlocking discovery on belt-scale ground positions at our Fraser Range, Kimberley and newly consolidated Paterson Projects in Western Australia, Lake Mackay and Raptor Projects in the Northern Territory, as well as the Copper Coast Project in South Australia and Frontier Project in Greenland.

Our team had a busy and successful year, however severe weather over the summer months, including bushfires and heavy rain, delayed the commencement of some of our work programs. Later in the year, government-imposed travel restrictions in response to the COVID-19 pandemic further limited our teams' access to some of our project areas. While these circumstances impacted our planned activity, care for our people and the broader community is IGO's absolute priority and we are proud of the way our team adjusted their work plans and continued their part in delivering growth opportunities for IGO.

In FY21, our focus remains unchanged. Our commitment to exploration and discovery continues, with a high level of drilling activity planned to test targets at the Fraser Range Project, extensive field work to be undertaken at the newly expanded Paterson Project, and various other work programs across the portfolio that are considered high potential to unlock value in the near term.

FRASER RANGE

IGO maintains a strong conviction that the Fraser Range has the potential to host multiple Nova-style nickel-copper-cobalt ore bodies, with the area also highly prospective for volcanogenic massive copper-zinc sulphides and gold mineralisation. Our exploration team is focused on discovering deposits similar to IGO's 100%-owned Nova Operation that can either feed into the existing Nova Operation or become a standalone mine. Secondary targets include volcanogenic massive sulphide (VMS) copper-zinc-gold mineralisation and lode style gold mineralisation, which have been identified at various locations along the belt.

During FY20, IGO progressed its systematic exploration activity over the Fraser Range Project while also continuing to consolidate our land holding in this highly prospective belt. The Fraser Range Project is IGO's highest ranked exploration project and as at 30 June 2020 spans some 11,960 km^2 of tenure. IGO either holds tenements 100% outright or is in joint ventures with numerous parties whereby it has earned between 65% and 90% interest.

The FY20 program of work was highly drilling intensive as we began testing numerous targets generated by geochemical and geophysical work programs from previous years. In total, more than 55 prospective target areas were tested with some 200,000m of diamond and aircore drilling - representing the busiest year for our teams to date. This has been an outstanding achievement given the significant changes required in response to the COVID-19 pandemic, which allowed us to continue to work on the Fraser Range while ensuring our team's safety.

This intensive drilling program yielded excellent results, with drilling identifying multiple mineralised mafic-ultramafic intrusions in and around Nova. These are the host rocks in which the Nova Bollinger orebody was discovered.

Highlights at the Fraser Range Project included:

- The Chimera target, located 10km from the Nova Operation, is an exciting new nickel-copper sulphide target that was initially identified in 2019 using aircore drilling. Follow-up infill aircore drilling in 2020 has returned highly anomalous geochemical results including; 15m @ 0.43% Ni and 0.17% Cu from 42m, 26m @ 0.15% Ni and 0.11% Cu from 46m, and 23m @ 0.33% Ni and 0.07% Cu from 38m [1]
- The Ecliptic target is located approximately 500m south of the Silver Knight nickel-copper deposit controlled by the Creasy Group. Diamond and RC drilling has intersected highly

Exploration Geologist, Fionnlagh Hunter interpreting hyperspectral data from a Nova Drill Hole

CASE STUDY:
USING HYPERSPECTRAL IMAGING TO MAKE EXPLORATION DECISIONS

Diamond drilling is one of the most advanced and expensive stages of exploration target testing. Therefore, it is crucial to extract as much information out of the drill core as possible, so better informed decisions can be made earlier on, and in a more cost-effective manner.

Traditional techniques in extracting this information involves visual logging, measuring the orientation of geological structures, and the collection of routine petrophysical (magnetic susceptibility, electric conductivity, and specific gravity) and chemical (assay) data.

In December 2019, IGO began a trial with the hyperspectral core scanning provider, Terracore, to scan drill core from the Nova-Bollinger deposit and several prospects on the mining lease in both Short Wave Infrared and Long Wave Infrared. Hyperspectral logging is new to the nickel exploration space and uses infrared radiation to identify and map mineral variations in drill core, at a scale and precision not even the best nickel geologist in the world can achieve. Combined with traditional techniques, hyperspectral logging has allowed IGO geologists to map out critical processes that led to the formation of the Nova-Bollinger Ni-Cu-Co sulphide deposit in an objective manner. This ability to image critical processes in forming Ni-Cu ore deposits is being applied to other IGO prospects, so that informed decisions can be made about exploration targets at an earlier stage, resulting in fewer drill holes needed to test targets.

Ben Cave, IGO Technical Project Geologist highlights, "Being a first-mover in using the Terracore system for exploring for Ni-Cu systems demonstrates IGO's commitment to adopting new innovative technologies. Results have shown this technology could be transformational to exploring for these (and other) systems, and places IGO in an excellent position as this technology advances."

1 ASX Release - June 2020 Quarterly Report, dated 29 July 2020

encouraging mafic and ultramafic rocks, with blebby, stringer and minor net-textured nickel copper sulphides in all drill holes completed to date; and

- The Orion prospect on the Nova mining lease is one of a handful of deep and blind targets that was generated using the Company's 3D seismic dataset in 2019. Deep diamond drilling is gradually revealing a compelling prospect characterised by high tenor, disseminated to blebby sulphides in a chonolith-like host intrusion.

The successes gained in FY20 have been achieved through IGO's continued drive to improve its technical capability and deliver a significant discovery within the Fraser Range. A key part of this strategy is ongoing collaboration with external partners and working on a range of cutting-edge projects, including advanced seismic processing, microanalysis of drilling samples and hyperspectral core scanning.

Looking ahead to FY21, IGO will continue to focus on methodically testing the best targets, systematic geological evaluation of the Fraser Range; and building in-house specialised knowledge to drive discovery.

PATERSON

The newly expanded Paterson Project comprises tenements covering approximately 6,844km^2 in the highly prospective Paterson Province targeting sediment-hosted copper-cobalt and copper-gold mineralisation.

IGO has had an interest in the Paterson region for some time though our Yeneena Joint Venture with Encounter Resources Limited. In the June 2020 quarter, we expanded our presence in the Paterson region through joint ventures with Metals X Limited and post year end with Antipa Minerals Limited.

Through these new agreements, IGO has added a significant portfolio of greenfields exploration projects which are highly prospective for major base and precious metals discoveries. IGO's tenure is proximal to operating and historic mining operations such as Nifty and Telfer, as well as recent major discoveries including Rio Tinto's Winu copper-gold resource and the Havieron gold-copper prospect held by Newcrest Mining Limited and Greatland Gold plc.

IGO intends to increase its focus on this project in FY21 with various geophysics and drilling programs planned.

WEST AND EAST KIMBERLEY

The combined West and East Kimberley Projects are targeting Nova-style nickel-copper-cobalt sulphide mineralisation in the Wunaamin-Miliwundi Ranges (previously named King Leopold) and Halls Creek Orogens, with a total project area of 13,250km^2 held variously in joint ventures or IGO 100%.

These terrains host the Savannah Nickel Project owned by Panoramic Resources Ltd, as well as the Merlin nickel-copper-cobalt discovery made by our joint venture partner Buxton Resources Limited.

Work during FY20 included airborne magnetic and radiometric surveys, and negotiations with Traditional Owners. COVID-19 related travel restrictions impacted work programs later in the year, however these are ready to commence as soon as it is safe to do so.

LAKE MACKAY

Lake Mackay is a joint venture between IGO, Prodigy Gold NL and Castile Resources Pty Ltd (in parts) with IGO having earned up to a 70% interest over a total of 15,630km^2 of tenements straddling the Northern Territory and Western Australian border.

Work programs during FY20 included ground MLEM, RC drilling and soil sampling programs, all of which confirmed the strong prospectivity of this region.

During FY20, drill testing confirmed the Arcee Gold Prospect, with mineralisation confirmed over approximately 600m of strike by strong RC drill results which included 12m @ 3.5g/t Au from 112m, including 8m @ 4.94g/t Au from 116m[2].

At the Phreaker Prospect, a copper-gold zone was identified in RC drilling over 750m of strike, with this prospect to be diamond drill tested during FY21.

Rock samples from the Grimlock Prospect were subjected to metallurgical test work to understand the leachabilty of metals from highly cobalt-nickel-manganese enriched duricrust. These tests showed encouraging initial results, with atmospheric leaching delivering extraction results of 97.6% for cobalt, 85.2% for nickel and 99.2% for manganese[3].

2 ASX Release - PRX: Lake Mackay JV Update - New Gold Prospect Identified, dated 16 October 2019
3 ASX Release - PRX: Lake Mackay JV - 97% Co & Mn recovered in Leach Extraction, dated 12 December 2019

INNOVATION IN EXPLORATION

IGO invests in exploration research and development (R&D) programs across three key areas:

- Seismic interpretation and drill core analysis
- Electromagnetic (EM) geophysical technologies; and
- Resistate indicator minerals for exploration.

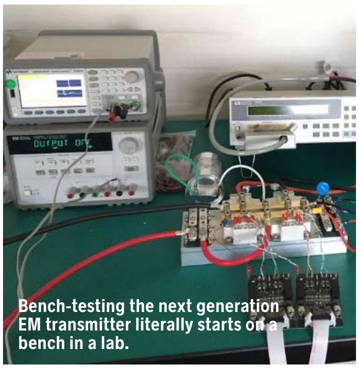
The R&D is conducted internally and externally through collaborations with private sector SME's, universities, CSIRO, AMIRA and MRIWA programs.

Traditionally IGO has developed its own EM transmitters, and in the past 12 months has begun the design process for the next generation system. Coupled with ultra-low noise EM receivers using cryogenically cooled superconductors, affectionately known as a SQUID (superconducting quantum interference device), the goal was to increase the power of these systems to explore to greater depths.

In particular, the new transmitter will allow surveys to be completed with much smaller transmitter loops which would double survey efficiency without compromising investigation depth. Synthetic modelling simulations also demonstrated a smaller loop can better discriminate a massive nickel sulphide target underneath conductive cover, which is prevalent across the Australian landscape.

Bench-testing the next generation EM transmitter literally starts on a bench in a lab.

Complementary to our internal research, IGO has sponsored two geophysical Honours projects at Curtin University in the past 18 months. One project compared a range of commercial EM sensors over some active exploration tenure and provided an opportunity for the student to gain industry experience. The current project is trialling a new portable EM system (Loupe) that will be applied underground at Nova to measure the conductivity along ore drives, to ascertain if it can discriminate ore grade zones, and hence detect hidden zones of mineralisation beyond the drive walls.



Bench-testing the next generation EM transmitter literally starts on a bench in a lab.

These two projects were cultivated from students undertaking vocational work at IGO over the summer period, and then undertaking employment in the 2020 IGO graduate intake.

Trials of the Loupe EM system at Coogee Beach as part of a Curtin Honours Project.

Mineral Resources & Ore Reserves

IGO publicly reports Exploration Results, Mineral Resource and Ore Reserve estimates in accordance with the ASX listing rules and the requirements and guidelines of the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the JORC Code. IGO last reported its annual Mineral Resource and Ore Reserve estimates to the ASX on an end of calendar year 2019 (CY19) and the estimates will be next updated and reported at the end of CY20.

At the end of CY19, IGO reported Mineral Resources and Ore Reserves from IGO's 100%-owned Nova Operation base metal (nickel-copper-cobalt) mine, and IGO's 30% interest in the Tropicana Gold Mine (TGM). The complete JORC Code reports relating to the CY19 estimates, including JORC Code Table 1 checklists, which detail the material assumptions and technical parameters for each estimate, can be found at www.igo.com.au under the menu 'Our Business – Mineral Resources and Ore Reserves' and also the ASX release CY19 Mineral Resource and Ore Reserve Statement dated 30 January 2020. Listings of the respective estimates for the end of CY18 and end of CY19 are tabulated below for IGO's total interests in Nova and TGM operations. The JORC Code Competent Persons Statement for IGO's end of CY19 estimates are included on page 31 of this Annual Report.

IGO's public reporting governance for estimates and results includes several assurance measures. Firstly, IGO ensures that the Competent Persons responsible for public reporting:

- Are current members of a professional organisation that is recognised in the JORC Code framework
- Have sufficient mining industry experience that is relevant to the style of mineralisation and reporting activity, to be considered a Competent Person as defined in the JORC Code
- Have provided IGO with a written sign-off on the results and estimates that are reported, stating that the report agrees with supporting documentation regarding the results or estimates prepared by each Competent Person; and
- Have prepared supporting documentation for results and estimates to a level consistent with standard industry practices – including the JORC Code Table 1 Checklists for any results and/or estimates reported.

IGO also ensures that any publicly reported results and/or estimates are prepared using accepted industry methods and using IGO's corporate guidance for metal prices and foreign exchange rates. On operating mines, IGO additionally ensures that the estimation precision is reviewed regularly through a reconciliation comparing the Mineral Resource and Ore Reserve forecasts to actual mine and process production results.

Estimates and results are also peer reviewed internally by IGO's senior technical staff before being presented to IGO's Board for approval and subsequent ASX reporting. Market sensitive or production critical estimates may also be audited by suitably qualified external consultants to ensure the precision and correctness of the reported information.

IGO TOTAL

TABLE 1 — 31 December 2018 and 31 December 2019

IGO TOTAL — MINERAL RESOURCES

Calendar Year Ending	Mining Operation	Mass	Grades estimates				*In situ* metal estimates			
			Ni	Cu	Co	Au	Ni	Cu	Co	Au
		(Mt)	(%)	(%)	(%)	(g/t)	(kt)	(kt)	(kt)	(koz)
2018	Nova Operation (100%)	13.2	2.0	0.8	0.07	–	270	107	9	–
	Tropicana Gold Mine (30%)	40.9	–	–	–	1.76	–	–	–	2,310
	Total	**54.1**	**Grades are not additive**				**270**	**107**	**9**	**2,310**
2019	Nova Operation (100%)	11.6	2.0	0.8	0.07	–	234	94	8	–
	Tropicana Gold Mine (30%)	38.6	–	–	–	1.70	–	–	–	2,106
	Total	**50.2**	**Grades are not additive**				**234**	**94**	**8**	**2,106**
CY19/CY18	Nova Operation (100%)	88%	101%	100%	100%	–	87%	88%	89%	–
	Tropicana Gold Mine (30%)	94%	–	–	–	97%	–	–	–	91%
	CY19/CY18	**93%**	**Grades are not additive**				**87%**	**88%**	**89%**	**91%**

TABLE 2 — 31 December 2018 and 31 December 2019

IGO TOTAL — ORE RESERVES

Calendar Year Ending	Mining Operation	Mass	Grades estimates				*In situ* metal estimates			
			Ni	Cu	Co	Au	Ni	Cu	Co	Au
		(Mt)	(%)	(%)	(%)	(g/t)	(kt)	(kt)	(kt)	(koz)
2018	Nova Operation (100%)	11.5	1.90	0.76	0.06	–	219	87	7	–
	Tropicana Gold Mine (30%)	19.7	–	–	–	1.77	–	–	–	1,122
	Total	**31.1**	**Grades are not additive**				**219**	**87**	**7**	**1,122**
2019	Nova Operation (100%)	9.5	1.85	0.78	0.07	–	177	74	6	–
	Tropicana Gold Mine (30%)	16.9	–	–	–	1.67	–	–	–	909
	Total	**26.4**	**Grades are not additive**				**177**	**74**	**6**	**909**
CY19/CY18 (relative)	Nova Operation (100%)	83%	97%	103%	117%	–	81%	85%	86%	–
	Tropicana Gold Mine (30%)	86%	–	–	–	94%	–	–	–	81%
	CY19/CY18	**85%**	**Grades are not additive**				**81%**	**85%**	**86%**	**81%**

NOVA OPERATION

TABLE 3 — 31 December 2018 and 31 December 2019

NOVA OPERATION — MINERAL RESOURCES

Source	JORC Code Class	2018							2019						
		Mass	Nickel		Copper		Cobalt		Mass	Nickel		Copper		Cobalt	
		(Mt)	(%)	(kt)	(%)	(kt)	(%)	(kt)	(Mt)	(%)	(kt)	(%)	(kt)	(%)	(kt)
Underground	Measured	12.5	2.10	261	0.80	104	0.07	9	10.9	2.07	226	0.83	90	0.07	7
	Indicated	0.6	1.00	6	0.40	2	0.04	<1	0.6	0.96	6	0.44	3	0.04	<1
	Inferred	<0.1	1.90	1	0.70	<1	0.06	<1	<0.1	1.90	1	0.70	<1	0.06	<1
	Subtotal	**13.2**	**2.00**	**268**	**0.80**	**106**	**0.07**	**9**	**11.5**	**2.00**	**232**	**0.80**	**93**	**0.07**	**8**
Stockpiles	Measured	0.1	2.10	1	0.90	1	0.08	<1	0.1	1.88	1	0.80	1	0.06	<1
Total	Measured	12.6	2.10	263	0.80	104	0.07	9	11.0	2.07	227	0.83	91	0.07	8
	Indicated	0.6	1.00	6	0.40	2	0.04	<1	0.6	0.96	6	0.44	3	0.04	<1
	Inferred	<0.1	1.90	1	0.70	<1	0.06	<1	<0.1	1.90	1	0.70	<1	0.06	<1
	Total	**13.2**	**2.00**	**270**	**0.80**	**107**	**0.07**	**9**	**11.6**	**2.00**	**234**	**0.80**	**94**	**0.07**	**8**

NOVA OPERATION CONT.

TABLE 4 — 31 December 2018 and 31 December 2019

NOVA OPERATION — ORE RESERVES															
		2018							2019						
Source	JORC Code Class	Mass (Mt)	Nickel (%)	Nickel (kt)	Copper (%)	Copper (kt)	Cobalt (%)	Cobalt (kt)	Mass (Mt)	Nickel (%)	Nickel (kt)	Copper (%)	Copper (kt)	Cobalt (%)	Cobalt (kt)
Underground	Proved	11.3	1.91	215	0.76	86	0.06	7	9.2	1.86	172	0.78	72	0.07	6
	Probable	0.2	1.26	2	0.46	1	0.04	<1	0.2	1.49	3	0.58	1	0.05	<1
	Subtotal	**11.5**	**1.90**	**217**	**0.76**	**87**	**0.06**	**7**	**9.5**	**1.85**	**176**	**0.78**	**74**	**0.07**	**6**
Stockpiles	Proved	0.1	2.11	1	0.86	1	0.08	<1	0.1	1.88	1	0.79	1	0.06	<1
Total	Proved	11.4	1.91	216	0.76	87	0.06	7	9.3	1.86	174	0.78	73	0.07	7
	Probable	0.2	1.26	2	0.46	1	0.04	<1	0.2	1.49	3	0.58	1	0.05	<1
	Total	**11.5**	**1.90**	**219**	**0.76**	**87**	**0.06**	**7**	**9.5**	**1.85**	**177**	**0.78**	**74**	**0.07**	**6**

TROPICANA GOLD MINE

TABLE 5 — 31 December 2018 and 31 December 2019

TROPICANA GOLD MINE — 100% MINERAL RESOURCES							
		2018			2019		
Estimate	JORC Code Class	Mass (Mt)	Gold (g/t)	Gold (koz)	Mass (Mt)	Gold (g/t)	Gold (koz)
Open pit	Measured	6.5	1.29	270	2.4	1.68	130
	Indicated	75.5	1.50	3,640	53.3	1.57	2,690
	Inferred	5.6	1.31	240	3.3	1.23	130
	Subtotal	**87.6**	**1.47**	**4,140**	**59.0**	**1.56**	**2,950**
Underground	Measured	–	–	–	–	–	–
	Indicated	8.5	4.11	1,120	11.4	3.08	1,130
	Inferred	12.4	4.36	1,730	19.1	3.24	1,990
	Subtotal	**20.8**	**4.26**	**2,850**	**30.5**	**3.18**	**3,120**
Stockpiles	Measured	27.8	0.79	700	39.0	0.76	950
Total	Measured	34.3	0.88	970	41.4	0.81	1,080
	Indicated	84.0	1.76	4,760	64.7	1.84	3,820
	Inferred	17.9	3.41	1,970	22.4	2.95	2,120
	Total	**136.2**	**1.76**	**7,700**	**128.5**	**1.70**	**7,020**

TABLE 6 — 31 December 2018 and 31 December 2019

TROPICANA GOLD MINE — 100% ORE RESERVES							
		2018			2019		
Estimate	JORC Code Class	Mass (Mt)	Gold (g/t)	Gold (koz)	Mass (Mt)	Gold (g/t)	Gold (koz)
Open pit	Proved	4.2	1.68	230	1.5	2.28	110
	Probable	43.2	1.94	2,690	30.1	2.00	1,940
	Subtotal	**47.4**	**1.91**	**2,920**	**31.6**	**2.02**	**2,050**
Underground	Proved	–	–	–	–	–	–
	Probable	2.7	3.65	320	2.7	3.60	310
	Subtotal	2.7	3.65	320	**2.7**	**3.60**	**310**
Stockpiles	Proved	15.5	1.01	500	22.0	0.94	670
Total	Proved	19.8	1.15	730	23.5	1.03	780
	Probable	45.9	2.04	3,010	32.8	2.13	2,250
	Total	**65.7**	**1.77**	**3,740**	**56.3**	**1.67**	**3,030**

Competent Persons Statement

Information in this Mineral Resources and Ore Reserves section that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on the information compiled by the Competent Persons listed in Table 7 below, which includes details of their respective professional memberships, their relationship to IGO and details of the reporting activity for which each Competent Person is taking responsibility.

All the Competent Persons listed below have provided IGO with written confirmation that they have sufficient experience that is relevant to the style of mineralisation and type of deposit under their consideration, and to the reporting activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the JORC Code. They have also provided IGO with a written consent in the ASX release dated 30 January 2020 to the inclusion in this report of the respective matters based on each Competent Person's information in the form and context in which they appear in this report, and that there are no issues that could be perceived as a material conflict of interest in this public report to the ASX.

TABLE 7 — 31 December 2019

IGO COMPETENT PERSONS FOR 31 DECEMBER 2019 ESTIMATES AND RESULTS

Activity	Competent Person	Professional Association Membership	Professional Association Number	IGO Relationship	Responsibility Activity
Exploration Results	Ian Sandl	MAIG/RPGeo	2388	**General Manager Exploration** IGO Perth	IGO greenfield results
	Damon Elder	MAusIMM	208240	**Manager Mine Geology** TGM AngloGold Ashanti Australia	TGM results
Mineral Resources	Paul Hetherington	MAusIMM	209805	**Geology Superintendent** IGO Nova Operation	Nova Operation estimate
	Damon Elder	MAusIMM	208240	**Manager Mine Geology** TGM AngloGold Ashanti Australia	TGM estimates
Ore Reserves	Gregory Laing	MAusIMM	206228	**Superintendent Planning** IGO Nova Operation	Nova Operation estimate
	Joanne Endersbee	MAusIMM/CP	334537	**Manager Integrated Planning** TGM AngloGold Ashanti Australia	TGM estimates
CY19 Report	Mark Murphy	MAIG/RPGeo	2157	**Resource Geology Manager** IGO Perth	IGO Annual Report

Notes:

1. MAusIMM = Member of Australasian Institute of Mining and Metallurgy, MAusIMM/CP = MAusIMM and Chartered Professional MAIG/RPGeo = Member of Australian Institute of Geoscientists and Registered Professional Geoscientist.
2. Information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on the information compiled by the relevant Competent Persons listed above.
3. All IGO personnel are full-time employees of IGO; all AGAA personnel are full-time employees of AGAA.
4. All the Competent Persons have provided IGO with written confirmation that they have sufficient experience that is relevant to the styles of mineralisation and types of deposits, and the activity being undertaken with respect to the responsibilities listed against each professional above, to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the JORC Code 2012 Edition.
5. Each Competent Person listed above has provided to IGO by email:
   - Proof of their current membership to their respective professional organisations as listed above
   - A signed consent to the inclusion of information for which each person is taking responsibility in the form and context in which it appears in this report, and that the respective parts of this report accurately reflect the supporting documentation prepared by each Competent Person for the respective responsibility activities listed above; and
   - Confirmation that there are no issues that could be perceived by investors as a material conflict of interest in preparing the reported information.

Making a Difference

AT A GLANCE

$603k

↑ 21% FY19

Invested in Corporate Giving.

431 hours

431 hours volunteered by IGO employees in the Company's inaugural year of its Volunteer Day Program.

$5,976

Raised for the National Breast Cancer Foundation through the sale of co-branded shirts.

$57,000

↑ 59% FY19

Raised by IGO employees for Ronald McDonald House taking part in the Up All Night event.

Making a Difference is our reason for being, our purpose. Every single person in our business has made a difference this year.

IGO has a committed Corporate Giving philosophy that enables us to live our purpose of Making a Difference. We provide targeted assistance to a range of community-based programs with an emphasis on education and helping Indigenous and non-Indigenous groups across urban, regional and disadvantaged communities. IGO is proud of its Corporate Giving program and how our people have each made a difference to the organisations we support. These activities give our employees a sense of pride and demonstrate IGO's genuine commitment to the community.

We have a publicly stated and Board approved position on philanthropy as defined in the IGO Corporate Giving Standard which can be found in the Caring section of IGO's website at www.igo.com.au/site/caring/community. IGO's Corporate Giving budget is based on a percentage of IGO's Group revenue. In FY20 this percentage increased to 0.075% of total revenue (FY19: 0.06%). The Standard also defines target beneficiaries, being primarily charities and schools in our host communities.

In FY20, IGO's Corporate Giving program made a difference to over 50 organisations and programs, with total payments of $603,035. In addition, many IGO employees took advantage of IGO's Volunteer Leave Allowance that provides employees with up to two days paid leave per annum to assist with charitable causes. IGO employees were also able to make personal donations via IGO's online workplace giving platform Good2Give where the Company will match the donation as per the Corporate Giving Standard.

Details on some of the organisations and programs IGO has supported in FY20 are outlined below.

CORE LEARNING FOUNDATION

Central to IGO's purpose for Corporate Giving is to improve the education of children and support promotion of STEM/mining related education. CoRE is a secondary school specialist program based on STEM principles, originally developed at Kent Street Senior High School for Year 7 and Year 10 students. Following CoRE's Goldfields Women in STEM Tour in July 2019, of which IGO was a major sponsor, IGO was proud to further support the Foundation by investing $75,000 over three years to fund the implementation of the CoRE Learning Model into Norseman District High School and Coolgardie Primary School and ensure continued success of the program.

ROYAL FLYING DOCTOR SERVICE WA

In November 2019, IGO employees including a number of the exploration team visited the Royal Flying Doctors Service (RFDS) in Jandakot to gain a first-hand experience of the critical services RFDS provide to those who live, work and travel across Western Australia, including IGO's operational and exploration teams. IGO was proud to partner with the RFDS and become a Platinum Partner for the Altitude Ball for

the next three years, with a total commitment of $75,000 per annum. Unfortunately, due to COVID-19 the Ball was cancelled for 2020, however IGO was pleased to be able to reallocate the funding to the Response Ready for WA Appeal that the RFDS launched to support their COVID-19 response. Since the outbreak, RFDS Chief Executive Rebecca Tomkinson reported the RFDS transported more than 100 suspected COVID-19 patients and are currently the only service still operating aeromedical retrieval for suspected COVID-19 patients in Western Australia.

CANNERY ARTS CENTRE

The Cannery Arts Centre is a not-for-profit community arts centre in Esperance that runs KICKARTS, which is a school holiday program for children between the ages of 6 and 17. These programs increase children's exposure to the arts and this participation in cultural activities is shown to improve mental health and general wellbeing. Following the success of the program in 2019, IGO has continued to support all four upcoming programs in 2020 and 2021.

MADALAH

Madalah offers scholarships for Indigenous students from remote and regional communities to Western Australia's leading boarding schools and universities. IGO has been supporting Madalah for over four years and has been the major sponsor of the Madalah Ball for the last two, and again pledged $20,000 to be a Corporate Partner of the Ball this year. As a consequence of COVID-19, Madalah had to cancel the Ball in 2020. Although the Ball did not go ahead, IGO recognised this funding was more crucial than ever and redirected the funding to be used for the continued support of their existing students which enabled Madalah to offer an additional eight scholarship opportunities in 2020 for Secondary and Tertiary education.

ESPERANCE GIRLS ACADEMY

The Girls Academy program at Esperance Senior High School helps provide Aboriginal and Torres Strait Islander girls with the necessary tools to engage in their education and achieve their goals. IGO continued its support for the program during the year and also supported students from St Catherine's College Dandjoo Darbalung Program (that IGO also supports), to visit Esperance Senior High School to share their stories about university with the students.

CLONTARF – ESPERANCE AND KALGOORLIE

During the year, IGO entered into a three year agreement with the Clontarf Foundation, providing total funding of $75,000 over the period to support Clontarf's Esperance and Kalgoorlie career programs for young Aboriginal and Torres Strait Islander men. Clontarf has a proven positive impact on improving the education, self-esteem, life skills and employment prospects for participants.

COMMUNITY SUPPORT

In addition to the organisations that IGO supported during the year, IGO pledged an additional $250,000 Community Fund to be distributed to Norseman and Esperance communities to assist with their COVID-19 and bushfire recovery plans.

CASE STUDY: EARBUS FOUNDATION WA

IGO have been proud supporters of the incredible work of the Earbus Foundation for over two years. Earbus Foundation is a WA-based children's charity that works to reduce the impact of middle ear disease in Aboriginal and at-risk children so they can reach their full potential through communication and learning. Earbus works hard to identify children who need care and to help them get well. Their mobile ear health clinics provide comprehensive ear screening, surveillance and treatment by utilising the skills of GP's, Audiologists, Nurses and ENT's who visit communities regularly and consistently. A typical visit would see the Earbus team consult with over 30 children in one day. In the last quarter of FY20, 17% of the children screened had never been screened before, and they are aiming to increase their engagement with children under four years of age in the regions they visit.

Last year, IGO helped Earbus deliver four visits to the Esperance and Norseman region, where we saw first-hand the valuable work they do and how critical it is for remote communities. Following the success of these trips, IGO agreed to support Earbus for the next three years with a funding commitment of $225,000 over the period. This will enable the Foundation to increase the number of visits to the Esperance and Norseman region to reach more children.

Earbus Chief Executive Officer, Paul Higginbotham, said "Earbus Foundation is so grateful to IGO Limited for their ongoing commitment. There are hundreds of Aboriginal kids in the Esperance-Norseman region who will benefit from having their ears checked regularly so they can learn well and stay in school."

Dr Harvey Coaks video Otoscopy.

Sustainability

AT A GLANCE

$3.7M

↑ 11% FY19

Production royalty payments from Nova made to the Ngadju Native Title Aboriginal Corporation (NNTAC).

$36.4M

↑ 18% FY19

Total payments made to government entities in royalties and taxes.

122ha

Of land cleared, 577 hectares of completed rehabilitation.

ENVIRONMENT

IGO completed a large-scale Environmental Impact Assessment (EIA) across all our exploration activities within the Fraser Range Project.

At IGO, we care about doing what is right – not just because it is good for business but because it is the right thing to do.

SUSTAINABILITY

Sustainability is central to IGO's purpose. We believe in a green energy future and, as a strategic imperative, endeavour to be Proactively Green. We do this both in the choice of commodities we seek to develop and how their development is pursued. Exploration, mining and downstream processing all require access to land, a community licence to operate, energy and other physical inputs, and the drive and inspiration of our people. It is our choices in how we do these things and the resources that are applied that lies at the heart of our Proactively Green philosophy.

We believe our approach both serves the aspirations of our people, our investors and the communities in which we operate. Our management of environmental, social and governance issues is increasingly scrutinised by ratings agencies as part of their index scoring evaluations.

As a result of our commitment to sustainability, IGO was proud to have been admitted to the Dow Jones Sustainability Index Australia during September 2019. This is an important recognition of our performance in this area and places IGO in the top 30% of companies in the S&P/ASX 200 Index.

OUR COMMUNITIES

Beyond our people and our investors, a sustainable mining company is dependent on a 'social licence to operate': in essence, the support of the community. IGO continues to work hard to maintain our social licence, to be a valued corporate citizen, and to understand the matters that are material to our stakeholders.

FY20 has been a very challenging year for many of our host communities and the world at large. In the early part of calendar year 2020 we saw Australia ravaged by bushfires that will have lasting social and economic impacts. In the region around our Nova Operation, large areas of the Great Western Woodland were burnt. These fires caused significant economic hardship for pastoralists, Traditional Owners and residents of the towns within the impacted Shires of Dundas and Esperance. In response, IGO directly engaged the community to explore how we might assist recovery efforts. This resulted in IGO making financial contributions to a range of projects in the region and reaffirms our desire to Making a Difference.

In the immediate aftermath of the fires, IGO, our host communities and the world were caught in the growing COVID-19 pandemic. Whilst at the time of writing, the disease has had a limited impact on the health of our people and host communities, for some the social and financial impact has been significant. IGO re-engaged the community regarding what potential actions we could take to help and this took the form of financial and material assistance to support local services as well as adjusting our work plan schedules and travel arrangements to help limit the exposure of host communities to the virus, with particular attention to Aboriginal communities who have

recognised medical predispositions that increase their vulnerability to COVID-19.

ENVIRONMENTAL MANAGEMENT

IGO's environmental impacts are relatively minor, however, we have an ongoing commitment to making a real but proportionate contribution to addressing the world's most pressing environmental challenges: global warming, biodiversity loss, deforestation, water consumption, pollution, soil loss or degradation and waste management.

Currently IGO's single largest environmental impact is land clearing. IGO, like other explorers, need to physically access land to explore by means of on-ground electromagnetic surveys, seismic surveys, surface soil sampling and drilling. Invariably this requires the creation of cleared tracks for the passage of vehicles. Whilst the need for these tracks is temporary, vegetation is removed.

To minimise and manage the impact of our activities, we proactively complete environmental and social impact assessments. We then actively plan work in consultation with other land owners (e.g. Traditional Owners or pastoralists), with regard to the flora and fauna likely to be affected, the potential for the accidental introduction of pest species, the potential for the accidental disturbance of ethnographic sites of significance, soil disturbance, and prompt remediation once access is no longer required.

In FY20, IGO cleared approximately 122 hectares of land and completed rehabilitation of 577 hectares of land.

CLIMATE CHANGE

During FY20, IGO has acted to further meet the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). We collaborated with external experts to build on our existing climate change risk and opportunity identification and management processes, including application of scenario-based analysis. The intent of this work was to broaden the range of impacts considered, stress test current business and financial strategies, and improve our resilience using the resulting outcomes. IGO will publish an enhanced Climate-related Financial Disclosure in our 2020 Sustainability Report.

PROACTIVELY GREEN

As part of our strategy to be Proactively Green, IGO has continued to seek ways in which to minimise our impact on the environment. Some examples of this work includes:

- In partnership with Zenith Energy, the completion of the Nova 5.5MW solar farm, with first power delivered during December 2019
- In collaboration with Barminco the trial of electric underground vehicles at Nova; and
- A workforce led I-GO Green Waste Reduction Initiative recycling over 46 tonnes of waste destined for landfill at Nova in the first six months.

Further details on our Proactively Green strategy can be found in our 2020 Sustainability Report to be released in September 2020.

CASE STUDY: PROACTIVELY GREEN

IGO seeks to be Proactively Green through adherence to our internal IGO Environmental Standards, standards that set performance benchmarks beyond simple compliance with the law. IGO Environmental Standards are available on our website (https://www.igo.com.au/site/caring/environment).

One of IGO's Environmental Standards specifies the need for proactive socio-economic impact assessment. In FY19, IGO completed an Environmental Impact Assessment of our exploration activities within the Fraser Range using the services of an expert independent consultant. The assessment considered the many different land systems within the 14,000km^2 of exploration leases that IGO holds in the region. The assessment considered a wide range of activities, impacts and mitigation measures. In FY20, IGO worked to operationalise the outputs of the assessment through new and updated field procedures and management plans. As a result, IGO is increasingly able to minimise or mitigate the impacts associated with our exploration activities.

In FY21, we will revisit the IGO Environmental Standards to ensure that they continue to reflect Our Purpose and our strategic imperative to be Proactively Green.

Safescape Bortana BELV (battery electric light vehicle).

Corporate Governance

Working together to Make a Difference for all of our stakeholders by creating value through good corporate governance and fostering a culture we can be proud of.

At IGO, we believe that excellence in corporate governance is essential for the long-term sustainability of the business and building long-term value for all our stakeholders and employees.

Whilst the Board of Directors is responsible for the Company's corporate governance, we do not see governance as just a matter for the Board. We believe good governance is about doing the right thing and having the courage to stand up for what is right. It is the responsibility for all those who work at IGO to act ethically, with integrity and within the law, and this ethos is embedded throughout the organisation.

Our governance framework supports our people to deliver our strategy and provides an integral role for effective and responsible decision making at IGO.

The Board is responsible for promoting the success of the Group in a way which ensures that the interests of shareholders and stakeholders are promoted and protected. Some of its key functions are setting the long-term corporate strategy, reviewing and approving business plans and annual budgets, overseeing the risk management framework that includes both financial and non-financial risks, approving material capital expenditure, approving financial statements, approving and monitoring the adherence to Company policies, developing and promoting corporate governance, and demonstrating, promoting and endorsing an ethical culture. Further details can be found in the Board Charter that can be found in the Governance section of the IGO website.

BOARD COMMITTEES

To assist the Board to discharge its responsibilities, the Board has established the following Committees:

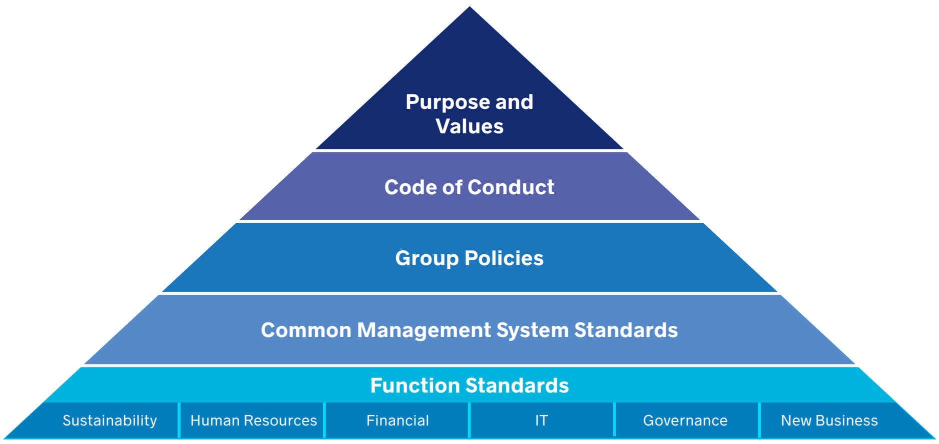
- Audit
- Nomination & Governance
- People & Performance
- Sustainability & Risk

Each Committee works within a Charter approved by the Board, which sets out the roles and responsibilities, composition, structure and membership requirements for the Committee.

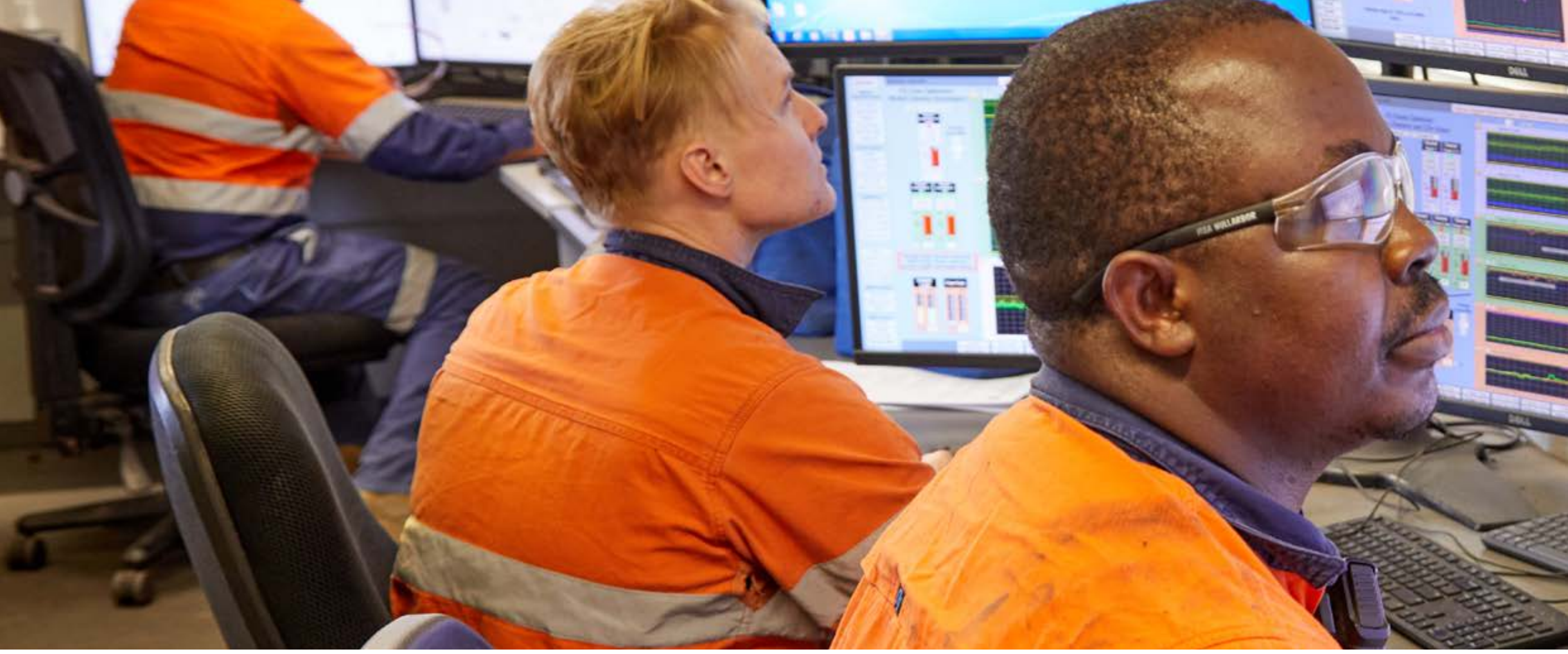
Details of relevant qualifications and experience for all Committee members can be found on pages 40 and 41 of this Annual Report.

Further information about the Committees can be found in the 2020 Corporate Governance Statement.

Further information about governance at IGO as well as copies of the Board and Committee Charters can be found in the Governance section of IGO's website at https://www.igo.com.au/site/our-business/governance.



MEMBERSHIP	ROLE	KEY ACTIVITIES UNDERTAKEN DURING THE YEAR
AUDIT COMMITTEE		
Ms Debra Bakker (Chair) Mr Peter Bilbe Ms Kathleen Bozanic	To monitor and review the effectiveness of the control environment of IGO in the areas of balance sheet risk, relevant legal and regulatory compliance and financial reporting.	• Monitoring relevant changes in legislation and corporate governance in relation to financial reporting • Reviewing key accounting policies and practices • Overseeing adequacy of the Group's financial controls • Reviewing and making recommendations to the Board on the half-year and annual financial statements • Reviewing and approving the quarterly activity reports • Approving external audit plan and fees • Reviewing independence and performance of external auditor • Monitoring and reporting to the Board any material reports received under the Whistleblower and Anti-Bribery and Corruption Standards.
NOMINATION & GOVERNANCE COMMITTEE		
Mr Peter Bilbe (Chair) Ms Kathleen Bozanic Mr Neil Warburton	To assist the Board to review Board composition (including identifying candidates for the Board), director independence, succession, performance and relevant policies and practices.	• Monitoring relevant changes in legislation and corporate governance • Reviewing Corporate Governance Standards • Reviewing and making recommendations to the Board on the composition of the Board • Identified, evaluated and recommended additional non-executive director to the Board • Reviewing and making recommendations to the Board on director rotation • Reviewing director skills matrix and conducting gap analysis • Approving three-year Board Evaluation process • Board succession planning.
PEOPLE & PERFORMANCE COMMITTEE		
Mr Keith Spence (Chair) Ms Debra Bakker Mr Peter Bilbe Mr Peter Buck	To assist the Board in establishing IGO's remuneration framework and relevant policies and practices to attract, retain and motivate employees.	• Monitoring relevant changes in legislation and corporate governance in relation to employment and remuneration • Reviewing IGO's remuneration policies and practices • Reviewing strategies to recruit, retain and motivate employees • Reviewing and monitoring culturing program and Employee Engagement Survey results • Monitoring learning and development program • Reviewing and monitoring progress against measurable objectives in respect of diversity and inclusion • Reviewing and making recommendations to the Board on: - Non-executive director, CEO and KMP remuneration - Employee share plans; and - the Remuneration Report.
SUSTAINABILITY & RISK COMMITTEE		
Mr Peter Buck (Chair) Ms Debra Bakker Mr Keith Spence Mr Neil Warburton	To assist the Board in meeting its oversight responsibilities in relation to the Company's Risk Management System and sustainability policies and practices.	• Monitoring relevant changes in legislation and corporate governance in relation to risk reporting and sustainability • Quarterly reviews of the Group's Critical Business Risks • Reviewing the Company's Risk Management Framework • Reviewing the Company's insurance and maintaining oversight of the Company's insurance activities • Reviewing internal audits and approval of Internal Audit Plan • Assessing processes to ensure compliance with legal and regulatory requirements • Reviewing the Company's environmental, health and safety performance as well as community relations • Consideration of heritage and land access matters affecting the Company • Consideration of climate change risk and opportunities relevant to IGO • Reviewing and recommending to the Board on the Company's Sustainability Report.



2020 CORPORATE GOVERNANCE STATEMENT

The Company's 2020 Corporate Governance Statement outlines the Company's current corporate governance framework, by reference to the Corporate Governance Principles and Recommendations contained in the ASX Corporate Governance Council's 4th Edition of its Corporate Governance Principles and Recommendations (ASX Recommendations). During FY20, the Company's corporate governance practices complied with all relevant ASX Recommendations.

The Corporate Governance Statement is current as at 27 August 2020 and has been approved by the Board.

This statement can be found in the Governance section of IGO's website at http://www.igo.com.au/site/our-business/governance along with the ASX Appendix 4G, a checklist cross-referencing the ASX Recommendations to disclosures in the Corporate Governance Statement and the 2020 Annual Report.

BOARD SKILLS & EXPERIENCE

The Board undertakes a comprehensive review of the board skills matrix on an annual basis, more details on this review can be found in the 2020 Corporate Governance Statement.

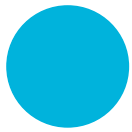
Following the review, it was determined that the Board and Committees currently have a strong combination of skills and experience across the key desired areas as listed below.

As part of the FY20 review the skills and experience of the Executive Leadership Team (ELT) were also assessed against the same categories to ensure the Board skills are complemented by the ELT skills.

To the extent that any skills are not strongly represented on the Board, they are augmented through management and external advisors.

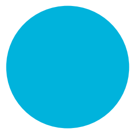
STRATEGY

Demonstrated ability to envision a desired outcome and to develop, contextualise and keep alive strategic plans to deliver the desired outcome



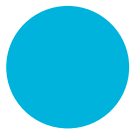
EXECUTIVE LEADERSHIP

Effective leadership delivering business success through engagement, enablement and organisational design and change



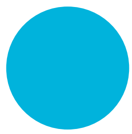
STEM

Demonstrated experience in the fields of science, technology, engineering or maths



INDUSTRY SPECIFIC

Senior executive experience in the mining or resources industry including an in-depth knowledge of exploration, project development and construction, operations, markets, competitors, technology and innovation



DOWNSTREAM PROCESSING AND MARKETS

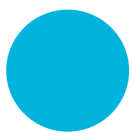
Knowledge of chemical processing operations and production, quality control and marketing for specialty chemicals

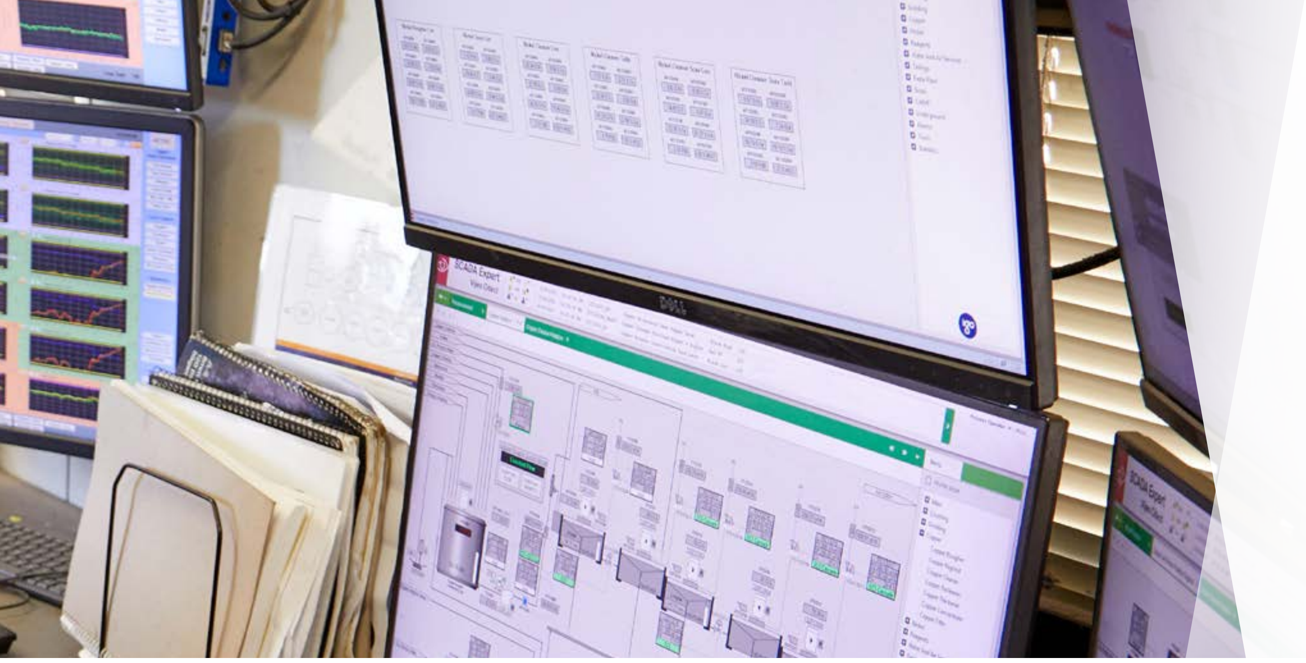
AUDITING AND/OR FINANCIAL REPORTING

Management oversight of, or qualifications and/or experience, in corporate finance, accounting and financial controls functions

RISK MANAGEMENT

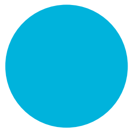
Experience working with and applying broad risk management frameworks in various countries, regulatory regimes or business environments





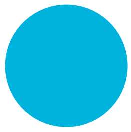
GOVERNANCE

Commitment to high standards of governance, including experience with a large business enterprise which is subject to rigorous governance standards



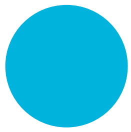
ORGANISATIONAL CULTURE

Experience in reward/recognition strategy to mobilise a critical mass of people who want to come to work, know what to do and can and want to be their best



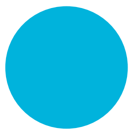
PEOPLE WELLBEING, INCLUSION AND DIVERSITY

Demonstrated experience in development and implementation of programs of work to foster inclusion and diversity and/or physical, emotional and financial wellbeing



HEALTH AND SAFETY

Senior management experience in workplace health, wellbeing and safety



INNOVATION AND/OR STRATEGIC ENTREPRENEURSHIP

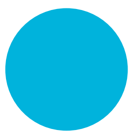
Experience in unlocking transformational value through innovation to change the way things are done or what is produced

GLOBAL AND/OR INTERNATIONAL

Experience in a global organisation or working in a non-Australian jurisdiction with international assets, business partners, cultures and communities

M&A AND/OR FUNDING

Experience managing, directing or advising on mergers, acquisitions, divestments, portfolio optimisations and delivering funding solutions

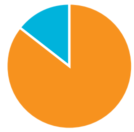


CAPITAL PROJECTS

Experience with projects with large capital outlays and longer term investment horizons, in both the planning and execution phases

TECHNOLOGY, DIGITAL TRANSFORMATION AND/OR CYBER SECURITY

Experience with new and emerging technology and insights from industries that have been through significant technology/ digital disruption or transformation



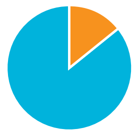
ENVIRONMENTAL SUSTAINABILITY AND/OR CLIMATE CHANGE

Understanding of:

- matters related to land access (social licence to operate)
- key matters of public concern (e.g. changing societal demands related climate change, the decarbonisation of industry and TSF management)
- the industry's key role in land management, particularly in Australia, and the associated obligations related biodiversity conservation

STAKEHOLDER RELATIONS AND/OR ACTIVISM

Experience in socially responsible development and operation and with engaging, influencing and building positive relationships with stakeholders



LEGAL

Broad skills and experience across legal functions, including corporate M&A and mining law

REGULATORY AND PUBLIC POLICY

Experience in diverse political, cultural, regulatory and business environments and in influencing public policy decisions and outcomes

LEGEND

- High
- Moderate

This Board Skills Matrix shows the percentage of Directors on the Board who have a high level of skill in the area of competence taking into consideration the many years of direct experience each Director may have.

Board Profile

PETER BILBE

NON-EXECUTIVE CHAIRMAN

Age 70
B.Eng. (Mining) (Hons), MAusIMM

TERM OF OFFICE

Mr. Bilbe was appointed as a Non-executive Director in March 2009 and Non-executive Chairman in July 2011.

BOARD COMMITTEES

Audit
Nomination & Governance (Chair)
People & Performance

EXPERIENCE

Mr. Bilbe is a mining engineer with 45 years' experience in the mining industry. Mr Bilbe has held various executive management and board positions. Mr. Bilbe has a diverse breadth of experience in the mining industry in Australia and overseas with a background in gold, base metals and iron ore. In particular, Mr. Bilbe has significant experience in feasibility studies and project development, open pit and underground mining and processing operations, provision of contract mining services and public company stewardship as Director and Chairman.

OTHER CURRENT DIRECTORSHIPS

Non-executive Director of Adriatic Metals Plc and Horizon Minerals Limited.

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

None.

PETER BRADFORD

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Age 62
BAppSc (Extractive Metallurgy), FAusIMM

TERM OF OFFICE

Mr. Bradford was appointed as Managing Director and Chief Executive Officer in March 2014.

EXPERIENCE

Mr. Bradford is a senior executive and a metallurgist with over 40 years' experience in senior leadership roles in the mining industry. This includes significant operational, corporate and board experience in Australia and overseas in nickel, copper and gold.

Mr. Bradford is a strong advocate of the mining industry as well as the need to promote greater diversity and inclusion, and the next generation of mining leaders.

Mr. Bradford is President of the Association of Mining and Exploration Companies Inc (AMEC) and Chairman of the Curtin University Brighter Futures Scholarship Program.

OTHER CURRENT DIRECTORSHIPS

None.

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

None.

DEBRA BAKKER

NON-EXECUTIVE DIRECTOR

Age 54
MAppFin., BBus. (Accounting & Finance), GradDip FINSIA, GAICD

TERM OF OFFICE

Ms. Bakker was appointed as a Non-executive Director in December 2016.

BOARD COMMITTEES

Audit (Chair)
People & Performance
Sustainability & Risk

EXPERIENCE

Ms. Bakker is an experienced financier and investment banker to the resources industry, with 10 years experience working in London, Chicago and New York in senior roles with Barclays Capital and Standard Bank London Group. Subsequently, Ms. Bakker established the natural resources team for Commonwealth Bank of Australia and held a number of senior roles over a 10-year period culminating as Head of Mining and Metals Origination.

OTHER CURRENT DIRECTORSHIPS

None.

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

Non-executive Director - Azumah Resources Ltd and Capricorn Metals Ltd.

It is with great respect and gratitude that we thank Geoffrey Clifford who retired from the IGO Board in FY20, after serving for the past seven years. His contributions have been invaluable in helping shape IGO into the successful Company we are today.

We are also pleased to welcome Kathleen Bozanic to the IGO Board as an independent Non-executive Director. Kathleen brings an impressive range of skills and capabilities, including strong financial, accounting and commercial experience. We are very much looking forward to the contribution that Kathleen's varied experience will make to our Board.

KATHLEEN BOZANIC

NON-EXECUTIVE DIRECTOR

Age 46
BCom (Accounting & Finance), ANZCA, GAICD

TERM OF OFFICE

Ms. Bozanic was appointed as a Non-executive Director in October 2019.

BOARD COMMITTEES

Audit
Nomination & Governance

EXPERIENCE

Ms. Bozanic has over 25 years of experience as a finance professional including as Chief Financial Officer/General Manager of listed and private mining and contracting companies.

Ms. Bozanic has previously held senior positions with BGC Contracting, Atlas Iron and Mt Gibson and was a Partner of professional services firm, Deloitte.

OTHER CURRENT DIRECTORSHIPS

Non-executive Director - Great Southern Mining Ltd.

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

None.

PETER BUCK

NON-EXECUTIVE DIRECTOR

Age 71
M.Sc. (Geology), MAusIMM

TERM OF OFFICE

Mr. Buck was appointed as a Non-executive Director in October 2014.

BOARD COMMITTEES

People & Performance
Sustainability & Risk (Chair)

EXPERIENCE

Mr. Buck is a geologist with over 40 years' experience in the mineral exploration and mining industry. Mr. Buck has worked with WMC Resources, Forrestania Gold, LionOre and Breakaway Resources in executive management and director positions. He has been a Non-executive Director of Gallery Gold Ltd and PMI Gold. Mr. Buck was also a board member of the Centre for Exploration Targeting at The University of Western Australia and Curtin University and is a life member of the Association of Mining and Exploration Companies (AMEC).

Mr. Buck brings a strong background in discovery, development and mining of nickel, gold and base metal deposits in Australia and overseas.

OTHER CURRENT DIRECTORSHIPS

Non-executive Director - Antipa Minerals Limited.

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

None.

KEITH SPENCE

NON-EXECUTIVE DIRECTOR

Age 66
BSc. (Geophysics) (Hons)

TERM OF OFFICE

Mr. Spence was appointed as a Non-executive Director in December 2014.

BOARD COMMITTEES

People & Performance (Chair)
Sustainability & Risk

EXPERIENCE

Mr. Spence has over 40 years' experience in the oil and gas industry in Australia and internationally, including 18 years with Shell and 14 years with Woodside. He has served as a Non-executive Director and chair for listed companies since 2008, working in energy, oil and gas, mining, and engineering and construction services and renewable energy. He chaired the board of the National Offshore Petroleum Safety and Environmental Management Authority for seven years.

Mr. Spence has significant experience in exploration and appraisal, development, project construction, operations and marketing.

OTHER CURRENT DIRECTORSHIPS

Non-executive Chairman - Santos Limited and Base Resources Limited.

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

Geodynamics Limited, Murray & Roberts Holdings Limited and Oil Search Limited.

NEIL WARBURTON

NON-EXECUTIVE DIRECTOR

Age 64
Assoc. MinEng WASM, MAusIMM, FAICD

TERM OF OFFICE

Mr. Warburton was appointed as a Non-executive Director in October 2015.

BOARD COMMITTEES

Nomination & Governance
Sustainability & Risk

EXPERIENCE

Mr. Warburton is a qualified mining engineer with more than 40 years' experience in gold and nickel development and mining. He was previously the Chief Executive Officer of Barminco Limited until March 2012.

Mr. Warburton is also a Member of the WA School of Mines Alumni Advisory Council.

Mr. Warburton brings a strong underground and operational mining expertise to the Board and is an associate of Mark Creasy (IGO's largest shareholder).

OTHER CURRENT DIRECTORSHIPS

Non-executive Chairman - Flinders Mines Limited.

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

Australian Mines Limited and Coolgardie Minerals Ltd.

Directors' Report

30 JUNE 2020

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of IGO Limited (referred to hereafter as IGO or the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2020.

DIRECTORS

The following persons held office as Directors of IGO Limited during the whole of the financial year and up to the date of this report, unless otherwise noted:

Peter Bilbe	Peter Buck
Peter Bradford	Geoffrey Clifford**
Debra Bakker	Keith Spence
Kathleen Bozanic*	Neil Warburton

* Kathleen Bozanic was appointed a Non-executive Director on 3 October 2019 and continues in office at the date of this report.

** Geoffrey Clifford was a Non-executive Director from the beginning of the financial year until his retirement on 20 November 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were nickel, copper and cobalt mining and processing at the Nova Operation, non-operator gold mining from the Company's 30% interest in the Tropicana Operation and ongoing mineral exploration in Australia and overseas.

DIVIDENDS

Dividends paid to members during the financial year were as follows:

	2020 $'000	2019 $'000
Final ordinary dividend for the year ended 30 June 2019 of 8.0 cents (2018: 2.0 cents) per fully paid share	47,264	11,809
Interim ordinary dividend for the year ended 30 June 2020 of 6.0 cents (2019: 2.0 cents) per fully paid share	35,448	11,810
	82,712	23,619

In addition to the above dividends, since the end of the financial year the Company has announced the payment of an unfranked final ordinary dividend of $29,540,000 (5.0 cents per fully paid share) to be paid on 25 September 2020.

OPERATING AND FINANCIAL REVIEW

This review should be read in conjunction with the financial statements and the accompanying notes.

COMPANY OVERVIEW

IGO Limited ('IGO' or 'the Company') is a leading ASX-listed mining and exploration company with a strategic focus on metals that are critical to energy storage and renewable energy. Headquartered in Perth, Western Australia, IGO owns 100% of the Nova nickel-copper-cobalt operation in Western Australia's Fraser Range region and 30% of the Tropicana Gold Mine, a Joint Venture with AngloGold Ashanti Australia (AGAA) in WA's goldfields region. IGO has a strong purpose of Making a Difference and is an active participant in the local community. The Company is actively pursuing growth through a combination of exploration - to discover the mines of the future - and disciplined corporate activity to secure opportunities via mergers and acquisitions. The Company listed on the ASX on 17 January 2002, having traded as Independence Gold NL from 17 January 2002 to 19 December 2003 and subsequently Independence Group NL from 19 December 2003 until 17 January 2020. On this date, the Company changed its name to IGO Limited.

The Group currently has the following mining and processing operations in production in Western Australia:

- The Nova Operation, 100% owned, was acquired as a development stage project via the acquisition of Sirius Resources NL in September 2015. The Nova Operation is located in the Fraser Range, approximately 140km east-northeast of Norseman, 360km southeast of Kalgoorlie and 380km from the port of Esperance in Western Australia. The Ngadju People are the Traditional Owners of the land.

  The Nova Operation comprises an underground mine consisting of two orebodies, Nova and Bollinger. The Nova-Bollinger magmatic nickel-copper deposits are hosted within the lower granulite facies mafic rocks of the Fraser Zone of the Albany-Fraser Orogen. The host rocks of the Nova-Bollinger deposit consist of a suite of meta-gabbroic to meta-picrite cumulates which have been metamorphosed to a high metamorphic grade. These units are interpreted to have been emplaced as a layered sill in an extensional sedimentary basis. The deposit is situated on the north-western side of an eye-like structural feature which is best seen in regional and ground magnetics.

  In addition, the Nova Operation consists of a processing facility with nameplate production capacity of 1.5 million tonnes per annum that produces a nickel concentrate and a copper/cobalt concentrate, and associated non-processing infrastructure.

  Commercial production was declared at the Nova Operation on 1 July 2017, and in the subsequent December quarter all process plate nameplate parameters were demonstrated. Nova has since demonstrated steady state production at or above the nameplate 1.5 million tonnes per annum rate throughout FY20 and options to increase throughput consistently beyond the nameplate capacity to maximise production as grade drops over the remaining mine life have progressed.

- The Tropicana Operation (IGO 30%; AGAA 70% and operator) is located 330km east-northeast of Kalgoorlie. The gold deposits occur over a 5km strike length with gold mineralisation intersected to a depth of 1km vertically beneath the natural surface. Mining is both surface, with production from up to four contiguous open pits extending along the strike length, and more recently underground, with the Boston Shaker Underground Mine expected to deliver first gold production in the September 2020 quarter.

The processing plant, utilising conventional crushing, grinding and CIL (carbon-in-leach) recovery technology, was originally designed with a nameplate capacity of 5.8 million tonnes of fresh ore per annum and this was achieved in March 2014.

In 2016 and 2017, an optimisation project increased the throughput capacity to 7.5 million tonnes per annum by the second half of FY17. In FY18, the Tropicana Joint Venture partners announced the construction of a second 6 mega-watt ball mill. Installation and commissioning of the mill was completed in December 2018, increasing throughput capacity to 8.2 million tonnes per annum in FY19.

In March 2019, the Tropicana Joint Venture announced the commitment to the development of the Boston Shaker Underground Mine following the successful completion of the Feasibility Study (FS). The FS assessed an underground operation with a mining rate of approximately 1.1Mtpa at estimated grades of 3.5g/t Au to produce approximately 100,000 ounces of gold per annum over a period of seven years, based on three years production from Ore Reserves and a further four years from Inferred Mineral Resources. Underground material will displace lower grade open pit material, resulting in an improved gold production profile. Underground development commenced in May 2019 and first gold production is expected during the September 2020 quarter.

On 1 November 2019, IGO announced the completion of the Downstream Nickel Sulphate Study (the Study), a prefeasibility study on the technical and financial merits of converting nickel sulphide concentrate into high-quality nickel sulphate. Highlights from the Study included validation of the new and patented process (The IGO Process™), which demonstrated extremely high metal recoveries, an environmentally friendly process and low production costs. While this testwork provided greater confidence that The IGO Process™ has the ability to produce battery grade nickel sulphate for the premium energy storage market, as a parallel workstream the Company was able to deliver materially improved offtake contract terms from the high-quality nickel concentrate produced at Nova Operation. As a result of the improvement in offtake terms, IGO decided not to progress the Study into a detailed feasibility study stage and instead maximised value through entering into traditional concentrate offtake agreements. IGO remains committed to vertical integration aligned to the Company's strategy and is exploring partnership opportunities both domestically and overseas to leverage the technology it has developed.

In addition to its mining operations, the Company is pursuing aggressive growth through its portfolio of high quality belt-scale exploration projects across Australia and overseas that prioritise nickel and copper exploration and discovery.

EXPLORATION OVERVIEW

Exploration and discovery are core to the IGO DNA and a key pillar of our Company growth strategy. To this end, the Group has continued to build and develop its unique portfolio of highly prospective brownfields opportunities and belt-scale greenfield projects.

Key work activities completed during this period include:

Brownfields Exploration

- Nova Near-mine (nickel-copper-cobalt) - The exploration drilling program around the Nova Operation continued to test targets generated from the high-resolution 3D seismic survey completed during FY18. Drilling targets included 3D seismic features on the mining lease, interpreted to be mafic-ultramafic (M-UM) intrusions up to 30km from the mining lease. Drill targets continue to be generated and several targets will be tested over the first quarter of FY21.
- Tropicana Operation (gold) - Exploration drilling during the year focused on resource development drilling at the Havana pit and the Boston Shaker underground. Regional exploration drilling of a number of targets was also progressed.

Greenfields Exploration

- Fraser Range (nickel-copper-cobalt) – The Company continued to strengthen its position in the prospective Fraser Range through new joint venture agreements, new tenement applications and the relinquishment of non-core tenements, and at year end had total tenement holdings of approximately 11,960km^2.

  During the year, aircore (AC) and diamond core drilling continued to systematically advance exploration targets. Geophysics and AC drilling crews shifted focus from systematic regional exploration work punctuated with targeted diamond drilling programs, to more focused exploration programs where infill AC drilling and electromagnetic (EM) surveys are following up coincident geophysical, geochemical and geological anomalies identified over the past 18 months, to generate new diamond drill targets. The EM teams had a particularly successful last quarter of the year, identifying six new targets that will be drill tested during FY21.

  The Company identified approximately 50 high-priority AC targets characterised by having the combination of the right rock types (i.e. similar in appearance and geochemistry to Nova) and anomalous nickel-copper-cobalt geochemistry. More than 100 other targets are characterised by having either the right rock types or anomalous geochemistry. The Company plans to follow-up these targets with >100,000m of AC drilling in FY21.
- Kimberley (nickel-copper-cobalt) - The Kimberley Project is targeting Nova-style nickel-copper-cobalt sulphide mineralisation in the Paleoproterozoic belts of the West and East Kimberley. IGO holds tenure and rights to tenure over 5,166km^2 in various joint ventures where IGO can earn interests ranging from 64% to 85%. IGO also holds 8,081km^2 of tenure on a 100% basis for a total project area of 13,250km^2.

  Planned exploration in FY20 was impacted by COVID-19, however as restrictions have eased, airborne geophysical surveys (magnetics and radiometrics) have recommenced. Geological, ground geophysical and drilling programs are planned for FY21, including at the advanced Merlin Prospect, where previous drilling by Buxton Resources Limited intersected massive nickel-copper-cobalt sulphide mineralisation. Approval was also received for EIS funding for RC drill targets generated in the adjoining Quick Shears and Fire Ant target areas.
- Lake Mackay (copper-nickel-cobalt, gold) - During the prior year, IGO completed the initial earn-in expenditure component under the terms of a Farm-in and Exploration Joint Venture Agreement to trigger the formation of the unincorporated Lake Mackay Joint Venture (IGO: Manager, 70% interest). The Lake Mackay Project is 400km northwest of Alice Springs and comprises approximately 15,630km^2 of tenements prospective for copper, nickel, cobalt and gold. The 2020 field season and drilling program was postponed due to COVID-19 restrictions.

- Raptor (nickel-copper-cobalt) – The Raptor Project is 100% owned by the Company, targeting geology interpreted to be prospective for Nova-style nickel-copper-cobalt mineralisation along the Willowra Gravity Ridge, covering 16,979km^2 of tenements.

  During the year, aeromagnetic and radiometric data was received from the Northern Territory Geological Survey for the Mt Peake-Crawford survey, where IGO funded infill lines over priority areas within the eastern tenements. The final co-funded airborne survey has been postponed due to the COVID-19 travel restrictions.

- Paterson (copper) – The Paterson Project was expanded during the year with the addition of several highly prospective land packages. On 10 June 2020, an earn-in and Joint Venture Agreement was announced with Metals X Limited, covering 2,394km^2 of highly prospective tenements adjoining the Nifty Copper Mine and the Maroochydore copper resource. An additional JV with Antipa Minerals was completed subsequent to year-end on 9 July 2020 covering 1,593km^2. This has now increased the total project area to 6,844km^2.

  In March 2020, the Company also elected to exercise its option to enter into an earn-in and Joint Venture Agreement with Encounter Resources Limited. IGO has a further option to sole-fund A$15 million over seven years to earn a 70% interest in Encounter's Yeneena Project tenements. Planning for the 2020 field program was advanced, with fine-fraction soil sampling, a magneto-telluric survey, an electromagnetic survey and several drilling programs planned. However, commencement of the field program was delayed due to the COVID-19 restrictions. The 2020 program commenced in June with the initiation of soil sampling.

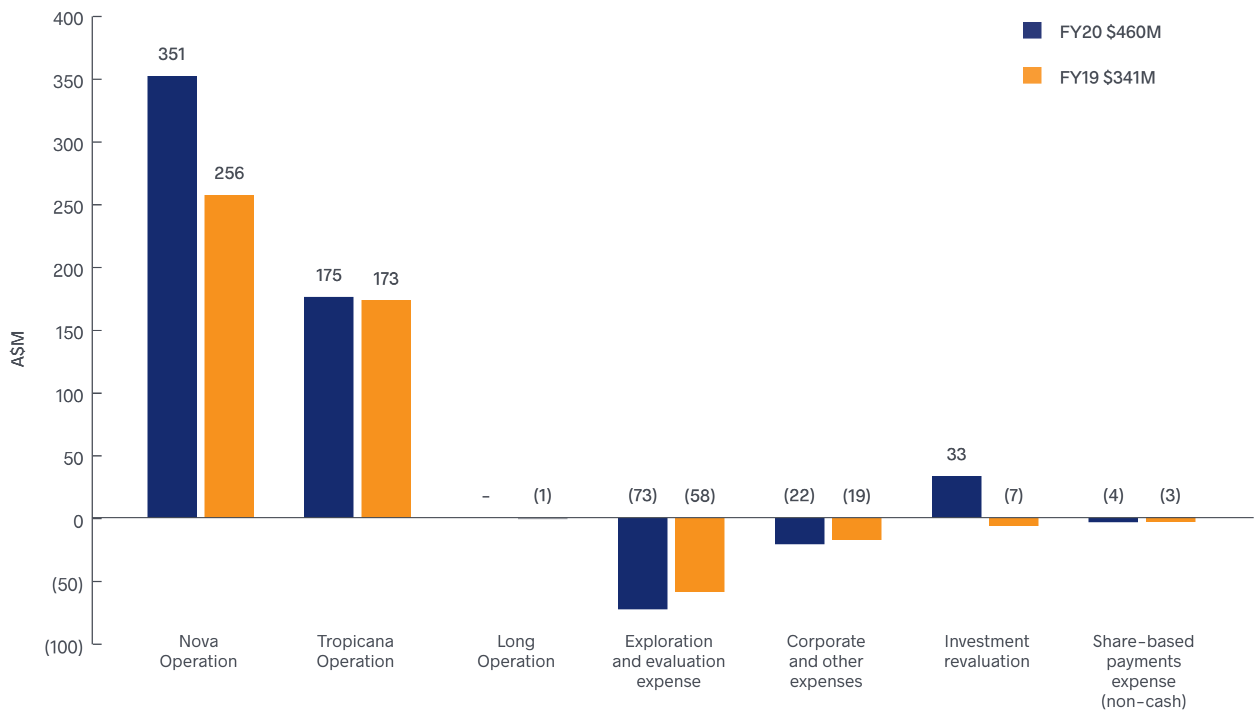
FINANCIAL OVERVIEW

FY20 was a year of unique challenges, including devastating bushfires and the COVID-19 global pandemic. Together with all Australians, we transitioned from a heightened concern around bushfires to the emergence of a global pandemic which disrupted the way we live and work. In response to COVID-19, IGO proactively developed and implemented a response plan to safeguard the health and wellbeing of the people in our business and the broader community, whilst also ensuring business continuity and doing our bit to keep Australia's economy strong. Throughout, IGO demonstrated remarkable resilience and adaptability.

The COVID-19 pandemic did not have a material impact on the financial position of IGO with demand for our products remaining strong. The Company achieved record revenue and underlying EBITDA for the second year in a row. The Group generated total revenue and other income of $892.4 million, a 13% increase on the prior year result of $792.9 million. This was predominantly due to stronger base and precious metal prices and the resulting impact on product revenue from the Nova and Tropicana Operations respectively. Nova continued strong operational performance, exceeding guidance range on all metals, and delivering production in line with prior year levels. Tropicana production finished within guidance range and revenue was up on the previous year, despite lower comparative production, driven by a higher realised gold price.

From a financial performance perspective, the Group's Board and management monitor Underlying EBITDA (calculated as profit before tax adjusted for finance costs, interest income, asset impairments, gain on sale of subsidiaries, retention and redundancy costs, depreciation and amortisation). This measure represents a useful proxy for measuring an operation's cash generating capabilities.

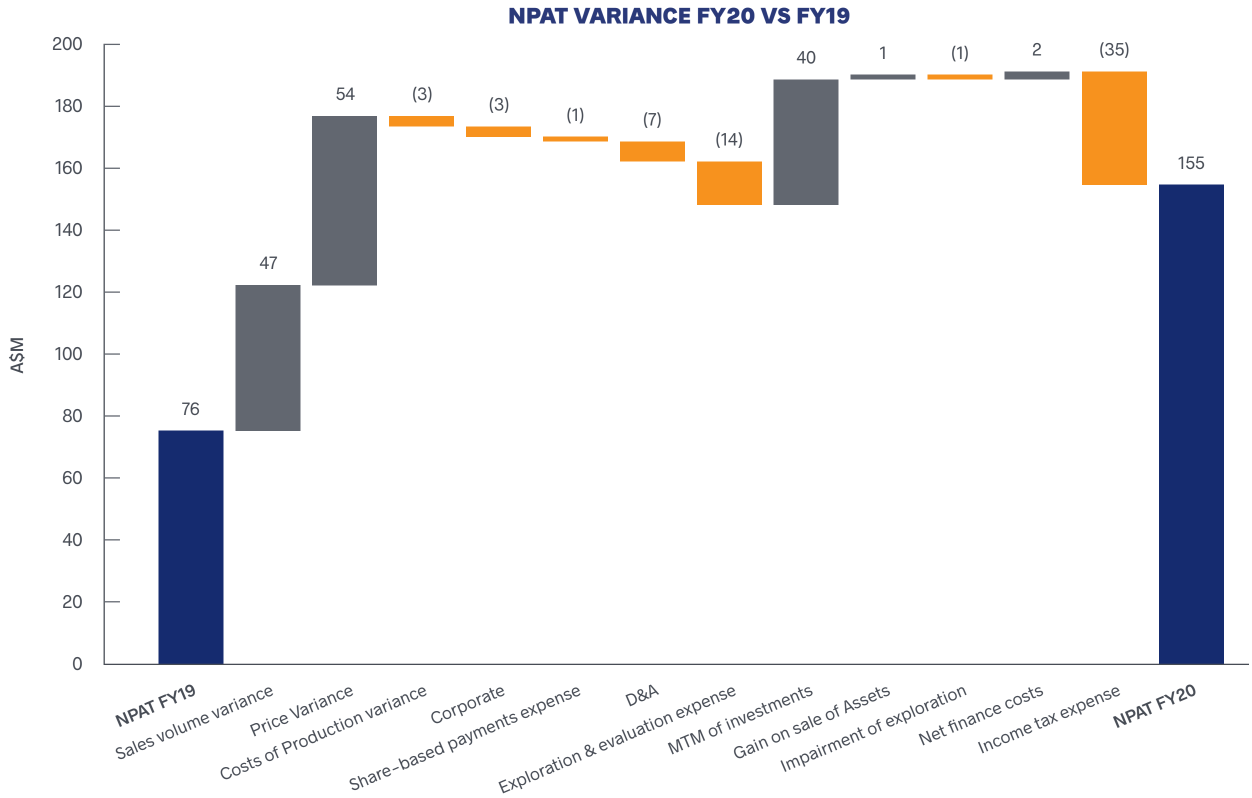
Underlying EBITDA increased relative to the previous financial year, as can be seen in the following chart:



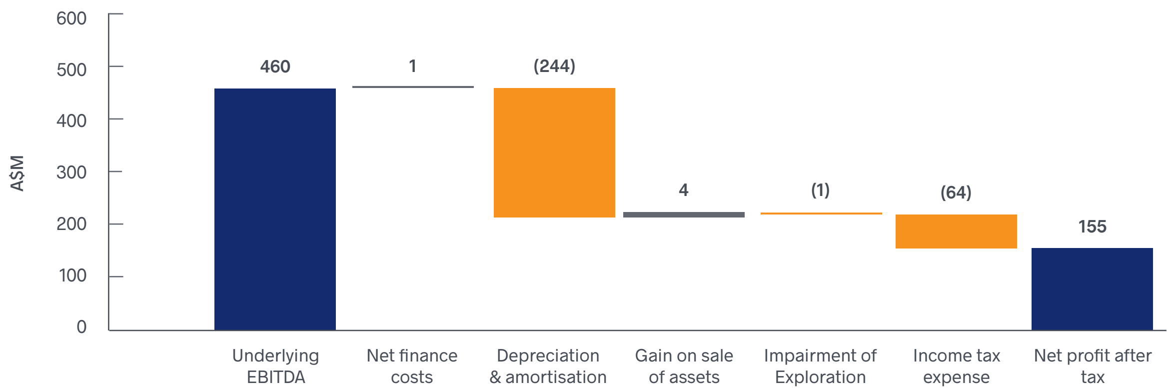
Nova's underlying EBITDA was higher on the previous year, primarily due to the higher revenue from stronger base metal prices. Tropicana's underlying EBITDA remained consistent with the previous year with higher realised prices partially offset by lower gold sold in FY20.

Exploration and evaluation expenditure increased by 26% due to a combination of a more drill intensive exploration program in the year and increased corporate development expenditure. Corporate expenditure is up slightly due to higher enterprise systems maintenance costs and an increased investment in a graduate training program. The investment revaluation of $33.2 million recognised mark-to-market gains on listed investments.

Net profit after tax (NPAT) for the year was $155.1 million, compared to $76.1 million in the previous financial year, as detailed in the chart below.



Below is a reconciliation of Underlying EBITDA to NPAT for FY20.



Depreciation and amortisation expense of $243.6 million (FY19: $237.1 million) was slightly higher than the prior year driven by higher amortisation of mine properties at Nova following a reserve update in FY20. The Group continued to build its cash reserves with interest income offsetting finance costs.

Cash flows from operating activities for the Group were $397.5 million, compared to the FY19 year of $372.3 million. This was predominantly a result of higher realised nickel and gold prices at Nova and Tropicana respectively.

The Nova Operation generated $334.6 million cash flows from operating activities, which was a result of 22,260 tonnes of payable nickel sold (FY19: 22,434 tonnes), 13,115 tonnes of payable copper (FY19: 12,208 tonnes) and 390 tonnes of payable cobalt (FY19: 372 tonnes) sold during the year. Tropicana Operation generated cash from operating activities of $153.4 million following the sale of 141,169 ounces of gold refined and sold. Cash flow from operating activities also included $70.6 million cash outflow for exploration and evaluation expenditure and $19.9 million cash outflow for corporate, net borrowing and other costs.

Cash outflows from investing activities increased to $115.3 million for the year, up from $82.8 million for the FY19. The Group spent $67.5 million on development expenditure, with the majority being waste stripping and underground development at the Tropicana Operation ($61.2 million). Payments for financial assets include a $27.0M share placement in New Century Resources Limited. During the year, IGO received deferred consideration totalling $16.1 million in respect of the divestment of the Jaguar Operation in FY18.

Cash flows from financing activities during the financial year included one semi-annual repayment of borrowings totalling $28.6 million. In response to the COVID-19 outbreak and as a precautionary measure, management proactively sought to defer payment of the March 2020 scheduled debt repayment of A$28.6M to September 2020. Finally, the Company paid dividends totalling $82.7 million during the year.

At the end of the financial year, the Group had cash and cash equivalents of $510.3 million and marketable securities of $107.8 million (FY19: $348.2 million and $27.5 million respectively). The Company's outstanding debt was $57.1 million, with expected repayment by September 2020, resulting in a net cash position for the Group of $453.2 million (FY19: $262.5 million).

The Group's future prospects are dependent on a number of external factors that are summarised towards the end of this report.

Nova Operation

Nova continued its strong operational performance in FY20, exceeding production guidance for all metals. In FY20, a total of 1,546kt of ore was mined at an average grade of 2.33% nickel and 0.98% copper.

The Nova process plant milled 1,514kt of ore at an average nickel and copper grade of 2.31% and 0.98% respectively for the year, to produce 30,436t of nickel and 13,772t of copper. Nickel metallurgical recoveries in the processing plant generally performed in line with modelled recoveries at 86.8%, while copper recoveries were 87.7% for the year.

Nova revenue for the period was $593.3 million, compared to $501.9 million for the prior year. This was generated through concentrate sales during the period sold to Glencore International AG (Glencore), Trafigura Pte Ltd (Trafigura) and BHP Billiton Nickel West Pty Ltd (BHPB Nickel West), with sales amounting to 22,260 tonnes of payable nickel, 13,115 tonnes of payable copper and 390 tonnes of payable cobalt. Nickel cash costs per payable pound, which comprises the costs of producing nickel at the mine site and includes credit adjustments for copper and cobalt sales, were $2.41 per payable pound for the year.

Below is a summary of the key physical and financial information relating to the Nova Operation.

NOVA OPERATION			
		2020	2019
Total revenue	$'000	**593,274**	501,891
Segment operating profit before tax	$'000	**182,173**	95,365
Total segment assets	$'000	**1,181,867**	1,193,096
Total segment liabilities	$'000	**92,862**	66,996
Ore mined	tonnes	**1,546,308**	1,509,875
Nickel grade	%	**2.31**	2.22
Copper grade	%	**0.98**	0.94
Cobalt grade	%	**0.09**	0.08
Ore milled	tonnes	**1,514,268**	1,580,706
Metal in concentrate			
– Nickel	tonnes	**30,436**	30,708
– Copper	tonnes	**13,772**	13,693
– Cobalt	tonnes	**1,142**	1,090
Metal payable – in concentrate produced			
– Nickel	tonnes	**22,049**	21,500
– Copper	tonnes	**12,606**	12,481
– Cobalt	tonnes	**389**	354
Nickel cash costs and royalties*	A$/lb total Ni metal payable	**2.41**	2.07
Nickel All-in Sustaining Costs**	A$/lb total Ni metal payable	**2.74**	2.79

* Includes credits for copper and cobalt

** Includes cash costs, royalties and sustaining capex

Tropicana Operation

During the year, total material mined was 34.7M bank cubic metres, which comprised of 10.6 million tonnes of ore (>0.6 grams per tonne Au) and 81.7 million tonnes of waste material. The average grade mined for full grade ore (>0.6 grams per tonne Au) was 1.59 grams per tonne Au for the year.

Ore milled was 8.7 million tonnes, which was up 6% on the prior year with FY20 being the first whole year of operation of the second ball mill, introduced in December 2018. Mill feed grade and recovery were 1.84 grams per tonne and 90.1% for the year, respectively.

The development of the Boston Shaker Underground Mine commenced in May 2019 and remains on track with first gold production expected in the September 2020 quarter.

Revenue from the Tropicana Operation for the period was $290.1 million, up 4% on the previous year as a result of higher production due to higher throughput and milled grade and a higher realised gold price. The Company's share of gold refined and sold was 141,169 ounces, down 9% on the prior year.

Cash costs per ounce produced, which comprises the costs of producing gold at the mine site and includes credit adjustments for waste stripping costs and inventory build and draw costs, were $806 per ounce, while All-in Sustaining Costs (AISC) per ounce sold were $1,171 per ounce. AISC comprises cash costs and capitalised sustaining deferred waste stripping costs, sustaining exploration costs, sustaining capital and non-cash rehabilitation accretion costs. AISC excludes improvement capital expenditure and greenfields exploration expenditure.

The table below outlines the key results and operational statistics during the current and prior year.

TROPICANA OPERATION

		2020	2019
Total revenue	$'000	**290,078**	278,480
Segment operating profit before tax	$'000	**101,371**	97,627
Total segment assets	$'000	**357,643**	314,990
Total segment liabilities	$'000	**57,785**	41,491
Gold ore mined (>0.6g/t Au)	'000 tonnes	**10,640**	14,747
Gold ore mined (>0.4 and 0.6g/t Au)	'000 tonnes	**1,898**	2,464
Waste mined	'000 tonnes	**79,796**	73,406
Gold grade mined (>0.6g/t)	g/t	**1.59**	1.65
Ore milled	'000 tonnes	**8,684**	8,177
Gold grade milled	g/t	**1.84**	2.20
Metallurgical recovery	%	**90.1**	89.4
Gold recovered	ounces	**463,717**	518,011
Gold produced	ounces	**463,118**	518,172
Gold refined and sold (IGO share)	ounces	**141,169**	154,402
Cash Costs	$ per ounce produced	**806**	680
All-in Sustaining Costs (AISC)*	$ per ounce sold	**1,171**	951

* All-in Sustaining Costs is a measure derived by the World Gold Council. On 27 June 2013, the Council released a publication outlining definitions of both Cash Costs and All-in Sustaining Costs.

EXTERNAL FACTORS AND RISKS AFFECTING THE GROUP'S RESULTS

The Group operates in an uncertain economic environment and its performance is dependent upon the result of inexact and incomplete information. As a consequence, the Group's Board and management monitor these uncertainties and, where possible, mitigate the associated risk of adverse outcomes. The following external factors are all capable of having a material adverse effect on the business and will affect the prospects of the Group for future financial years.

COVID-19

The COVID-19 pandemic continues to pose a global socio-political, economic and health risk. The potential for the pandemic to have both lasting and unforeseen impacts is high. As a Group, we changed the way we work to protect the wellbeing of our people, safeguard the communities in which we operate and ensure business continuity. We continue to maintain a heightened state of response readiness commensurate with the risk and in accordance with Government recommendations and health advice.

Commodity Prices

The Group's operating revenues are sourced from the sale of base metals and precious metals that are priced by external markets and, as the Group is not a price maker with respect to the metals it sells, it is, and will remain, susceptible to adverse price movements. The Group mitigates its exposure to commodity prices through a financial risk management policy in which a percentage of anticipated usage can be hedged. To this end, gold hedging in FY21 represents approximately 45% of the Group's share of forecast annual gold production.

The Company has also initiated diesel hedging in order to protect against increases in oil prices and as at year end, the Company had hedged approximately 66% of anticipated usage for FY21.

Exchange Rates

The Group is exposed to exchange rate risk on sales denominated in United States dollars (USD) whilst its Australian dollar (AUD) functional currency is the currency of payment to the majority of its suppliers and employees. The daily average AUD/USD currency pair's weakened slightly over the FY20 year. A weaker AUD implies a higher AUD receipt of sales denominated in USD. The Group's policy is to mitigate adverse foreign exchange risk by transacting commodity hedges in AUD equivalent terms where possible.

Downstream Processing Markets

The price of sea freight, smelting and refining charges are market driven and vary throughout the year. These also impact on the Group's overall profitability. The price paid for the sale of the Company's metal contained in concentrates is subject to payability factors under contractual offtake agreements. The Company actively tendered its Nova concentrate in the market in FY20 and, driven by the strong demand for Nova's concentrate, was able to enter into new offtake agreements with materially improved commercial terms compared to the previous contracts they replace.

Interest Rates

Interest rate movements affect both returns on funds on deposit as well as the cost of borrowings. Furthermore, AUD and USD interest rate differentials are intimately related to movements in the AUD/USD exchange rate.

Native Title

With regard to tenements in which the Group has an existing interest in, or will acquire an interest in the future, it is the case that there are areas over which Native Title rights exist, or may be found to exist, which may preclude or delay exploration, development or production activities. The comparable, albeit lesser risk, arises from the potential presence of archaeological and ethnographic sites.

The Company engages suitably qualified personnel to assist with the management of its exposure to native title and heritage risks, including appropriate legal and community relations experts. These risks are discussed in more detail in the Company's Sustainability Report which can be found on the Company's website.

Exposure to Economic, Environment and Social Sustainability Risks

The Group has material exposure to economic, environmental and social sustainability risks, including changes in community expectations, and environmental, social and governance legislation (including, for example, those matters related to climate change).

The Group employs suitably qualified personnel to assist with the management of its exposure to these risks. These risks are discussed in more detail in the Company's Sustainability Report which can be found on the Company's website.

Climate Change

The Group recognises the importance of providing timely and business-specific information on our approach to managing climate change related risks and opportunities to stakeholders and investors. In FY20, we completed a workplan to align with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). This included a detailed assessment of climate-related risks and opportunities over relevant time-horizons, and scenario analysis to test the resilience of our existing business strategies and financial planning. The full disclosure can be found in our 2020 Sustainability Report, to be released in September 2020.

Other External Factors and Risks

- Operational performance including uncertain mine grades, seismicity, geotechnical conditions, grade control, in fill resource drilling, mill performance and experience of the workforce
  - Contained metal (tonnes and grades) are estimated annually and published in resource and reserve statements, however actual production in terms of tonnes and grade often vary as the orebody can be complex and inconsistent
  - Active underground mining operations can be subjected to varying degrees of seismicity. This natural occurrence can represent significant safety, operational and financial risk. To mitigate this risk substantial amounts of resources and technology are used in an attempt to monitor seismicity, and predict and control changing geotechnical conditions.
- Exploration success or otherwise
  - Due to the nature of an ever-depleting reserve/resource base, the ability to find or replace reserves/resources presents a significant operational risk.
- Operating costs including labour markets and productivity
  - Labour is one of the main cost drivers in the business and as such can materially impact the profitability of an operation.
- Changes in market supply and demand of products
  - Any change in supply or demand impacts on the ability to generate revenues and hence the profitability of an operation.
- Changes in the technological advancement of the energy storage market, and the discovery and adoption of alternate product streams
- Changes in government taxation legislation; and
- Assumption of estimates that impact on reported asset and liability values.

Significant Changes in the State of Affairs

Following shareholder approval at the Company's 2019 Annual General Meeting (AGM) held on 20 November 2019, the change of company name (from Independence Group NL to IGO Limited), company type (from a no liability company to a company limited by shares) and company constitution (lodged with the ASX on 20 January 2020) became effective from 17 January 2020.

There have been no other significant changes in the state of affairs of the Group during the year.

Events Since the End of the Financial Year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and, while it has had limited impact on the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 27 August 2020, the Company announced that a final dividend for the year ended 30 June 2020 would be paid on 25 September 2020. The dividend is 5.0 cents per share and will be unfranked.

Other than the above, there has been no other transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Company Secretary

Ms. Joanne McDonald was appointed to the position of Company Secretary on 5 October 2015.

Ms. McDonald is a qualified Chartered Secretary with over 16 years' experience working for listed companies in Australia and the UK. Prior to joining IGO, Ms. McDonald held positions with Paladin Energy Ltd, Summit Resources Ltd and Unilever plc.

Ms. McDonald is currently a WA State Councillor for the Governance Institute of Australia.

Ms. McDonald is a Fellow of the Governance Institute Australia and a Graduate of the Australian Institute of Company Directors.

MEETINGS OF DIRECTORS

The numbers of meetings of the Directors and of each Board Committee held during the year ended 30 June 2020, and the numbers of meetings attended by each Director were:

	Full meetings of directors		Meetings of committees							
			People & Performance Committee		Audit Committee		Nomination & Governance Committee		Sustainability & Risk Committee	
Name	A	B	A	B	A	B	A	B	A	B
Debra Bakker	11	11	4	4	5	5	**	**	5	5
Peter Bilbe	10	11	4	4	5	5	3	3	**	**
Kathleen Bozanic[1]	9	9	**	**	3	3	2	2	**	**
Peter Bradford	11	11	**	**	**	**	**	**	**	**
Peter Buck	11	11	4	4	**	**	**	**	5	5
Geoffrey Clifford[2]	4	4	**	**	3	3	1	1	**	**
Keith Spence	10	11	3	4	**	**	**	**	4	5
Neil Warburton	11	11	**	**	**	**	3	3	4	5

A = Number of meetings attended

B = Number of meetings held during the time the Director was a member of the committee during the year

** = Not a member of the relevant committee

1. Ms Bozanic was appointed a Non-executive Director effective 3 October 2019.
2. Mr Clifford retired as a Non-executive Director effective 20 November 2019.

Note: Directors who are not members of a specific committee have a standing invitation to attend committee meetings with the consent of the relevant committee chair and in practice generally attend all committee meetings. Their attendance is only included in the table if they are a member of the committee.

DIRECTORS INTEREST IN SHARES AND SHARE RIGHTS OF THE COMPANY

At the date of this report, the interests of the Directors in the shares, performance rights and service rights of IGO Limited were as follows:

Name	Ordinary fully paid shares	Performance rights	Service rights
Debra Bakker	21,687	–	–
Peter Bilbe	40,000	–	–
Kathleen Bozanic	11,780	–	–
Peter Bradford	873,254	381,092	134,074[1]
Peter Buck	22,200	–	–
Keith Spence	22,125	–	–
Neil Warburton	106,034	–	–
Total	1,097,080	381,092	134,074

[1] 62,601 service rights have vested due to service condition being achieved and subject to being exercised will convert into ordinary shares.

LETTER FROM CHAIR OF PEOPLE & PERFORMANCE COMMITTEE

DEAR SHAREHOLDER

On behalf of the People & Performance Committee, I am pleased to share with you our FY20 Remuneration Report.

The FY20 year has presented considerable challenge to our people in the roles they perform and in the communities in which they live. Despite these challenges, our people have made some significant achievements, including the delivery of strong performance at Nova and Tropicana, the furthering of key programs of work in the Fraser Range and other exploration programs that are key to delivering future discovery, and continuing to create a team of people across the business and a capability and culture that is key to the future delivery of value to shareholders.

Over the past year, we have experienced a variable, role dependent talent market with restrictions on sourcing some roles due to the impact of COVID-19. Pleasingly however, our continued focus on building a strong and resilient company and culture has stood us in good stead throughout the year with a growing reputation as a company that people seek to join.

Executive Remuneration and Reward

The Board is focused on providing Executives with fixed remuneration that is competitive and recognises the value that their skills, experience and expertise deliver to IGO, balanced with an appropriate level of variable reward to incentivise the achievement of key strategic initiatives. The Board believes that this balanced approach:

- Ensures that the Company attracts and retains key talent through a balance of support and challenge for each individual; and
- Remains an employer of choice.

Each year the Board takes care to ensure that Executive remuneration is an appropriate combination of cash and equity such that over time Executives are aligned with the long-term interests of shareholders through their personal shareholding in IGO.

Short-Term Incentive (STI)

The Board and the Leadership team review and update the Company's strategic and culturing plan annually. As part of this planning process, the Board sets and monitors a series of demanding performance targets to drive the achievement of the annual business plan and the longer term strategic plan throughout the year. The annual STI scorecard, and the weighting attributed to each element, is carefully designed to take a balanced approach to driving performance critical to delivering the annual business plan whilst working in concert to ensure progression of the long-term strategic plan that delivers value to all shareholders. In FY20, these performance targets included the following combination of financial and non-financial focused measures:

- **Health, Safety, Environment and Community** – the completion of a program of work to understand IGO's safety maturity, and the application of a range of forward and backward looking measures that focused effort on culture and system improvements to better manage the HSE risk inherent to the Company's operations.
- **People and Culture** – engagement and diversity metrics designed to focus achievement on key strategic enablers and programs of work that result in a workforce that has the balance of diversity of skills and capabilities and the culture to drive the delivery of the Company's strategic plan.
- **Growth and Strategy** – measures the performance required to deliver a suite of strategic initiatives, brownfields/greenfields opportunities and value accretive M&A opportunities important to growing longer term shareholder value.
- **Production Optimisation** – measures designed to drive production performance, a key enabler to funding the achievement of the Company's strategic plan.
- **Financial Performance** – financial management measures focus the achievement by Executives on a suite of corporate financial outcomes that are important to funding the achievement of the Company's strategic plan to grow shareholder value.

Each year the Board has the capacity to exercise discretion with regard to the award of STI payments to the Executives. In FY20, there were several events (safety and environmental) that occurred that have caused the Board to exercise this discretion. A detailed description of the Key Performance Indicators (KPIs) that drive the payment of STI, the performance achieved and the resulting STI payments can be found in our Remuneration Report in the following pages.

Board Discretion – STI Payment Award

FY20 was an exceptional year, with the Company exceeding metals guidance at Nova and Tropicana delivering within guidance, resulting in underlying free cash flow of $311M and net profit after tax of $155M. This outcome was delivered despite a number of internal and external challenges (a fatality, regional bushfires and COVID-19) and would not have been possible without the unwavering commitment and dedication of our people.

Throughout the COVID-19 operating environment, our teams exhibited a significant level of additional effort for many months to protect our people, safeguard our host communities and deliver continuity of our production and exploration activities. As a result of this commitment to our business continuity during the second half of FY20, a number of the growth and strategic programs of work that were planned for the KPI component of the short-term incentive were either put on hold or delayed. Taking this into account and in acknowledgement of the huge discretionary effort that all IGO employees made during the year, the Board has approved a discretionary award of an additional 20% to be included in the Company Scorecard for FY20. For further details on this please see page 58.

Long-Term Incentives (LTI)

In FY20, the Board implemented a change to the categorisation of the Service Rights component of Executive remuneration from STI in favour of an increased weighting to the LTI. This decision was made to more effectively communicate the deferred nature of Service Rights in variable reward as a longer-term benefit, differentiated from a cash reward and to highlight the importance of retention of Executives to drive long-term value creation for shareholders. Further details on how these changes apply to each of the KMP are detailed in this Remuneration Report.

Planned Remuneration Changes for FY21

The suite of changes for FY21 are discussed in Section 5 of this Report. The main points are:

- There are no changes planned for the Total Fixed Remuneration of KMP in FY21 however, given the current dynamic market, a mid-year review will be conducted to assess whether adjustments are needed to maintain competitiveness
- The Board has introduced a heightened threshold for KPIs relating to STI. The Board will have the discretion to reduce KPI outcomes by up to 100% of the cash component of variable incentives in the event of occurrence of any event that is classified as "catastrophic" in the company's Risk Matrix. This will apply within the Company from the working group where the event occurred and progressing through to the Executive Leadership Team; and
- The Board will also have the discretion to reward outstanding performance that falls outside of the existing KPI program for teams or individuals that have created significant additional value for shareholders and/or employees.

Each year we try to improve our reporting transparency and clarity for shareholders and I trust that our shareholders will find the 2020 Remuneration Report clearly explains our current remuneration philosophy and executive outcomes for the period. I welcome your feedback in FY21 in our endeavour to continuously improve all that we do.

KEITH SPENCE
CHAIR – PEOPLE & PERFORMANCE COMMITTEE

REMUNERATION REPORT (AUDITED)

Key Management Personnel (KMP) of the Group (also referred to as Executive or Executive Management) are detailed in the table below and are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director, whether executive or otherwise of the Company.

SECTION 1 **FY20 OVERVIEW**	Section 1 details organisational developments and outcomes in FY20.
SECTION 2 **REMUNERATION AT IGO**	Section 2 provides an overview of key elements of the Company's remuneration governance and philosophy.
SECTION 3 **EXECUTIVE REMUNERATION IN FY20**	Section 3 details remuneration arrangements in FY20 for the following executives: **Keith Ashby** – Head of Safety, Health, Environment, Quality (SHEQ) & Risk **Kate Barker** – General Counsel **Peter Bradford** – Managing Director and CEO **Matt Dusci** – Chief Operating Officer **Andrew Eddowes** – Head of Corporate Development **Joanne McDonald** – Company Secretary and Head of Corporate Affairs **Sam Retallack** – Head of People & Culture **Ian Sandl** – General Manager – Exploration **Scott Steinkrug** – Chief Financial Officer
SECTION 4 **NON-EXECUTIVE DIRECTOR REMUNERATION**	Section 4 details remuneration and benefits for the Company's Non-executive Directors (see pages 40 to 41 for details about each Director) including: **Peter Bilbe** – Non-executive Chairman **Debra Bakker** – Non-executive Director **Kathleen Bozanic** – Non-executive Director (appointed 3 October 2019) **Peter Buck** – Non-executive Director **Geoffrey Clifford** – Non-executive Director (from 1 July 2019 until his retirement on 20 November 2019) **Keith Spence** – Non-executive Director **Neil Warburton** – Non-executive Director
SECTION 5 **PLANNED REMUNERATION CHANGES FOR FY21**	Section 5 provides an overview of the planned changes in remuneration and reward FY21 for the Executives and the wider organisation.
SECTION 6 **STATUTORY REMUNERATION DISCLOSURES**	Section 6 provides an update for all relevant statutory remuneration disclosures as required by the *Corporations Act 2001*.

SECTION 1.
FY20 OVERVIEW

The COVID-19 environment in which our people have operated during FY20 has presented considerable challenge in both the roles they perform and the communities in which they live. Despite these challenges our people have made significant progress on a range of strategic initiatives, delivering strong operational performance at Nova and Tropicana, key programs of work in the Fraser Range and other exploration programs, and have continued to build teams of people across the business with a culture that will be key to positioning IGO for success. This performance is the result of the focus and strong sense of collective purpose of the Executive team, together with the efforts of every person in the wider IGO team.

The Company's Total Rewards Philosophy is designed to provide Executives and employees with a combination of remuneration and non-financial benefits to drive performance. Over time, this holistic philosophy has been fundamental in forming the basis for the connection of some of the key elements of our Strategy and Purpose to remuneration. To this end, along with Company-wide salary benchmarking and the award of a group wide CPI increment (or consideration of) for all roles, the following remuneration initiatives were implemented at a Board and Executive level, for FY20:

- Increases in Total Fixed Remuneration (TFR) for KMPs in line with market benchmarking, role scope and scale to ensure that Executive fixed remuneration remained competitive within the comparator and broader industry groups for similar roles
- An increase in the STI award for the CEO from 35% to 50%, for the COO from 25% to 40%, and for other KMP from 17.5% to 25% as a result of the findings of detailed benchmarking, which indicated that the cash component of Executive variable incentive was less competitive than the peer group
- A reorganisation of variable incentive attributable to LTI with the inclusion of an increased award of Service Rights as part of the deferred incentive and a small scale back in the number of Performance Rights. This change was made to better focus senior leaders in the business on the non-cash, deferred component of their remuneration (Service Rights and Performance Rights) and the commitment to increase the personal shareholdings of KMP through their retention and the achievement of the suite of performance hurdles closely aligned to the time horizons of shareholders
- An increase of $20,000 in the remuneration for the Board Chair to $250,000 to remain competitive based on market benchmarking of the IGO peer group; and
- An increase of $5,000 in the remuneration for Committee Chair roles for the Audit, People & Performance and Sustainability & Risk Committees and $10,000 for the Chair of the Nomination & Governance Committee to remain competitive based on market benchmarking of the IGO peer group.
- No other changes were made to Non-executive Director remuneration during FY20.

SECTION 2.
REMUNERATION AT IGO

REMUNERATION GOVERNANCE OVERVIEW

The Board recognises that the continued success of the business depends upon the quality of its people. To ensure the Company continues to innovate and grow, it must attract, motivate and retain highly skilled Directors, Executives and employees and as such has an active People & Performance Committee to ensure that people, performance and culture are a priority.

The Committee, chaired by Keith Spence, held four meetings during FY20. Ms Bakker and Messrs Bilbe and Buck are also Committee members. The Managing Director was invited to attend all meetings which considered the remuneration strategy of the Group and recommendations in relation to Executives. The structure of the relationship between the Board, Committee and remuneration principles is explained in the following table:

BOARD

The Board delegates responsibility in relation to remuneration to the People & Performance Committee (Committee) which operates in accordance with the Company's People & Performance Committee Charter and the requirements of the *Corporations Act 2001* and its regulations.

PEOPLE & PERFORMANCE COMMITTEE

The Committee is made up entirely of independent Non-executive Directors. The Committee is charged with assisting the Board by reviewing, on an annual basis, and making appropriate recommendations on the following:

- The Company's remuneration policy and structure, to ensure that it remains aligned to business needs and meets the Company's remuneration principles
- Non-executive Director, CEO and KMP remuneration
- Equity-based remuneration plans for KMP and other employees
- Diversity and culture strategy, policy, practices and performance
- Superannuation arrangements for the organisation; and
- Remuneration equity for all employees across the Group.

IGO REMUNERATION PRINCIPLES

Remuneration policy is transparent with information communicated to all employees to create a high level of understanding of the link between pay, performance and delivery against Company objectives and values.

At risk components are designed to motivate and incentivise for high performance and are aligned with the Company's strategic and business objectives to create short and long-term shareholder value.

Learning and development is a quantifiable and essential component of all roles.

Career planning is a valued component of the total reward philosophy and forms part of all development plans.

Health and wellbeing programs aim to provide balance and additional value for people at all levels of the organisation.

Equity in the business is important for all employees and prioritised when setting and reviewing remuneration policy and practice.

EXTERNAL ADVICE AND BENCHMARKING

The Committee undertakes a broad review of data derived from remuneration consultants who track industry levels to ensure it is fully informed when making remuneration decisions.

During the year ended 30 June 2020, no remuneration recommendations, as defined by the *Corporations Act 2001*, were provided by remuneration consultants. However, the Committee did utilise data provided by Aon Australia $7,500 and Mercer Consulting $2,400 regarding salaries and benefits across the organisation.

Further information on the Committee's role, responsibilities and membership can be found under the Governance section on the Company's website: **www.igo.com.au**.

SECTION 3.
EXECUTIVE REMUNERATION IN FY20

COMPONENTS OF EXECUTIVE REMUNERATION AT IGO

Executive remuneration at IGO is comprised of a mix of fixed and at risk components, as an integrated package, the purpose of which is to align Executive reward with shareholder outcomes, Executive performance and the retention of key talent. TFR and at risk remuneration is benchmarked at least annually by the People & Performance Committee.

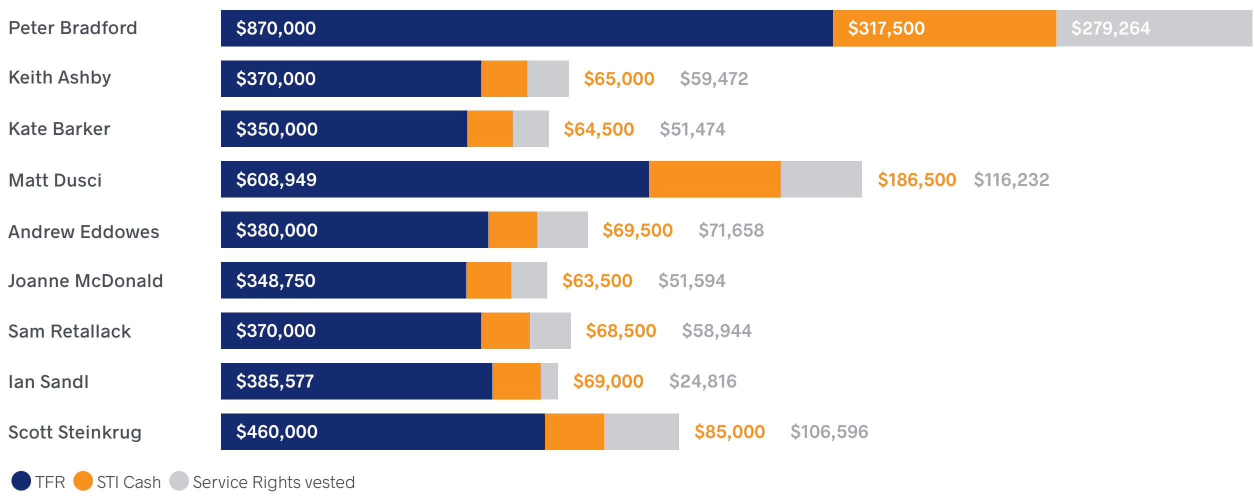
The table below provides an overview of the different remuneration components within the IGO framework.

		Performance related remuneration (at risk)	
Objective	**Attract and retain the best talent**	**Reward current year performance**	**Reward long-term sustainable performance**
Remuneration Component	**Total Fixed Remuneration (TFR) – includes salary and superannuation**	**Short-Term Incentive (STI) – paid as cash**	**Long-Term Incentive (LTI) – paid as service rights and performance rights**
Purpose	TFR provides competitive 'guaranteed' remuneration with reference to: • Size and complexity of the role • Individual responsibilities and performance; and • Experience and skills.	The STI ensures appropriate differentiation of pay for performance, for achievement of a combination of Company and Individual KPIs to drive achievement of near-term strategic objectives and retention of KMP.	The LTI is focused on the achievement of stable mid to long-term shareholder returns through the Company's long-term strategic objectives and retention.

TOTAL REALISED EARNINGS FOR KMP IN FY20

The table below provides details of the actual remuneration earned during FY20 for KMP. Amounts include:

- Total fixed remuneration received
- The cash component of the STI earned as a result of business and individual performance for FY20
- Ordinary shares received as a result of service rights that vested during the year; and
- Ordinary shares received as a result of performance rights that vested during the year[1].



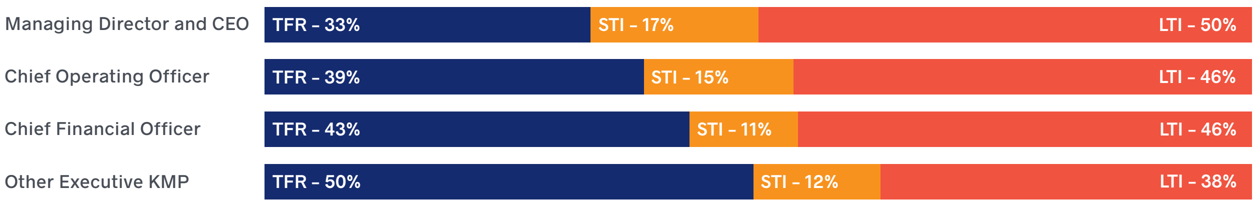
1. Nil were received for FY20.

KMP AT RISK REMUNERATION IN FY20

The at risk components of Executive remuneration at IGO are intended to drive performance and long-term stability in shareholder returns without encouraging undue risk-taking.

The mix of fixed and at risk remuneration varies depending on the role and reward grading of Executives and employees. It also depends on the performance of both the Company and the individual.

The following is an overview of the total fixed and at risk remuneration for Executive KMP in FY20:



MALUS AND CLAWBACK PROVISION

IGO has a malus and clawback provision that allows the Board to reduce or clawback unvested and vested entitlements in certain circumstances, including in the case of fraud, dishonesty, gross misconduct, bringing the Group into disrepute, breach of obligations to the Group, material financial misstatements, where warranted due to risk behaviour, or other circumstances under law or Group policy. The EIP also allows the Board to reduce unvested awards where vesting is not justified or supportable for performance or other specified reasons.

IGO STIP OUTLINE FOR FY20

The key elements of the Short-Term Incentive Program (STIP) as it relates to the Company's KMP is provided below:

STIP Opportunity	The STIP opportunity offered to each Executive as a percentage of TFR is defined by the individual's role and reward grade. The STIP opportunity is market benchmarked and reviewed by the Board annually. STIP payments are awarded 100% cash on or above threshold performance against a range of business objectives (Company KPI) and individual performance objectives (Individual KPI).
Performance Targets	The payment of a short-term incentive to KMP is an at risk component of the individual's total remuneration given that a set of performance targets must be met prior to payment. These targets are based on metrics that are measurable, transparent, and achievable, and are designed to motivate and incentivise the Executive to drive to achieve high levels of performance aligned with Company objectives and near-term shareholder value creation. In FY20, the performance targets for KPI assessment reflected the following financial and non-financial components: • Health, Safety, Environment and Community • People and Culture • Growth and Strategy • Production Optimisation • Financial Performance
Performance Assessment	The Company employs a system of continuous performance feedback to drive performance and KMP performance is regularly reviewed by the Board throughout the financial year against the defined KPIs. A final performance assessment occurs annually following the completion of the financial year for each Executive. Executives are assessed on their contribution to the achievement of Company KPIs (80%), individual KPIs (20%) and their demonstrated support for the Company's values and behaviours.
Measurement Period	The STIP is an annual program and operates from 1 July to 30 June each year.
Termination of Employment	In the event that an Executive's employment terminates prior to the end of a financial year the Executive may or may not receive a pro rata payment, depending on the circumstances of the cessation of employment.
Board Discretion	The payments of all STIs are subject to Board approval. The Board has the discretion to adjust remuneration outcomes higher or lower to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any STI payment.

HOW PERFORMANCE WAS LINKED TO STIP OUTCOMES IN FY20

As part of the annual business planning process the Board determines the KPIs to reflect targets for the key strategic drivers of the business for the following year. Although significant progress was made in achieving Company KPIs and a range of other related programs of work, the final result was disappointing for several Key Result Areas (KRAs).

Company Scorecard Gating

- No Production Optimisation or Financial Performance component in the event of Company NPAT being negative before abnormals.
- No Growth and Strategy component in the event of a material downward restatement of the previous year's Reserves.
- No Health, Safety, Environment and Community or People and Culture component in the event of a fatality, permanent disabling injury and/or material environmental breach.

Individual KPI Gating

No individual component in the event of a material breach of the Company's Code of Conduct by the individual.

FY20 Scorecard

The KPI Scorecard for KMP and performance achieved against the specific KPIs for each KRA for FY20 are listed in the table below.

Key Result Area (KRA)	Rationale for inclusion	Performance and commentary
Health, Safety, Environment and Community	**15% weighting**	**No score**[1]
Measure HSE maturity and deliver a 10% improvement during FY20.	The completion of a third-party review, and the application of a range of forward and backward looking measures that focused effort on culture and system improvements to better manage the HSE risk inherent to the Company's operations.	Given the previously reported tragic death of one of our contractors' employees resulting from an incident at our Nova Operation in September 2019, and an environmental compliance issue in exploration, the Board has decided that no payment will be made to KMP in respect of this KRA. However, for the majority of IGO's workforce, FY20 saw significant improvements to many of our HSE systems. Consequently, for non KMP entitled to an STI, the HSE KRA component of their STI will reflect the outcomes within their operational area.
People and Culture	**15% weighting**	**No score**[1]
Deliver year-on-year improvement in: • Annual Engagement Survey Score; and • Diversity metrics for female and Aboriginal employment across the business.	Engagement and diversity metrics are designed to focus achievement on key strategic people enablers and programs of work that result in a workforce that has the balance of diversity of skills and capabilities to drive the delivery of the Company's strategic plan.	The Company achieved just below threshold performance for the Engagement Survey score: Engagement Survey Score 69% (Threshold = 70%, Target = 75%) Improvements were made across the business with programs of work to improve the diversity of the employee population, however targets for the delivery of year-on-year improvement for diversity metrics were not achieved, resulting in the Company maintaining FY19 levels i.e. • 24% Female employment (Threshold = 25%, Target = 30%) • 3% Aboriginal employment (Threshold = 3%, Target = 3.5%)
Growth and Strategy[2]	**40% weighting**	**20% achieved**
Complete nominated number of agreed strategic priorities.	Outlines performance achieved to deliver a suite of strategic initiatives, brownfields/greenfields opportunities and value accretive M&A opportunities important to growing shareholder value.	Progress achieved in line with our strategic priorities and time lines.
Production Optimisation	**20% weighting**	**20% achieved**
Achieve consolidated production targets for Nova on a nickel metal equivalent basis.	Delivery of strong production performance is a key enabler to funding the achievement of the Company's strategic plan.	The production outcome achieved at Nova represented a strong operational result in excess of the target performance for FY20. Target = 30,264 tonnes Actual = 30,436 tonnes
Financial Performance	**10% weighting**	**10% achieved**
Achieve consolidated operating costs (production and non-production) for the Group (excluding non-controlled operations).	Achievement of strong financial management is a key enabler to funding the achievement of the Company's strategic plan.	The Company achieved a strong result with better than targeted operating costs for FY20. Target = \$320M Actual = \$307M
Board Discretion	**20% weighting**	**20% achieved**
COVID-19 Response/Business continuity.	The Board has discretion to adjust KPI awards when internal or external events materially impact KPI performance and/or achievement.	The extraordinary effort from KMP, COVID-19 Response Team and all employees in response to COVID-19 and the swift implementation of a number of business continuity measures ensured the strong financial and operating performance achieved for FY20.
	Total weighting 120%[3]	**Total outcome 70%**

1. Due to the fatality that occurred at our Nova Operation in September 2019.
2. Due to the sensitive nature of some corporate KPIs the full detail on measures and achievement is confidential.
3. Total weighting increased to 120% with the addition of the Board Discretion KRA.

KRA measure achieved KRA measure partially achieved KRA measure not met

FY20 STIP OUTCOMES

Name	Position	FY20 Potential STI[1] %	FY20 STI Declared[2] $	FY19 Potential STI %	FY19 STI[3] $
Peter Bradford	Managing Director & CEO	50	317,500	70	482,000
Keith Ashby	Head of SHEQ & Risk	25	65,000	35	103,000
Kate Barker	General Counsel	25	64,500	35	98,000
Matt Dusci	Chief Operating Officer	40	186,500	50	217,000
Andrew Eddowes	Head of Corporate Development	25	69,500	35	106,000
Joanne McDonald	Company Secretary and Head of Corporate Affairs	25	63,500	35	98,000
Sam Retallack	Head of People & Culture	25	68,500	35	103,000
Ian Sandl	General Manager - Exploration	25	69,000	35	106,000
Scott Steinkrug	Chief Financial Officer	25	85,000	50	185,000

1. % of TFR (base salary plus superannuation).
2. To be paid in cash in August 2020.
3. FY19 STI comprises 50% in cash (paid in August 2019) and 50% in service rights (vesting in equal parts in September 2020 and September 2021).

IGO LTIP OUTLINE FOR FY20

An outline of the key elements of the Company's Long-Term Incentive Program (LTIP), as it relates to the Company's KMP, is provided below:

LTIP Opportunity	The LTIP opportunity is determined by the Executive's role and reward grade within the business and is awarded by: • The award of a number of service rights based on a percentage of TFR. Service rights are awarded on or above threshold performance against a range of business objectives (company KPI) and individual performance (Individual KPI); and • The offer of a number of performance rights based on a percentage of TFR. The LTIP opportunity for each individual KMP is outlined on page 64.
Service Rights	Service rights issued for FY20 performance vest in two tranches, with the first tranche of 50% vesting on the 12 month anniversary of the award date, and the second tranche of 50% on the 24 month anniversary of the award date. Vesting of the service rights is based on a continuous service condition being met and is designed to act as a driver of retention and continuity of medium-term value creation.
Performance Rights Hurdles	For performance rights issued in FY20 there are four equally weighted (25%) performance hurdles utilising the following measures: 1. Relative TSR 2. Absolute TSR 3. Reserve growth per share; and 4. EBITDA average margin.
Vesting of Performance Rights	Vesting of the performance rights granted to Executive KMP is based on a continuous service condition and performance conditions as detailed below.
Service Conditions for Performance Rights	Performance rights are subject to a service condition. This condition is met if the KMP's employment with IGO is continuous for three years commencing on or around the grant date and is aimed at the retention of key personnel and to promote long-term stability in shareholder returns.

Performance Conditions for Performance Rights

Relative TSR

The TSR scorecard for the three year measurement period is determined based on a percentile ranking of the Company's TSR results relative to the TSR of each of the companies in the peer group over the same three year measurement period.

The Board considers that relative TSR is an appropriate performance hurdle because it ensures that a proportion of each participant's remuneration is linked to the return received by shareholders from holding shares in a company in the peer group for the same period.

Absolute TSR

The increase in the Company's absolute TSR will be measured over the three year measurement period.

The Board considers that absolute TSR is an appropriate performance hurdle because it ensures KMP performance is rewarded when a year-on-year improvement in shareholder value is achieved.

Reserve growth per share

Reserve growth per share is defined as ore reserve growth in excess of depletion over the three year measurement period.

The Board considers that reserve growth per share is an appropriate performance hurdle to align senior leaders of the business on the achievement of programs of work that achieve the Company's strategic initiatives for brownfields/greenfields opportunities and value accretive M&A opportunities important to growing shareholder value.

EBITDA Average Margin

EBITDA average margin is defined as a measure of the Company's EBITDA as a percentage of its revenue averaged over the measurement period.

The Board considers that EBITDA average margin is an appropriate performance hurdle to align senior leaders on ensuring the sustained operating profitability of the business over time and transparency for shareholders on the Company's performance in comparison to the IGO peer group.

Performance Rights Vesting Schedules

Relative TSR

The vesting schedule of the 25% of performance rights subject to relative TSR testing is as follows:

Relative TSR performance	Level of vesting
Less than 50th percentile	0%
Between 50th and 75th percentile	50% plus pro-rata straight line percentage between 50% and 100%
75th percentile or better	100%

Absolute TSR

The vesting schedule of the 25% of performance rights subject to absolute TSR testing is as follows:

Absolute TSR performance	% of Performance Rights that will vest
10% per annum return	33%
Above 10% per annum and below 20% per annum return	Pro-rata straight line percentage between 33% and 100%
Above 20% per annum return	100%

Reserve growth per share

The vesting schedule of the 25% of performance rights subject to Reserve growth per share testing is as follows:

Reserve growth in Ore Reserves per share performance	Level of vesting
<90% of Baseline Ore Reserves	0%
90% of Baseline Ore Reserves	33%
Above 90% of Baseline Ore Reserves and below 100%	Straight-line pro-rata between 33% and 66%
100% Baseline Ore Reserves	66%
Above 100% of Baseline Ore Reserves and below 120%	Straight-line pro-rata between 66% and 100%
120% and above Baseline Ore Reserves	100%

EBITDA average margin

The vesting schedule of the 25% of performance rights subject to EBITDA average margin testing is as follows:

Group EBITDA Margin	Level of vesting
<20%	0%
≥ 20%	33%
≥ 30%	66%
≥ 40%	100%

Performance Rights Measurement Period	Testing occurs three years from 1 July of the relevant financial year.
Cessation of Employment	In the event that the Executive's employment with IGO terminates prior to the vesting of all service and performance rights, outstanding unvested rights will be reviewed by the Board and may or may not vest, depending on the circumstances of the Executive's cessation of employment.
Board Discretion	The Board has absolute discretion to adjust service rights vesting if, on assessment, service or behaviour criteria have not been met. The Board has absolute discretion to adjust performance rights vesting if, on assessment, absolute TSR is negative over the performance period.
Peer Group	The Company's relative TSR performance for performance rights issued during FY20 will be assessed against a peer group comprised of members of the S&P ASX 300 Metals and Mining Index, as well as several mining companies listed on the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE).
LTI – Non-executive Directors	The overarching Employee Incentive Plan (EIP) permits Non-executive Directors to be eligible employees and therefore to participate in the plan. It is not currently intended that Non-executive Directors will be issued with share rights under the EIP and any such issue would be subject to all necessary shareholder approvals.

FY20 LTIP OUTCOMES

Name	Position	Service rights to be issued for FY20 period [1] $ value	Performance rights issued for FY20 period [2] Number	Performance rights issued for FY19 period [3] Number
Peter Bradford	Managing Director & CEO	317,500	162,617[4]	218,475
Keith Ashby	Head of SHEQ & Risk	65,000	34,579	45,727
Kate Barker	General Counsel	64,500	32,710	43,187
Matt Dusci	Chief Operating Officer	186,500	83,738	110,161
Andrew Eddowes	Head of Corporate Development	69,500	35,514	47,251
Joanne McDonald	Company Secretary and Head of Corporate Affairs	63,500	32,710	43,187
Sam Retallack	Head of People & Culture	68,500	34,579	45,727
Ian Sandl	General Manager – Exploration	69,000	37,383	46,997
Scott Steinkrug	Chief Financial Officer	85,000	68,785	83,140

1. Represents the $ value of the award of service rights to be granted for FY20 performance. Service rights will be issued in September 2020 based on the 5 day VWAP following the release of IGO's 2020 Financial Statements. The service rights will vest in equal parts in September 2021 and September 2022.
2. Performance rights awarded at 20 day VWAP to 26 August 2019 of $5.35.
3. Performance rights awarded at 20 day VWAP to 25 August 2018 of $4.33.
4. Approved by shareholders at the 2019 Annual General Meeting.

APPROVED BY SHAREHOLDERS AT THE 2019 ANNUAL GENERAL MEETING

The IGO Limited Employee Incentive Plan (EIP) was approved by shareholders at the Annual General Meeting in November 2019.

The number of eligible products able to be issued under the EIP is limited to 5% of the issued capital of the Company. The 5% limit includes grants under all plans made in the previous three years (with certain exclusions under the *Corporations Act 2001*). At the end of FY20 this percentage stands at 0.71%. There are no voting or dividend rights attached to the share rights.

SECTION 4.
NON-EXECUTIVE DIRECTOR REMUNERATION

The remuneration of Non-executive Directors is determined by the Board within the maximum amount approved by shareholders in general meeting. Non-executive Directors are not entitled to retirement benefits other than statutory superannuation or other statutory required benefits. Non-executive Directors do not participate in share or bonus schemes designed for Executive Directors or employees.

TOTAL REALISED EARNINGS

Name	Year	Cash fees $	Superannuation $	Total $
Debra Bakker	**2020**	**127,854**	**12,146**	**140,000**
	2019	123,288	11,712	135,000
Peter Bilbe	**2020**	**239,545**	**21,690**	**261,235**
	2019	210,046	19,954	230,000
Kathleen Bozanic[1]	**2020**	**81,397**	**7,733**	**89,130**
Peter Buck	**2020**	**128,288**	**11,712**	**140,000**
	2019	123,288	11,712	135,000
Geoffrey Clifford[2]	**2020**	**49,721**	**4,723**	**54,444**
	2019	118,721	11,279	130,000
Keith Spence	**2020**	**127,854**	**12,146**	**140,000**
	2019	123,288	11,712	135,000
Neil Warburton	**2020**	**109,589**	**10,411**	**120,000**
	2019	109,589	10,411	120,000
Total Non-executive Director remuneration	**2020**	**864,248**	**80,561**	**944,809**
	2019	808,220	76,780	885,000

1. Ms Bozanic was appointed a Non-executive Director effective 3 October 2019.
2. Mr Clifford retired as a Non-executive Director effective 20 November 2019.

The remuneration of Non-executive Directors is fixed to encourage impartiality, high ethical standards and independence on the Board. The available Non-executive Directors' fees pool is $1,500,000 which was approved by shareholders at the Annual General Meeting on 16 December 2015, of which $930,000 was being utilised at 30 June 2020 (2019: $885,000).

Non-executive Directors may provide additional consulting services to the Group, at a rate approved by the Board. No such amounts were paid to Directors during the current or prior year.

Following small adjustments to the remuneration of the Board and Committee Chairs in FY20, and based on market data from both the IGO peer group and the market more broadly, there will be no changes to Board or Committee Chairs' or Non-executive Directors remuneration in FY21.

Details of Non-executive Director fees are as follows:

	Approved 2021	30 June 2020	30 June 2019
Non-executive Director base fees			
Board Chairman	250,000	250,000	230,000
Board Member	120,000	120,000	120,000
Board Member Committee Fees			
Chair Audit Committee	20,000	20,000	15,000
Chair People & Performance Committee	20,000	20,000	15,000
Chair Sustainability & Risk Committee	20,000	20,000	15,000
Chair Nomination & Governance Committee	20,000	20,000	10,000
Committee Members	Nil	Nil	Nil

SECTION 5.
PLANNED REMUNERATION CHANGES FOR FY21

In uncertain times the Board and Executive team appreciate the importance of competitive remuneration to support our employees to deliver the sustained and enduring performance that drives value for our shareholders and community partnerships. Looking ahead, the Board and Executive team have identified potential pressure on sourcing talent through the continued challenges associated with the mobility of people around the globe in a COVID-19 environment and as such will place renewed focus on sourcing and engagement strategies to recruit and retain local talent.

The Company reviews Executive remuneration practices annually. In determining any changes to remuneration for Executives in FY21, the Board considered benchmarked information and shareholder feedback to adopt a balanced approach that supports the achievement of our strategic plan. As a result of the benchmarking conducted in FY20, and as a reflection of the uncertain economic environment anticipated into FY21, the Board have taken a restrained approach to the quantum of change proposed in FY21 with few material alterations made to the remuneration structure of IGO KMP. The Board is however mindful that for some sectors the demand for talent will drive a level of wage pressure that will require careful consideration. To balance this uncertainty a mid-year review of remuneration will be conducted, with adjustments made for individuals to the extent that their remuneration level puts the retention of the required skillsets at risk.

Completed changes and/or progress towards remuneration objectives will be reported in more detail in the FY21 Remuneration Report, however a summary of the key elements of the proposed FY21 program are provided below:

KMP TFR	• There are no changes planned for the TFR of KMP in FY21; and • A mid-year parity review of remuneration will be conducted if market conditions change as a result of the ongoing COVID-19 environment to the extent that salaries require adjustment or external market benchmark testing indicates the requirement for an out of cycle review. The Board's objective is to ensure that market expectations for Executive remuneration, given external economic conditions, is balanced with a combination of competitive pay for retention of Executives.
Company Scorecard Gating	In FY21 the Board will introduce an additional level of discretion to the gating of KPIs as follows: • The IGO Board will have the discretion to reduce KPI outcomes by up to 100% of the cash component of variable incentives in the event of occurrence of any event that is classified as "catastrophic" in the Company's Risk Matrix*; and • The Board will have the discretion to reward outstanding performance that falls outside of the existing KPI program for teams or individuals that have created significant additional value for shareholders and/or employees. The Board's objective is to improve the mechanism by which adjustments in Executive variable reward can be made in an unpredictable environment. In exercising this discretion, the Board will consider causal factors leading to the event. * Assessment of this event will be based on the Company's Common Management System – Risk Management Matrix available at www.igo.com.au
Short-Term Incentive	• More clearly defined performance thresholds and targets will be used to describe the required levels of performance and enhance the transparency of reporting; and • No changes will be made to the STIs of KMP in FY21. Following the changes made as a result of peer group benchmarking in FY20 the Board believes that the current levels of short-term, at risk incentives are appropriately competitive for all KMP.
Long-Term Incentive	Following the adjustments made to the classification of service rights into the LTIP in FY20, and subsequent market and peer group benchmarking in FY20, there will be no changes made to the LTIs of KMP in FY21.

The following table reflects remuneration changes available to Executives for FY21, effective 1 July 2020:

Name	Position	Total Remuneration FY21			Total Remuneration FY20		
		TFR $	STI %	LTI %	TFR $	STI %	LTI %
Peter Bradford	Managing Director & CEO	870,000	50	150	870,000	50	150
Keith Ashby	Head of SHEQ & Risk	370,000	25	75	370,000	25	75
Kate Barker	General Counsel	350,000	25	75	350,000	25	75
Matt Dusci[1]	Chief Operating Officer	630,000	40	120	630,000	40	120
Andrew Eddowes	Head of Corporate Development	380,000	25	75	380,000	25	75
Joanne McDonald	Company Secretary and Head of Corporate Affairs	350,000	25	75	350,000	25	75
Sam Retallack	Head of People & Culture	370,000	25	75	370,000	25	75
Ian Sandl	General Manager – Exploration	400,000	25	75	400,000	25	75
Scott Steinkrug	Chief Financial Officer	460,000	25	105	460,000	25	105

1. The Board approved an increase in Mr Dusci's TFR from $560,000 to $630,000 effective 21 October 2019 due to an expansion of his role.

COMPANY PERFORMANCE

A key and continued focus for the Board and Company is to align Executive remuneration to the achievement of strategic and business objectives of the Group and the creation of shareholder value. The table below illustrates a summary of the Group's financial performance over the last five years as required by the *Corporations Act 2001*.

	2020	2019	2018	2017	2016
Revenue ($ millions)	888.9	784.5	777.9	421.9	413.2
Profit (loss) for the year attributable to owners ($ millions)	155.1	76.1	52.7	17.0	(58.8)
Dividend payments (cents per share)	14.0	4.0	2.0	3.0	2.5
Share price at year end ($ per share)	4.87	4.72	5.14	3.15	3.28

SECTION 6.
STATUTORY REMUNERATION DISCLOSURES

EXECUTIVE CONTRACTS

Remuneration and other terms of employment for Executives are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Participation in the STI and LTI plans is subject to the Board's discretion. Other major provisions of the agreements relating to remuneration are set out below.

Name	Position	Term of Agreement	Base Salary including Superannuation at 1 July 2020	Notice Period	Termination Benefit
Peter Bradford	Managing Director & CEO	No fixed term	870,000	6 months	6 months[1]
Keith Ashby	Head of SHEQ & Risk	No fixed term	370,000	3 months	6 months
Kate Barker	General Counsel	No fixed term	350,000	3 months	6 months
Matt Dusci	Chief Operating Officer	No fixed term	630,000	3 months	6 months
Andrew Eddowes	Head of Corporate Development	No fixed term	380,000	3 months	6 months
Joanne McDonald	Company Secretary and Head of Corporate Affairs	No fixed term	350,000	3 months	6 months
Sam Retallack	Head of People & Culture	No fixed term	370,000	3 months	6 months
Ian Sandl	General Manager – Exploration	No fixed term	400,000	3 months	6 months
Scott Steinkrug	Chief Financial Officer	No fixed term	460,000	3 months	6 months

1. In addition to the above, Mr Bradford is entitled to a maximum termination benefit payable of up to 12 months of average annual base salary should the Company terminate the employment contract without cause, but only if such payment would not breach ASX Listing Rules. A termination benefit of three month's remuneration is payable to Mr Bradford should the Company terminate the employment contract due to illness, injury or incapacity.

(I) Remuneration expenses for Executive KMP

The following table shows the value of earnings realised by executive KMP during FY20. The value of earnings realised includes cash salary, superannuation and cash bonuses earned during the year, plus the intrinsic value of service rights and performance rights vested during the financial year.

This is in addition and different to the disclosures required by the Corporations Act and Accounting Standards, particularly in relation to share rights. As a general principle, the Accounting Standards require a value to be placed on share rights based on probabilistic calculations at the time of grant, which may be reflected in the Remuneration Report even if ultimately the share rights do not vest because performance or service hurdles are not met. By contrast, this table discloses the intrinsic value of share rights, which represents only those share rights which actually vest and result in shares issued to a KMP. The intrinsic value is the Company's closing share price on the date of vesting.

Remuneration received during the period

Name	TFR $ Value[1]	STI Cash Component $ Value[2]	Vested Service Rights Component $ Value	Vested Performance Rights Component $ Value[3]	Total Actual Remuneration $ Value
Peter Bradford	870,000	317,500	279,264	–	1,466,764
Keith Ashby	370,000	65,000	59,472	–	494,472
Kate Barker	350,000	64,500	51,474	–	465,974
Matt Dusci	608,949	186,500	116,232	–	911,681
Andrew Eddowes	380,000	69,500	71,658	–	521,158
Joanne McDonald	348,750[4]	63,500	51,594	–	463,844
Sam Retallack	370,000	68,500	58,944	–	497,444
Ian Sandl	385,577[4]	69,000	24,816	–	479,393
Scott Steinkrug	460,000	85,000	106,596	–	651,596

1. Includes base salary and superannuation.
2. Represents the amounts to be paid in August 2020 for performance in FY20.
3. The Company achieved relative TSR performance of below the 50th percentile for the FY17 Series Performance Rights, resulting in the cancellation of the performance rights.
4. Ms McDonald and Mr Sandl took unpaid leave during the year.

The following table shows details of the remuneration expense recognised for the Group's KMP for the current and previous financial year measured in accordance with the requirements of the Accounting Standards.

Name	Year	Cash salary and fees[1] $	Cash bonus[2] $	Super-annuation $	Long service leave[3] $	Share rights[4] $	Total $	Performance Related %
Executive Directors								
Peter Bradford	2020	856,309	317,500	25,000	37,619	895,207	2,131,635	57
	2019	786,877	241,000	25,000	23,795	707,930	1,784,602	53
Other Key Management Personnel								
Keith Ashby	2020	354,117	65,000	25,000	11,302	180,150	635,569	39
	2019	343,623	51,500	25,000	9,048	132,244	561,415	33
Kate Barker	2020	328,493	64,500	25,000	9,673	141,763	569,429	36
	2019	316,689	49,000	25,000	18,039	89,757	498,485	28
Matt Dusci	2020	617,429	186,500	25,000	28,183	413,922	1,271,034	47
	2019	516,497	108,500	25,000	15,549	297,588	963,134	42
Andrew Eddowes	2020	351,893	69,500	25,000	11,949	159,658	618,000	37
	2019	361,167	53,000	25,000	(18,797)	113,021	533,391	31
Joanne McDonald	2020	320,401	63,500	25,000	9,280	142,239	560,420	37
	2019	317,100	49,000	25,000	9,387	93,416	493,903	29
Sam Retallack	2020	350,609	68,500	25,000	10,399	179,887	634,395	39
	2019	337,833	51,500	25,000	14,764	131,803	560,900	33
Ian Sandl	2020	367,261	69,000	25,000	7,061	157,382	625,704	36
	2019	348,786	53,000	25,000	3,664	77,428	507,878	26
Scott Steinkrug	2020	451,409	85,000	25,000	12,984	344,649	919,042	47
	2019	427,409	92,500	25,000	10,617	258,739	814,265	43
Total executive directors and other KMPs	2020	3,997,921	989,000	225,000	138,450	2,614,857	7,965,228	
	2019	3,755,981	749,000	225,000	86,066	1,901,926	6,717,973	
Total NED remuneration (see page 62)	2020	864,248	–	80,561	–	–	944,809	
	2019	808,220	–	76,780	–	–	885,000	
Total KMP remuneration	2020	4,862,169	989,000	305,561	138,450	2,614,857	8,910,037	
	2019	4,564,201	749,000	301,780	86,066	1,901,926	7,602,973	

1. Cash salary and fees includes movements in annual leave provision during the year.
2. Cash bonus represents bonuses that were awarded to each KMP in relation to FY20 performance and will be paid in August 2020 (2019: Related to FY19 and paid in August 2019).
3. Long service leave relates to movements in long service leave provision during the year.
4. Rights to shares granted under the EIP are expensed over the performance period, which includes the vesting period of the rights, in accordance with AASB 2 *Share-based Payment*. Refer to note 26 for details of the valuation techniques used for the EIP.

ADDITIONAL STATUTORY INFORMATION

(II) Performance based remuneration granted and forfeited during the year

The table below shows for each KMP how much of their STI cash bonus and LTI service rights were awarded and how much was forfeited. It also shows the value of performance rights that were granted, vested and forfeited during FY20. The number of performance rights and percentages vested/forfeited for each grant are disclosed in the table on page 68.

Name	STI bonus (cash)				LTI (service rights)				LTI (performance rights)		
	Total opportunity $	Awarded[1] $	Awarded %	Forfeited %	Total opportunity $	Awarded[2] $	Awarded %	Forfeited %	Value granted[3] $	Value vested[4] $	Value forfeited[4] $
Peter Bradford	435,000	317,500	73	27	435,000	317,500	73	27	724,253	–	298,732
Keith Ashby	92,500	65,000	70	30	92,500	65,000	70	30	160,721	–	38,339
Kate Barker	87,500	64,500	74	26	87,500	64,500	74	26	152,034	–	23,379
Matt Dusci	252,000	186,500	74	26	252,000	186,500	74	26	389,209	–	92,466
Andrew Eddowes	95,000	69,500	73	27	95,000	69,500	73	27	165,067	–	36,084
Joanne McDonald	87,500	63,500	73	27	87,500	63,500	73	27	152,034	–	31,574
Sam Retallack	92,500	68,500	74	26	92,500	68,500	74	26	160,721	–	38,339
Ian Sandl	100,000	69,000	69	31	100,000	69,000	69	31	173,754	–	–
Scott Steinkrug	115,000	85,000	74	26	115,000	85,000	74	26	319,708	–	92,466

1. To be paid in August 2020.
2. Service rights will be issued in September 2020 based on the 5 day VWAP following the release of IGO's 2020 Financial Statements. The service rights will vest in equal parts in September 2021 and September 2022.
3. The value at grant date for performance rights granted during the year as part of remuneration is calculated in accordance with AASB 2 *Share-based Payment*. Refer to note 26 for details of the valuation techniques used for the EIP.
4. The value of performance rights vested and forfeited is based on the value of the performance rights at grant date.

(III) Terms and conditions of the share-based payment arrangements

Performance rights under the Company's EIP

Performance rights under the Company's EIP are granted annually. The performance rights vest after three years from the start of the financial year, subject to meeting certain performance conditions. On vesting, each performance right automatically converts into one ordinary share. The Executives do not receive any dividends and are not entitled to vote in relation to the performance rights during the vesting period. If an Executive ceases employment before the performance rights vest, the performance rights will be forfeited, except in certain circumstances that are approved by the Board.

The value at grant date for performance rights granted during the year as part of remuneration is calculated in accordance with AASB 2 *Share-based Payment*. Refer to note 26 for details of the valuation techniques used for the EIP.

Grant date	Vesting date	Grant date value $	Performance achieved	Vested %
20 November 2019	1 July 2022	4.45	To be determined	n/a
14 October 2019	1 July 2022	4.65	To be determined	n/a
20 November 2018	1 July 2021	2.17	To be determined	n/a
28 September 2018	1 July 2021	2.81	To be determined	n/a
24 November 2017	1 July 2020	3.14	To be determined[2]	n/a
29 September 2017	1 July 2020	2.29	To be determined[2]	n/a
22 May 2017	1 July 2019	2.30	Less than 50th percentile[1]	0
24 November 2016	1 July 2019	2.26	Less than 50th percentile[1]	0
18 November 2016	1 July 2019	2.21	Less than 50th percentile[1]	0

1. The Company achieved relative TSR performance for the FY17 Series Performance Rights for the three year period 1 July 2016 to 30 June 2019 of 44.8%. This was below the 50th percentile of the comparator group and resulted in all FY17 Series Performance Rights lapsing and cancelled.
2. The relative and absolute TSR performance conditions of the share rights granted in FY18 (which were due to vest on 1 July 2020) were tested post 30 June 2020. The Company achieved a TSR of 56.0% for the period 1 July 2017 to 30 June 2020, resulting in the vesting of 72.6% of performance rights subject to relative TSR testing and 97.9% of performance rights subject to absolute TSR testing (with 50% allocation to both relative and absolute TSR). This resulted in an overall vesting of 85.2% of the FY18 Series Performance Rights, with the balance of the performance rights lapsing and subsequently cancelled. This will be accounted for in the FY21 Remuneration Report.

Service rights under the Company's EIP

Service rights issued under the Company's EIP are granted following the determination of the final STI performance result for the performance year. The service rights component of the LTI vest in two tranches, with the first tranche of 50% vesting on the 12 month anniversary of the award date, and the second tranche of 50% vesting on the 24 month anniversary of the award date. The Executives do not receive any dividends and are not entitled to vote in relation to the service rights during the vesting period. If an Executive ceases employment before the service rights vest, the service rights will be forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

The fair value of the service rights is determined based on the 5 day VWAP of the Company's shares after release of IGO's annual financial statements.

Grant date	Vesting %	Vesting date	Grant date value $
14 October 2019	50	1 September 2020	5.88
	50	1 September 2021	5.88
5 October 2018	50	2 September 2019	4.21
	50	1 September 2020	4.21
9 October 2017	50	3 September 2018	3.51
	50	2 September 2019	3.51

(IV) Reconciliation of performance rights, service rights and ordinary shares held by KMP

Performance rights

The table below shows the number of performance rights that were granted, vested and forfeited during the year.

Name	Financial year granted	Balance at start of the year	Granted during the year	Vested during the year		Forfeited during the year		Balance at the end of the year (unvested)	Maximum value yet to vest
		Number	Number	Number	%	Number	%	Number	$
Peter Bradford	**2020**	**–**	**162,617**	**–**	**–**	**–**	**–**	**162,617**	**482,836**
	2019	218,475	–	–	–	–	–	218,475	157,795
	2018	266,667	–	–	–	–	–	266,667	–
	2017	135,000	–	–	–	135,000	100	–	–
Keith Ashby	**2020**	**–**	**34,579**	**–**	**–**	**–**	**–**	**34,579**	**116,050**
	2019	45,727	–	–	–	–	–	45,727	45,592
	2018	53,031	–	–	–	–	–	53,031	–
	2017	17,000	–	–	–	17,000	100	–	–
Kate Barker	**2020**	**–**	**32,710**	**–**	**–**	**–**	**–**	**32,710**	**109,777**
	2019	43,187	–	–	–	–	–	43,187	43,059
	2018	17,371	–	–	–	–	–	17,371	–
	2017	10,157	–	–	–	10,157	100	–	–
Matt Dusci	**2020**	**–**	**83,738**	**–**	**–**	**–**	**–**	**83,738**	**281,031**
	2019	110,161	–	–	–	–	–	110,161	109,835
	2018	121,213	–	–	–	–	–	121,213	–
	2017	41,000	–	–	–	41,000	100	–	–
Andrew Eddowes	**2020**	**–**	**35,514**	**–**	**–**	**–**	**–**	**35,514**	**119,188**
	2019	47,251	–	–	–	–	–	47,251	47,111
	2018	22,131	–	–	–	–	–	22,131	–
	2017	16,000	–	–	–	16,000	100	–	–
Joanne McDonald	**2020**	**–**	**32,710**	**–**	**–**	**–**	**–**	**32,710**	**109,777**
	2019	43,187	–	–	–	–	–	43,187	43,059
	2018	17,819	–	–	–	–	–	17,819	–
	2017	14,000	–	–	–	14,000	100	–	–

Sam Retallack	**2020**	–	**34,579**	–	–	–	–	**34,579**	**116,050**
	2019	45,727	–	–	–	–	–	45,727	45,592
	2018	53,031	–	–	–	–	–	53,031	–
	2017	17,000	–	–	–	17,000	100	–	–
Ian Sandl	**2020**	–	**37,383**	–	–	–	–	**37,383**	**125,460**
	2019	46,997	–	–	–	–	–	46,997	46,858
	2018	22,182	–	–	–	–	–	22,182	–
Scott Steinkrug	**2020**	–	**68,785**	–	–	–	–	**68,785**	**230,848**
	2019	83,140	–	–	–	–	–	83,140	82,894
	2018	109,091	–	–	–	–	–	109,091	–
	2017	41,000	–	–	–	41,000	100	–	–

Service rights

The table below shows the number of service rights that were granted, vested and forfeited during the year.

Name	Financial year granted	Balance at start of the year	Granted during the year	Vested during the year[1]		Forfeited during the year		Balance at end of the year		Maximum value yet to vest
		Number	Number	Number	%	Number	%	Vested and exercisable[2]	Unvested	$
Peter Bradford	**2020**	–	**40,986**	–	–	–	–	–	**40,986**	**98,097**
	2019	43,230	–	21,615	50.0	–	–	21,615	21,615	8,106
	2018	24,929	–	24,929	100.0	–	–	49,858	–	–
Keith Ashby	**2020**	–	**8,759**	–	–	–	–	–	**8,759**	**20,964**
	2019	9,282	–	4,641	50.0	–	–	4,641	4,641	1,741
	2018	5,271	–	5,271	100.0	–	–	–	–	–
Kate Barker	**2020**	–	**8,333**	–	–	–	–	–	**8,333**	**19,944**
	2019	7,648	–	3,824	50.0	–	–	3,824	3,824	1,434
	2018	4,755	–	4,755	100.0	–	–	9,509	–	–
Matt Dusci	**2020**	–	**18,452**	–	–	–	–	–	**18,452**	**44,163**
	2019	18,942	–	9,471	50.0	–	–	9,471	9,471	3,552
	2018	9,901	–	9,901	100.0	–	–	19,801	–	–
Andrew Eddowes	**2020**	–	**9,014**	–	–	–	–	–	**9,014**	**21,574**
	2019	9,775	–	4,887	50.0	–	–	4,887	4,888	1,833
	2018	7,056	–	7,056	100.0	–	–	–	–	–
Joanne McDonald	**2020**	–	**8,333**	–	–	–	–	–	**8,333**	**19,944**
	2019	7,723	–	3,861	50.0	–	–	–	3,862	1,448
	2018	4,738	–	4,738	100.0	–	–	–	–	–
Sam Retallack	**2020**	–	**8,759**	–	–	–	–	–	**8,759**	**20,964**
	2019	9,107	–	4,553	50.0	–	–	4,553	4,554	1,708
	2018	5,271	–	5,271	100.0	–	–	10,542	–	–
Ian Sandl	**2020**	–	**9,014**	–	–	–	–	–	**9,014**	**21,574**
	2019	8,273	–	4,136	50.0	–	–	4,136	4,137	1,551
Scott Steinkrug	**2020**	–	**15,731**	–	–	–	–	–	**15,731**	**37,651**
	2019	16,728	–	8,364	50.0	–	–	8,364	8,364	3,137
	2018	9,402	–	9,402	100.0	–	–	9,402	–	–

1. Vesting of the FY19 service rights represents the first tranche of 50% vesting on the 12 month anniversary of the award date and vesting of the FY18 service rights represents the second tranche of 50% vesting on the 24 month anniversary of the award date.
2. Service rights have vested due to service condition being achieved and, subject to being exercised, will convert into ordinary shares.

Shareholdings of KMP

The number of ordinary shares in the Company held by each Director and other KMP, including their personally related entities, are set out below.

Name	Balance at the start of the year	Received during the year on vesting or exercise of service rights	Other changes during the period	Balance at the end of the year
Directors				
Debra Bakker	16,085	–	5,602	21,687
Peter Bilbe	40,000	–	–	40,000
Kathleen Bozanic	–	–	11,780	11,780
Peter Bradford	1,000,000	–	(354,000)	646,000
Peter Buck	22,200	–	–	22,200
Geoffrey Clifford	15,000	–	(15,000)	–
Keith Spence	22,125	–	–	22,125
Neil Warburton	106,034	–	–	106,034
Other key management personnel				
Keith Ashby	15,068	5,271	–	20,339
Kate Barker	4,115	–	–	4,115
Matt Dusci	41,360	–	–	41,360
Andrew Eddowes	111,083	14,112	(14,112)	111,083
Joanne McDonald	10,094	8,599	(18,693)	–
Sam Retallack	29,662	–	–	29,662
Ian Sandl	2,503	–	–	2,503
Scott Steinkrug	119,411	–	(45,000)	74,411
Total	1,554,740	27,982	(429,423)	1,153,299

Whilst IGO does not have a formal policy stating a minimum shareholding in IGO shares for Directors, a guideline on this subject was adopted by the Company in FY18. The guideline states, that in order to achieve a greater alignment with shareholder interests, Non-executive Directors are encouraged to hold shares in the Company. IGO is committed to achieving greater diversity throughout the business and this includes the membership of the Board of Directors. To this end, the Board of Directors acknowledges that each current or future Non-executive Director may have different personal circumstances. As such, no minimum shareholding requirement has been set in order to maximise the Company's opportunity to achieve the broadest range of diversity of Directors on the Board.

Accordingly, Non-executive Directors are encouraged to acquire and hold shares in IGO commensurate with their personal circumstances.

Further, IGO acknowledges that each current and future KMP may also have different personal circumstances. As such, no minimum shareholding requirement has been set for KMP in order to maximise the Company's opportunity to achieve the broadest range of diversity at a senior leadership level.

(V) Other transactions with KMP

During the current financial year, there were no other transactions with KMP or their related parties.

(VI) Voting of shareholders at last year's annual general meeting

IGO Limited received more than 99% of "yes" votes on its Remuneration Report for the 2019 financial year. The Company sought feedback throughout the year on its remuneration practices through communications with key shareholders and proxy advisors. This feedback included advice on continuing to provide the current level of transparency within the Remuneration Report and ensure remuneration across the business reflects the strategic direction of the Company.

END OF AUDITED REMUNERATION REPORT

SHARES UNDER OPTION

At the reporting date, there were no unissued ordinary shares under options, nor were there any ordinary shares issued during the year ended 30 June 2020 on the exercise of options.

INSURANCE OF OFFICERS AND INDEMNITIES

During the financial year, the Company paid an insurance premium in respect of a contract insuring the Directors and executive officers of the Company and of any related body corporate against a liability incurred as such a Director or executive officer to the extent permitted by the Corporations Law. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify any officer of the Company or of any related body corporate against a liability incurred by such an officer.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for non-audit services provided during the year are set out below.

The Directors are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* nor the principles set out in APES110 Code of Ethics for Professional Accountants.

During the period the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2020 $	2019 $
Other services		
BDO Audit (WA) Pty Ltd firm:		
Other services in relation to the entity and any other entity in the consolidated Group	43,500[1]	20,000
Total remuneration for non-audit services	**43,500**	20,000

1. Other services relate to review of the 2019 Sustainability Report, Independent Limited Assurance Report relating to Bidder's Statement for Panoramic Resources Ltd, Form 5 Expenditure Audits, BDO Secure Reporting Line and tax services.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 72.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporation Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.

Peter Bradford

PETER BRADFORD
MANAGING DIRECTOR & CEO

Perth, Western Australia
Dated this 26th day of August 2020

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Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF IGO LIMITED

As lead auditor of IGO Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

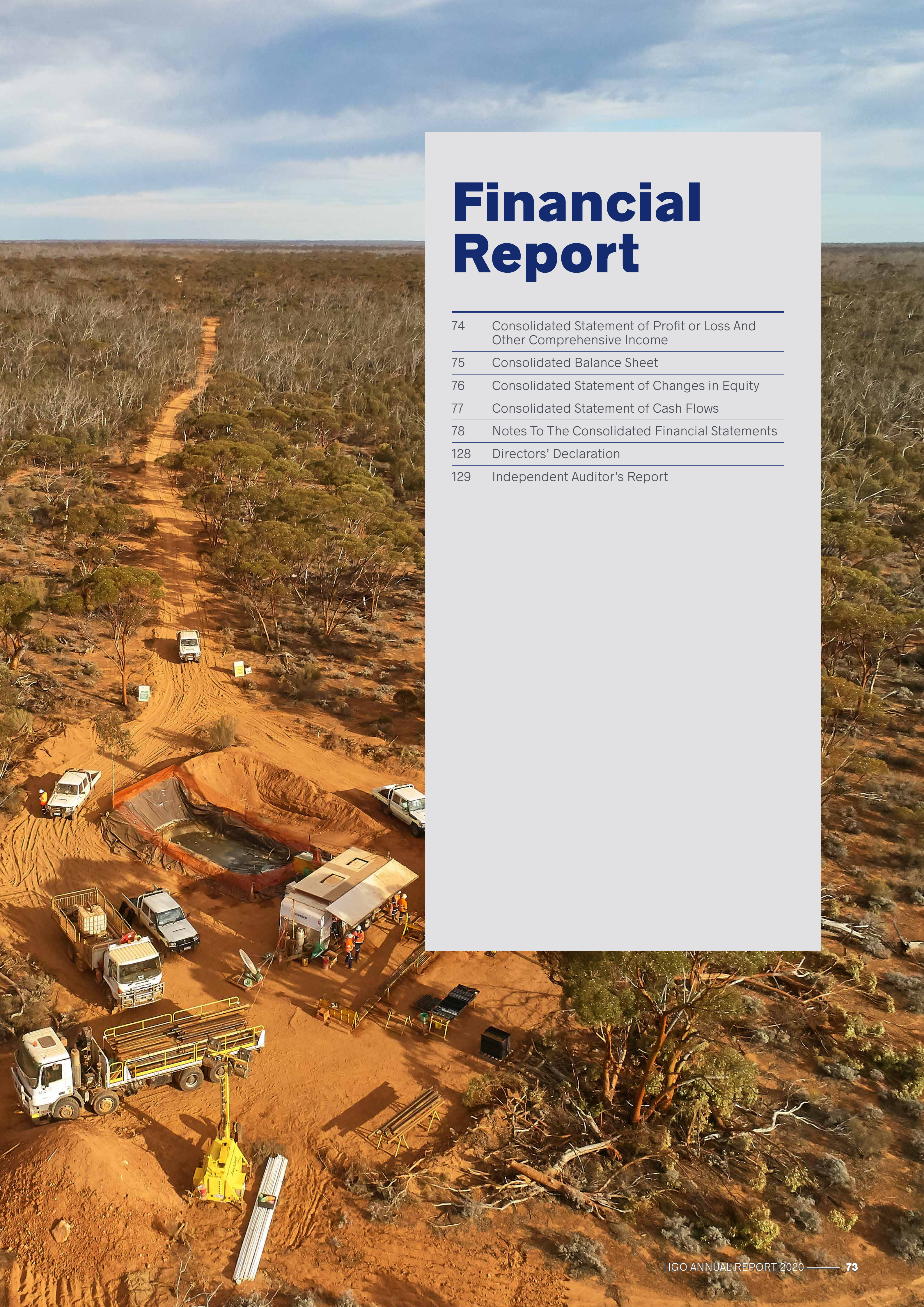
This declaration is in respect of IGO Limited and the entities it controlled during the period.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 26 August 2020



Financial Report

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	**2020 $'000**	2019 $'000
Revenue from continuing operations	2	**888,930**	784,512
Other income	3	**3,494**	8,377
Mining, development and processing costs		**(249,486)**	(262,851)
Employee benefits expense		**(62,511)**	(52,205)
Share-based payments expense		**(4,489)**	(3,123)
Fair value movement of financial investments		**33,207**	(6,915)
Depreciation and amortisation expense		**(243,633)**	(237,118)
Exploration and evaluation expense		**(72,694)**	(58,346)
Royalty expense		**(35,075)**	(30,506)
Shipping and wharfage costs		**(17,624)**	(18,340)
Borrowing and finance costs		**(5,072)**	(6,638)
Impairment of exploration and evaluation expenditure	16	**(1,018)**	-
Other expenses		**(14,517)**	(11,399)
Profit before income tax		**219,512**	105,448
Income tax expense	5	**(64,419)**	(29,363)
Profit after income tax for the period		**155,093**	76,085
Other comprehensive income			
Items that may be reclassified to profit or loss			
Effective portion of changes in fair value of cash flow hedges, net of tax		**(95)**	(1,054)
Exchange differences on translation of foreign operations		**(26)**	(27)
Other comprehensive loss for the period, net of tax		**(121)**	(1,081)
Total comprehensive income for the period		**154,972**	75,004
Profit for the period attributable to the members of IGO Limited		**155,093**	76,085
Total comprehensive income for the period attributable to the members of IGO Limited		**154,972**	75,004

		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	6	**26.25**	12.89
Diluted earnings per share	6	**26.13**	12.84

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $'000	2019 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	**510,312**	348,208
Trade and other receivables	8	**69,065**	47,748
Inventories	9	**75,670**	70,274
Financial assets at fair value through profit or loss	10	**107,759**	27,531
Derivative financial instruments	21	**64**	484
Total current assets		**762,870**	494,245
Non-current assets			
Receivables	8	**4**	14,998
Inventories	9	**67,911**	52,594
Property, plant and equipment	13	**48,580**	41,622
Right-of-use assets	14	**38,996**	-
Mine properties	15	**1,159,621**	1,311,376
Exploration and evaluation expenditure	16	**95,030**	95,197
Deferred tax assets	5	**119,734**	180,237
Derivative financial instruments	21	**284**	-
Total non-current assets		**1,530,160**	1,696,024
TOTAL ASSETS		**2,293,030**	2,190,269
LIABILITIES			
Current liabilities			
Trade and other payables	11	**53,013**	49,902
Borrowings	17	**56,937**	56,226
Lease liabilities	14	**6,235**	-
Provisions	12	**7,058**	5,180
Total current liabilities		**123,243**	111,308
Non-current liabilities			
Borrowings	17	**-**	28,363
Lease liabilities	14	**33,550**	-
Provisions	12	**68,641**	63,626
Deferred tax liabilities	5	**141,787**	137,912
Total non-current liabilities		**243,978**	229,901
TOTAL LIABILITIES		**367,221**	341,209
NET ASSETS		**1,925,809**	1,849,060
EQUITY			
Contributed equity	18	**1,897,126**	1,895,855
Reserves	19(a)	**18,874**	15,777
Retained earnings/(accumulated losses)	19(b)	**9,809**	(62,572)
TOTAL EQUITY		**1,925,809**	1,849,060

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Contributed equity $'000	Accumulated losses $'000	Hedging reserve $'000	Share-based payments reserve $'000	Foreign currency translation reserve $'000	Total equity $'000
Balance at 1 July 2018	1,879,094	(115,038)	1,393	13,340	38	1,778,827
Profit for the period	-	76,085	-	-	-	76,085
Other comprehensive income						
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	(1,054)	-	-	(1,054)
Currency translation differences - current period	-	-	-	-	(27)	(27)
Total comprehensive income for the period	-	76,085	(1,054)	-	(27)	75,004
Transactions with owners in their capacity as owners:						
Dividends paid	-	(23,619)	-	-	-	(23,619)
Share-based payments expense	-	-	-	3,123	-	3,123
Issue of shares - Employee Incentive Plan	1,036	-	-	(1,036)	-	-
Shares issued on acquisition of Southern Hills Tenements	15,725	-	-	-	-	15,725
Balance at 30 June 2019	1,895,855	(62,572)	339	15,427	11	1,849,060

	Contributed equity $'000	(Accumulated losses)/ Retained earnings $'000	Hedging reserve $'000	Share-based payments reserve $'000	Foreign currency translation reserve $'000	Total equity $'000
Balance at 1 July 2019	1,895,855	(62,572)	339	15,427	11	1,849,060
Profit for the period	-	155,093	-	-	-	155,093
Other comprehensive income						
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	(95)	-	-	(95)
Currency translation differences - current period	-	-	-	-	(26)	(26)
Total comprehensive income for the period	-	155,093	(95)	-	(26)	154,972
Transactions with owners in their capacity as owners:						
Dividends paid	-	(82,712)	-	-	-	(82,712)
Share-based payments expense	-	-	-	4,489	-	4,489
Issue of shares - Employee Incentive Plan	1,271	-	-	(1,271)	-	-
Balance at 30 June 2020	1,897,126	9,809	244	18,645	(15)	1,925,809

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $'000	2019 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**888,888**	841,684
Payments to suppliers and employees (inclusive of GST)		**(422,782)**	(426,194)
		466,106	415,490
Interest and other costs of finance paid		**(3,279)**	(4,538)
Interest received		**5,284**	3,973
Payments for exploration and evaluation		**(70,594)**	(54,123)
Receipts from other operating activities		**-**	11,508
Net cash inflow from operating activities	7(a)	**397,517**	372,310
Cash flows from investing activities			
Payments for property, plant and equipment		**(17,052)**	(16,384)
Payment for rehabilitation expenditure		**(278)**	-
Proceeds from sale of property, plant and equipment and other investments		**11,466**	3,268
Payments for development expenditure		**(67,508)**	(78,056)
Payments for purchase of listed investments		**(54,921)**	(6,652)
Payments for capitalised exploration and evaluation expenditure		**(3,111)**	(11,753)
Proceeds on sale of Stockman Project		**-**	10,000
Proceeds on sale of Jaguar Operation		**16,060**	16,764
Net cash (outflow) from investing activities		**(115,344)**	(82,813)
Cash flows from financing activities			
Repayment of borrowings	17	**(28,571)**	(57,142)
Principal element of lease payments		**(5,676)**	-
Payment of dividends	20	**(82,712)**	(23,619)
Net cash (outflow) from financing activities		**(116,959)**	(80,761)
Net increase in cash and cash equivalents		**165,214**	208,736
Cash and cash equivalents at the beginning of the period		**348,208**	138,688
Effects of exchange rate changes on cash and cash equivalents		**(3,110)**	784
Cash and cash equivalents at the end of the period	7	**510,312**	348,208

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

About this report

IGO Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the directors' report.

The financial report of IGO Limited (the Company) and its subsidiaries (collectively, the Group) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors on 25 August 2020.

Basis of preparation

This financial report is a general purpose financial report, prepared by a for-profit entity, which:

- Has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- Has been prepared on a historical cost basis, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss and certain classes of property, plant and equipment;
- Is presented in Australian dollars with values rounded to the nearest thousand dollars or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investments Commission 'ASIC Corporation Legislative Instrument 2016/191';
- Presents comparative information where required for consistency with the current year's presentation; and
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2019 as disclosed in note 31.

Key estimates and judgements

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the following notes:

Note 2	Revenue
Note 5	Income tax
Note 8	Trade and other receivables
Note 9	Inventories
Note 12	Provisions
Note 13	Property, plant and equipment
Note 14	Leases
Note 15	Mine properties
Note 16	Exploration and evaluation expenditure
Note 26	Share-based payments

Coronavirus (COVID-19) pandemic

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people and securing the supply of materials that are essential to our production process.

At this stage, the impact on our business and results has not been significant and, based on our experience to date, we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year end is contained in note 23.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit or losses resulting from intra-Group transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **PAGE**

Financial Performance

This section of the notes includes segment information and provides further information on key line items relevant to financial performance that the Directors consider most relevant, including accounting policies, key judgements and estimates relevant to understanding these items.

1 Segment information

(a) Identification of reportable segments

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Group operates predominantly in only one geographic segment (Australia). During the year, the following segments were in operation: The Nova Operation, the Tropicana Operation and Growth, which comprises Regional Exploration Activities and Project Evaluation. The Long Operation was placed in care and maintenance in June 2018 and subsequently sold effective 31 May 2019.

The Nova Operation produces nickel and copper concentrates. Revenue is derived primarily from the sale of these concentrates containing nickel, copper and cobalt to multiple customers. The General Manager of the Nova Operation is responsible for the budgets and expenditure of the Operation. The Nova Operation and exploration properties are owned by the Group's wholly owned subsidiary IGO Nova Pty Ltd.

The Tropicana Operation represents the Group’s 30% joint venture interest in the Tropicana Gold Mine. AngloGold Ashanti Australia Limited (AngloGold Ashanti) is the manager of the Operation and holds the remaining 70% interest. Programs and budgets are provided by AngloGold Ashanti and are considered for approval by the Company's Board.

The Group’s General Manager - Exploration is responsible for budgets and expenditure relating to the Group’s regional exploration, scoping studies and feasibility studies, and the Head of Corporate Development is responsible for budgets and expenditure relating to new business development. The Growth division does not normally derive any income. Should a project generated by the Growth division commence generating income or lead to the construction or acquisition of a mining operation, that operation would then be disaggregated from the Growth division and become reportable in a separate segment.

1 Segment information (continued)

(b) Segment results

Year ended 30 June 2020	Nova Operation $'000	Tropicana Operation $'000	Long Operation $'000	Growth $'000	Total $'000
Nickel revenue	452,628	-	-	-	452,628
Gold revenue	-	288,670	-	-	288,670
Copper revenue	102,619	-	-	-	102,619
Silver revenue	1,240	1,408	-	-	2,648
Cobalt revenue	18,727	-	-	-	18,727
Shipping and insurance service revenue	4,925	-	-	-	4,925
Other revenue	13,135	-	-	-	13,135
Total segment revenue	593,274	290,078	-	-	883,352
Segment operating profit/(loss) before income tax	182,173	101,371	-	(75,228)	208,316
Total segment assets	1,181,867	357,643	-	95,426	1,634,936
Total segment liabilities	92,862	57,785	-	2,940	153,587
Acquisition of property, plant and equipment	6,913	7,390	-	-	14,303
Depreciation and amortisation	168,086	72,434	-	18	240,538
Impairment of assets	-	-	-	1,018	1,018
Other non-cash expenses	522	347	-	-	869

Year ended 30 June 2019	Nova Operation $'000	Tropicana Operation $'000	Long Operation $'000	Growth $'000	Total $'000
Nickel revenue	389,105	-	-	-	389,105
Gold revenue	-	277,429	-	-	277,429
Copper revenue	96,781	-	-	-	96,781
Cobalt revenue	27,218	-	-	-	27,218
Silver revenue	953	1,051	-	-	2,004
Shipping and insurance service revenue	5,336	-	-	-	5,336
Other revenue	(17,502)	-	(1,189)	3	(18,688)
Total segment revenue	501,891	278,480	(1,189)	3	779,185
Segment net operating profit/(loss) before income tax	95,365	97,627	(1,400)	(59,148)	132,444
Total segment assets	1,193,096	314,990	-	95,551	1,603,637
Total segment liabilities	66,996	41,491	-	2,107	110,594
Acquisition of property, plant and equipment	11,315	2,531	125	-	13,971
Depreciation and amortisation	160,456	74,731	681	44	235,912
Other non-cash expenses	956	401	59	-	1,416

1 Segment information (continued)

(c) Segment revenue

A reconciliation of reportable segment revenue to total revenue is as follows:

	2020 $'000	2019 $'000
Total revenue for reportable segments	**883,352**	779,185
Other revenue from continuing operations	**5,578**	5,327
Total revenue	**888,930**	784,512

Revenues for the Nova Operation were received from BHP Billiton Nickel West Pty Ltd (BHP Billiton Nickel West), Glencore International AG and Trafigura Pte Ltd.

Revenues for the Tropicana Operation were received from The Perth Mint, Australia and the Company's financiers via forward sales contracts.

(d) Segment net profit before income tax

A reconciliation of reportable segment profit before income tax to profit before income tax is as follows:

	2020 $'000	2019 $'000
Segment profit before income tax	**208,316**	132,444
Interest revenue on corporate cash balances and other unallocated revenue	**5,578**	5,327
Fair value movement of financial investments	**33,207**	(6,915)
Share-based payments expense	**(4,489)**	(3,123)
Corporate and other costs and unallocated other income	**(20,710)**	(18,445)
Borrowing and finance costs	**(2,765)**	(5,222)
Depreciation expense on corporate assets	**(3,095)**	(1,205)
Net gain on disposal of subsidiaries and other corporate assets	**3,470**	2,587
Total profit before income tax	**219,512**	105,448

(e) Segment assets

A reconciliation of reportable segment assets to total assets is as follows:

	2020 $'000	2019 $'000
Total assets for reportable segments	**1,634,936**	1,603,637
Unallocated assets:		
Deferred tax assets	**119,734**	180,237
Listed equity securities	**107,759**	27,531
Cash and receivables held by the parent entity	**418,642**	373,433
Office and general plant and equipment	**11,959**	5,431
Total assets as per the balance sheet	**2,293,030**	2,190,269

1 Segment information (continued)

(f) Segment liabilities

A reconciliation of reportable segment liabilities to total liabilities is as follows:

	2020 $'000	2019 $'000
Total liabilities for reportable segments	**153,587**	110,594
Unallocated liabilities:		
Deferred tax liabilities	**141,787**	137,912
Creditors and accruals of the parent entity	**4,741**	4,634
Provision for employee entitlements of the parent entity	**4,779**	3,480
Bank loans	**56,937**	84,589
Corporate lease liabilities	**5,390**	-
Total liabilities as per the balance sheet	**367,221**	341,209

2 Revenue

	2020 $'000	2019 $'000
Sales revenue from contracts with customers		
Sale of goods revenue	**865,292**	792,537
Shipping and insurance service revenue	**4,925**	5,336
	870,217	797,873
Other revenue		
Interest revenue	**6,096**	5,877
Other revenue	**-**	15
Provisional pricing adjustments	**12,617**	(19,253)
	18,713	(13,361)
Total revenue	**888,930**	784,512

(a) Recognition and measurement

(i) ***Revenue from sale of goods***

Revenue from the sale of goods is recognised when control of the goods has passed to the buyer based upon agreed delivery terms.

Sale of concentrates

Revenue from the sale of concentrates is recognised when control has passed to the buyer based upon agreed delivery terms, generally being when the product is loaded onto the ship and bill of lading received, or delivered to the customer's premises. In cases where control of the product is transferred to the customer before shipping takes place, revenue is recognised when the customer has formally acknowledged their legal ownership of the product, which includes all inherent risks associated with control of the product. In these cases, the product is clearly identified and immediately available to the customer and this is when the performance obligation is met.

The price to be received on sales of concentrate is provisionally priced and recognised at the estimate of the consideration receivable that is highly probable of not reversing by reference to the relevant contractual price and the estimated mineral specifications, net of treatment and refining charges where applicable. Subsequently, provisionally priced sales are repriced at each reporting period up until when final pricing and settlement is confirmed, with revenue adjustments relating to the quality and quantity of commodities sold being recognised in sales revenue.

Provisionally priced sales for which price finalisation is referenced to the relevant metal price index have an embedded commodity derivative. The embedded derivative is carried at fair value through profit or loss as part of trade receivables. The period between provisional pricing and final invoices is generally between 30 to 90 days.

Sale of gold bullion

Revenue from the sale of gold bullion is recognised when control of the inventory has transferred to the customer, being when the gold is credited to the metals account of the customers. It is at this point that control over the gold bullion has been passed to the customer and the Group has fulfilled its performance obligation under the contract.

2 Revenue (continued)

(a) Recognition and measurement (continued)

(ii) ***Revenue from Services - Shipping and Insurance***

Sales of nickel and copper concentrates are on terms that include the Group being responsible for shipping and insurance costs. Shipping and insurance is a separate performance obligation from the sale of the commodity with the revenue allocated to shipping and insurance being recognised over the period of transfer to the customer.

(iii) ***Provisional pricing adjustments***

The Group's sales contracts may provide for provisional pricing of sales at the time the product is delivered to the vessel with final pricing determined using the index on or after the vessel's arrival to the port of discharge. This provisional pricing relates to the quality and quantity of the commodity sold, which is included in sales revenue, and an embedded derivative relating to the pricing of the commodity sold. Provisional pricing adjustments relating to the embedded derivative are separately identified as movements in the financial instrument rather than being included within Sales revenue. The final pricing adjustment mechanism, being an embedded derivative, is separated from the host contract and recognised at fair value through profit or loss. These amounts are disclosed separately as Provisional pricing adjustments in Other revenue, rather than being included within Sales revenue for the Group.

(iv) ***Interest revenue***

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(b) Key estimates and judgements

Judgement is exercised in estimating variable consideration. This is determined by past experience with respect to the goods returned to the Group where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3 Other income

	2020 $'000	2019 $'000
Net foreign exchange gains	**-**	1,967
Net gain on disposal of property, plant and equipment	**1,529**	2,636
Net gain on sale of investments	**1,965**	-
Write-back of rehabilitation provision	**-**	1,187
Net gain on sale of subsidiaries	**-**	2,587
	3,494	8,377

4 Expenses and losses

	2020 $'000	2019 $'000
Cost of sale of goods	**348,739**	327,569
Employee benefits expenses	**62,511**	52,205
Share-based payments expense	**4,489**	3,123
Exploration and evaluation expense	**72,694**	58,346
Impairment of exploration and evaluation expenditure	**1,018**	-
Net foreign exchange losses	**2,865**	-
Amortisation expense	**227,146**	228,121
Depreciation expense	**16,487**	8,997
Borrowing and finance costs		
Borrowing and finance costs - other entities	**1,761**	4,306
Lease interest expense	**1,523**	-
Rehabilitation and restoration borrowing costs	**869**	1,416
Amortisation of borrowing costs	**919**	916
Finance costs expensed	**5,072**	6,638

5 Income tax

(a) Income tax expense

	2020 $'000	2019 $'000
The major components of income tax expense are:		
Deferred income tax expense	**64,419**	29,363
Current income tax expense	**-**	-
Income tax expense	**64,419**	29,363
Deferred income tax expense included in income tax expense comprises:		
Decrease in deferred tax assets	**60,503**	24,204
Increase in deferred tax liabilities	**3,916**	5,159
Deferred income tax expense	**64,419**	29,363

(b) Amounts recognised directly in equity

Deferred income tax (benefit)/expense related to items charged or credited to other comprehensive income or directly to equity:		
Recognition of hedge contracts	**(41)**	(452)
Income tax benefit reported in equity	**(41)**	(452)

(c) Numerical reconciliation of income tax expense to prima facie tax payable

	2020 $'000	2019 $'000
Profit from continuing operations before income tax expense	**219,512**	105,448
Tax expense at the Australian tax rate of 30% (2019: 30%)	**65,854**	31,634
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	**789**	317
Other non-deductible items	**494**	519
Non-assessable gain on disposal of subsidiary	**-**	(811)
Subtotal	**67,137**	31,659
Capital losses not brought to account	**466**	16
Previously unrecognised capital losses brought to account	**(145)**	(27)
Difference in overseas tax rates	**4**	7
Overseas tax losses not brought to account	**12**	20
Adjustments for current tax of prior periods	**-**	(2,312)
Research and development tax credit	**(540)**	-
Adjustment for deferred tax asset not previously brought to account	**(2,515)**	-
Income tax expense	**64,419**	29,363

5 Income tax (continued)

(d) Reconciliation of carry forward tax losses and income tax paid

	2020 $'000	2019 $'000
Tax effected balances at 30%		
Carry forward tax losses at the beginning of the year	**154,388**	180,695
Tax losses recouped from current year	**(62,658)**	(26,307)
Carry forward tax losses at the end of the year	**91,730**	154,388
Effective income tax rate based on income tax paid	**-%**	-%

(e) Deferred tax assets and liabilities

	Balance Sheet		Profit or loss		Equity		Disposal of Subsidiary	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000
Deferred tax liabilities								
Capitalised exploration expenditure	**(4,991)**	(2,163)	**2,828**	(3,319)	**-**	-	**-**	1,567
Mine properties	**(121,980)**	(128,960)	**(6,980)**	7,926	**-**	-	**-**	-
Property, plant and equipment	**(783)**	(1,673)	**(890)**	1,673	**-**	-	**-**	-
Deferred gains and losses on hedging contracts	**(104)**	(145)	**-**	-	**(41)**	(452)	**-**	-
Trade debtors	**(4,266)**	(2,852)	**1,414**	246	**-**	-	**-**	-
Consumable inventories	**(2,011)**	(1,815)	**196**	(90)	**-**	-	**-**	-
Other	**(7,652)**	(304)	**7,348**	(1,277)	**-**	-	**-**	-
Gross deferred tax liabilities	**(141,787)**	(137,912)	**3,916**	5,159	**(41)**	(452)	**-**	1,567
Deferred tax assets								
Property, plant and equipment	**-**	-	**-**	(967)	**-**	-	**-**	1,481
Business-related capital allowances	**1,441**	1,831	**390**	1,762	**-**	-	**-**	-
Provision for employee entitlements	**2,730**	1,910	**(820)**	(172)	**-**	-	**-**	-
Provision for rehabilitation	**19,980**	18,732	**(1,248)**	(1,701)	**-**	-	**-**	1,349
Leased assets	**237**	-	**(237)**	-	**-**	-	**-**	-
Carry forward tax losses	**91,730**	154,388	**62,658**	26,307	**-**	-	**-**	-
Other	**3,616**	3,376	**(240)**	(1,025)	**-**	-	**-**	-
Gross deferred tax assets	**119,734**	180,237	**60,503**	24,204	**-**	-	**-**	2,830
Net impact	**(22,053)**	42,325	**64,419**	29,363	**(41)**	(452)	**-**	4,397

5 Income tax (continued)

(f) Tax losses

In addition to the above recognised tax losses, the Group also has the following revenue and capital tax losses for which no deferred tax asset has been recognised:

	2020 $'000	2019 $'000
Unrecognised revenue tax losses	**46,775**	46,775
Potential tax benefit @ 30% (2019: 30%)	**14,032**	14,032
Unrecognised capital tax losses	**93,135**	85,546
Potential tax benefit @ 30% (2019: 30%)	**27,941**	25,664

(g) Tax transparency code

The Group has adopted the Board of Taxation's voluntary Tax Transparency Code (TTC). The TTC requires additional tax disclosures in two parts (Part A and Part B), which includes addressing the Company's approach to tax strategy and governance. The Group has addressed these Part A and Part B disclosures in this note and in its 2019 Tax Transparency Report. In relation to the year ended 30 June 2020, the Part A and Part B disclosures will be addressed in the Group's 2020 Annual Sustainability Report.

(h) Recognition and measurement

Current taxes

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5 Income tax (continued)

(i) Significant estimates

In addition, deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future forecast taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the relevant tax legislation associated with their recoupment.

The Australian consolidated tax group has recognised a deferred tax asset relating to carry forward tax losses of $91,730,000 at 30 June 2020 (2019: $154,388,000). The utilisation of this deferred tax asset amount depends upon future taxable amounts in excess of profits arising from the reversal of temporary differences. The Group believes this amount to be recoverable based on taxable income projections.

6 Earnings per share

(a) Earnings used in calculating earnings per share

Profit used in calculating basic and diluted earnings per share attributable to ordinary equity holders of the parent is $155,093,000 (2019: $76,085,000).

(b) Weighted average number of shares used as the denominator

	2020 Number	2019 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**590,747,969**	590,335,278
Adjustments for calculation of diluted earnings per share:		
Share rights	**2,894,952**	2,524,470
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	**593,642,921**	592,859,748

(c) Information concerning the classification of securities

Share rights

Performance rights granted to Executives and employees under the Company's Employee Incentive Plan and any outstanding service rights are included in the calculation of diluted earnings per share as they could potentially dilute basic earnings per share in the future. The share rights are not included in the determination of basic earnings per share. Further information about the share rights is provided in note 26.

(d) Calculation of earnings per share

(i) ***Basic earnings per share***

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares,
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) ***Diluted earnings per share***

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Working Capital and Provisions

This section of the notes provides further information about the Group's working capital and provisions, including accounting policies and key judgements and estimates relevant to understanding these items.

7 Cash and cash equivalents

	2020 $'000	2019 $'000
Cash at bank and in hand	**490,312**	108,208
Deposits at call	**20,000**	240,000
	510,312	348,208

The Group has cash balances of $7,396,000 (2019: $1,633,000) not generally available for use as the balances are held by the Tropicana Joint Venture and may only be used in relation to joint venture expenditure.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 22.

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	2020 $'000	2019 $'000
Profit for the period	**155,093**	76,085
Depreciation and amortisation	**243,633**	237,118
Impairment of exploration and evaluation expenditure	**1,018**	-
Net gain on sale of non-current assets	**(3,494)**	(2,636)
Fair value of movement of financial investments	**(33,207)**	6,915
Non-cash employee benefits expense - share-based payments	**4,489**	3,123
Gain on disposal of subsidiaries	**-**	(2,587)
Amortisation of borrowing expenses	**919**	916
Amortisation of lease incentive	**(78)**	(79)
Foreign exchange losses (gains) on cash balances	**3,110**	(784)
Change in fair value measurement of receivables	**(1,065)**	(1,574)
Change in operating assets and liabilities:		
(Increase) decrease in trade receivables	**(21,215)**	25,371
(Increase) in inventories	**(20,713)**	(7,375)
Decrease in deferred tax assets	**60,503**	24,204
(Increase) decrease in other operating receivables and prepayments	**(116)**	9,855
Increase (decrease) in trade and other payables	**1,120**	(2,080)
Increase in deferred tax liabilities	**3,916**	5,159
Increase in other provisions	**3,604**	679
Net cash inflow from operating activities	**397,517**	372,310

(b) Non-cash investing and financing activities

During the current year, the Group had acquisitions of right-of-use assets totalling $12,577,000 (2019: $nil).

During the previous year, the Company issued 3,095,408 shares totalling $15,725,000 for the acquisition of the Southern Hills tenements (refer to note 18(b)). The Company also received 7,777,778 shares in Mincor Resources NL totalling $3,500,000 relating to the sale of the Long Operation during the previous year.

7 Cash and cash equivalents (continued)

(c) Recognition and measurement

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

8 Trade and other receivables

	2020 $'000	2019 $'000
Current		
Trade receivables at amortised cost:		
Trade receivables (subject to provisional pricing) - fair value	**46,595**	24,568
GST Receivable	**1,726**	2,463
Other receivables	**17,585**	18,556
Prepayments	**3,159**	2,161
	69,065	47,748

Non-current		
Other receivables	**4**	14,998
	4	14,998

(a) Recognition and measurement

(i) Trade receivables

Trade receivables are generally received in the current month, or up to three months after the shipment date. The receivables are initially recognised at fair value, less any allowance for expected credit losses.

The Group has applied the simplified approach to measuring expected credit losses, which applies a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Trade receivables are subsequently revalued by the mark-to-market of open sales. The Group determines mark-to-market prices using forward prices at each period end for nickel, copper and cobalt sales.

(ii) Other receivables

Other receivables include amounts outstanding on the sale of the Jaguar Operation in May 2018. The discounted value (using a discount rate of 3.5%) of the outstanding cash proceeds of $15,519,000 (2019: $15,519,000) is shown in current receivables. There are no amounts relating to the sale of the Jaguar Operation shown in non-current receivables at 30 June 2020 (2019: $14,994,000).

(iii) Impairment and risk exposure

Note 22(b)(i) sets out information about the impairment of financial assets and the Group's exposure to credit risk. Given the Group's credit risk management processes, the resulting level of expected credit losses are insignificant.

8 Trade and other receivables (continued)

(b) Key estimates and judgements

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the COVID-19 pandemic and forward-looking information that is available. The allowance for expected credit losses is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

9 Inventories

	2020 $'000	2019 $'000
Current		
Mine spares and stores	**20,653**	19,023
ROM inventory	**44,656**	32,866
Concentrate inventory	**5,452**	12,006
Gold in circuit	**1,980**	1,454
Gold dore	**2,929**	4,925
	75,670	70,274
Non-current		
ROM inventory	**67,911**	52,594
	67,911	52,594

(a) Classification of inventory

Inventory classified as non-current relates to low grade (0.6g/t to 1.2g/t) gold ore stockpiles which are not intended to be utilised within the next 12 months but are anticipated to be utilised beyond that period.

(b) Recognition and measurement

(i) Ore, concentrate and gold inventories

Inventories, comprising nickel, copper and cobalt in concentrate, gold dore, gold in circuit and ore stockpiles, are valued at the lower of weighted average cost and net realisable value. Costs include fixed direct costs, variable direct costs and an appropriate portion of fixed overhead costs. A portion of the related depreciation, depletion and amortisation charge is included in the cost of inventory.

(ii) Mine spares and stores

Inventories of consumable supplies and spare parts are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion, and the estimated costs necessary to make the sale.

The recoverable amount of surplus items is assessed regularly on an ongoing basis and written down to its net realisable value when an impairment indicator is present.

(c) Key estimates and judgements

The Group reviews the carrying value of inventories regularly to ensure that their cost does not exceed net realisable value. In determining net realisable value various factors are taken into account, including estimated future sales price of the product based on prevailing spot metals prices at the reporting date, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the amount of contained metal based on assay data, and the estimated recovery percentage based on the expected processing method.

10 Financial assets at fair value through profit or loss

	2020 $'000	2019 $'000
Shares in listed companies - at fair value through profit or loss	**107,759**	27,531
	107,759	27,531

(i) Amounts recognised in profit or loss

Changes in fair values of financial assets at fair value through profit or loss are recorded in fair value movement of financial investments in the profit or loss. During the current year, the changes in fair values of financial assets resulted in a gain to the profit or loss of $33,207,000 (2019: loss of $6,915,000).

(ii) Recognition and measurement

The Group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, ie are held for trading. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets. Refer to note 22(d) for fair value measurement.

11 Trade and other payables

	2020 $'000	2019 $'000
Current liabilities		
Trade and other payables	**53,013**	49,902
	53,013	49,902

(a) Recognition and measurement

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

12 Provisions

	2020 $'000	2019 $'000
Current		
Provision for employee entitlements	**7,058**	5,180
	7,058	5,180

	2020 $'000	2019 $'000
Non-current		
Provision for employee entitlements	**2,042**	1,185
Provision for rehabilitation costs	**66,599**	62,441
	68,641	63,626

(a) Movements in provisions

Movements in the provision for rehabilitation costs during the financial year are set out below:

	2020 $'000	2019 $'000
Carrying amount at beginning of financial year	**62,441**	61,267
Additional provision	**3,567**	5,564
Rehabilitation and restoration borrowing costs expense	**869**	1,416
Payments during the period	**(278)**	(122)
Disposal of subsidiary	**-**	(4,497)
Write-back of provision	**-**	(1,187)
Carrying amount at end of financial year	**66,599**	62,441

12 Provisions (continued)

(b) Recognition and measurement

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Rehabilitation and restoration

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with current environmental and regulatory requirements.

Full provision is made based on the net present value of the estimated cost of rehabilitating and restoring the environmental disturbance that has occurred up to the reporting date. To the extent that future economic benefits are expected to arise, these costs are capitalised and amortised over the remaining lives of the mines.

Annual increases in the provision relating to the change in the net present value of the provision are recognised as finance costs (and disclosed within Borrowing and finance costs in the profit or loss). The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

(ii) Employee benefits

The provision for employee benefits represents annual leave and long service leave entitlements accrued by employees.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The amounts are presented as current employee entitlements in the balance sheet.

Other long-term employee benefit obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(c) Key estimates and judgements

Rehabilitation and restoration provisions

The provision for rehabilitation and restoration costs is based on the net present value of the estimated cost of rehabilitating and restoring the environmental disturbance that has occurred up to the reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Long service leave

Long service leave is measured at the present value of benefits accumulated up to the end of the reporting period. The liability is discounted using an appropriate discount rate. Management requires judgement to determine key assumptions used in the calculation, including future increases in salaries and wages, future on-costs rates and future settlement dates of employees' departures.

Invested Capital

This section of the notes provides further information about property, plant and equipment, leases, mine properties and exploration and evaluation expenditure and the carrying amount of these non-financial assets, including accounting policies, key judgements and estimates relevant to understanding these items.

13 Property, plant and equipment

	Land and buildings $'000	Mining plant and equipment $'000	Furniture, fittings and other equipment $'000	Motor vehicles $'000	Assets under construction $'000	Total $'000
Year ended 30 June 2020						
Cost	26,916	36,209	16,960	4,896	12,186	97,167
Accumulated depreciation	(17,015)	(16,974)	(10,455)	(4,143)	-	(48,587)
Net book amount	9,901	19,235	6,505	753	12,186	48,580
Movements						
Opening net book amount	10,706	15,681	5,104	805	9,326	41,622
Additions	1,409	7,033	2,108	334	6,170	17,054
Disposals	-	(73)	(1)	-	-	(74)
Depreciation charge	(2,681)	(5,143)	(1,812)	(386)	-	(10,022)
Transfers	467	1,737	1,106	-	(3,310)	-
Closing net book amount	9,901	19,235	6,505	753	12,186	48,580
Year ended 30 June 2019						
Cost	25,040	27,670	14,118	4,589	9,326	80,743
Accumulated depreciation	(14,334)	(11,989)	(9,014)	(3,784)	-	(39,121)
Net book amount	10,706	15,681	5,104	805	9,326	41,622
Movements						
Opening net book amount	12,663	13,548	4,132	1,013	4,061	35,417
Additions	667	4,344	1,742	293	9,338	16,384
Disposals	-	(632)	-	-	-	(632)
Depreciation charge	(2,741)	(4,288)	(1,493)	(475)	-	(8,997)
Transfers	117	3,178	756	22	(4,073)	-
Disposal of subsidiary	-	(469)	(33)	(48)	-	(550)
Closing net book amount	10,706	15,681	5,104	805	9,326	41,622

(a) Non-current assets pledged as security

Refer to note 17 for information on non-current assets pledged as security by the Group.

(b) Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. It also includes the direct cost of bringing the asset to the location and condition necessary for first use and the estimated future cost of rehabilitation, where applicable. The assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

13 Property, plant and equipment (continued)

(b) Recognition and measurement (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using either units-of-production or straight-line depreciation as follows:

Depreciation periods are primarily:	
Buildings	5 - 10 years
Mining plant and equipment	2 - 10 years
Motor vehicles	3 - 8 years
Furniture and fittings	3 - 10 years

Depreciation is expensed as incurred, unless it relates to an asset or operation in the construction phase, in which case it is capitalised.

Derecognition

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss from derecognising the asset (being the difference between the proceeds of disposal and the carrying amount of the asset) is included in the profit or loss in the period the item is derecognised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(c) Key estimates and judgements

The estimations of useful lives, residual values and depreciation methods require significant management judgements and are regularly reviewed. If they need to be modified, the depreciation and amortisation expense is accounted for prospectively from the date of the assessment until the end of the revised useful life (for both the current and future years).

14 Leases

(a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	2020 **$'000**	**1 July 2019*** $'000
Right-of-use assets		
Buildings	**5,339**	2,812
Mining plant and equipment	**33,657**	30,072
	38,996	32,884
Lease liabilities		
Current	**6,235**	4,979
Non-current	**33,550**	27,905
	39,785	32,884

14 Leases (continued)

* In the previous financial year, leases were accounted for by applying the principles of AASB 117 *Leases,* which classified arrangements as either finance leases or operating leases. From 1 July 2019, the Group changed its accounting policy so that leases are recognised by applying the principles of AASB 16 *Leases.* Under the new standard, leases are recognised as right-of use assets with corresponding lease liabilities. Refer to note 31(a) for details of the impact on the Group on adoption of the standard.

Additions to the right-of use assets during the year were $12,577,000.

(b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2020 $'000	2019 $'000
Depreciation charge of right-of-use assets		
Buildings	**1,534**	-
Mining plant and equipment	**4,931**	-
	6,465	-
Interest expense (included in borrowing and finance costs)	**1,523**	-

The total cash outflow for leases for the financial year to 30 June 2020 was $7,199,000.

(c) Recognition and measurement

The Group leases office space and equipment. Rental contracts are typically made for fixed periods of 5 to 15 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocated the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Lease liabilities

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, an arm's length asset finance facility borrowing rate is used, being the rate that the individual lessee would have to pay to finance the asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The weighted average borrowing rate used for the year was 4.1%.

Subsequent to initial recognition, lease liabilities are carried at amortised cost. Lease payments are allocated between principal and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

14 Leases (continued)

(c) Recognition and measurement (continued)

Right-of-use assets

Right-of-use assets are measured at cost and comprise the following:

- the amount of the initial amount of lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short-term leases and leases of low value assets

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(d) Key estimates and judgements

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay to finance an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

15 Mine properties

	Mine properties in development $'000	Mine properties in production $'000	Deferred stripping $'000	Total mine properties $'000
Year ended 30 June 2020				
Cost	**19,022**	**1,742,936**	**235,855**	**1,997,813**
Accumulated amortisation	**-**	**(647,022)**	**(191,170)**	**(838,192)**
Net book amount	**19,022**	**1,095,914**	**44,685**	**1,159,621**
Movements				
Carrying amount at beginning of the period	**4,271**	**1,255,493**	**51,612**	**1,311,376**
Additions	**12,491**	**22,815**	**37,825**	**73,131**
Transfers from exploration and evaluation expenditure	**2,260**	**-**	**-**	**2,260**
Amortisation expense	**-**	**(182,394)**	**(44,752)**	**(227,146)**
Closing net book amount	**19,022**	**1,095,914**	**44,685**	**1,159,621**
Year ended 30 June 2019				
Cost	4,271	1,720,121	198,031	1,922,423
Accumulated amortisation	-	(464,628)	(146,419)	(611,047)
Net book amount	4,271	1,255,493	51,612	1,311,376
Movements				
Carrying amount at beginning of the period	-	1,391,143	66,545	1,457,688
Additions	1,497	41,482	36,056	79,035
Transfers from exploration and evaluation expenditure	2,774	-	-	2,774
Amortisation expense	-	(177,132)	(50,989)	(228,121)
Closing net book amount	4,271	1,255,493	51,612	1,311,376

(a) Recognition and measurement

(i) Mine properties in development

Mine properties in development represent the expenditure incurred when technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, and includes the costs incurred up until such time as the asset is capable of being operated in a manner intended by management. These costs are not amortised but the carrying value is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

(ii) Mine properties in production

Mine properties in production represent the accumulation of all acquisition, exploration, evaluation and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of the mineral resource has commenced. When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the cost of that mine property only when substantial future economic benefits are established, otherwise such expenditure is classified as part of the cost of production.

Amortisation is provided on a units-of-production basis, with separate calculations being made for each mineral resource. The units-of-production method results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable reserves).

15 Mine properties (continued)

(a) Recognition and measurement (continued)

(ii) Mine properties in production (continued)

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of mine properties exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount and the impairment losses are recognised in profit or loss.

(iii) Deferred stripping

Stripping activity costs incurred in the development phase of a mine are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units-of-production basis.

Stripping activity incurred during the production phase of a mine is assessed as to whether the benefit accruing from that activity is to provide access to ore that can be used to produce ore inventory, or whether it in addition provides improved access to ore that will be mined in future periods.

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the Group accounts for those stripping activity costs in accordance with AASB102 *Inventories*. A stripping activity asset is brought to account if it is probable that future economic benefits (improved access to the ore body) will flow to the Group, the component of the ore body for which access has been improved can be identified and costs relating to the stripping activity can be measured reliably.

The amount of stripping activity costs that are capitalised is determined based on a comparison of the stripping ratio in the relevant period with the life of mine stripping ratio. To the extent that there is a period of sustained stripping that exceeds the average life of mine stripping ratio, mine waste stripping costs are capitalised to the stripping activity asset. Such capitalised costs are amortised over the life of that mine on a units-of-production basis. The life of mine ratio is based on ore reserves of the mine. Changes to the life of mine are accounted for prospectively.

(b) Key estimates and judgements

(i) Proved and probable ore reserves

The Group uses the concept of life of mine to determine the amortisation of mine properties. In determining life of mine, the Group prepares ore reserve estimates in accordance with the JORC Code 2012, guidelines prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. The estimate of these proved and probable ore reserves, by their very nature, require judgements, estimates and assumptions.

Where the proved and probable reserve estimates need to be modified, the amortisation expense is accounted for prospectively from the date of the assessment until the end of the revised mine life (for both the current and future years).

(ii) Deferred stripping

The Group defers advanced stripping costs incurred during the production stage of its open cut mining operations. This calculation requires the use of judgements and estimates, such as estimates of tonnes of waste to be removed over the life of the mining area and economically recoverable reserves extracted as a result. Changes in a mine's life and design may result in changes to the expected stripping ratio (waste to mineral reserves ratio). Any resulting changes are accounted for prospectively.

16 Exploration and evaluation

	Nova Operation $'000	Windward $'000	Stockman Project $'000	Other $'000	Total $'000
Year ended 30 June 2020					
Opening net book amount	34,100	17,823	13,052	30,222	95,197
Additions	-	-	-	3,111	3,111
Transfer to mine properties under construction	-	-	-	(2,260)	(2,260)
Impairment loss	-	(1,018)	-	-	(1,018)
Closing net book amount	34,100	16,805	13,052	31,073	95,030

	Nova Operation $'000	Windward $'000	Stockman Project $'000	Other $'000	Total $'000
Year ended 30 June 2019					
Opening net book amount	34,100	17,823	13,052	5,518	70,493
Additions*	-	-	-	27,478	27,478
Transfer to mine properties under construction	-	-	-	(2,774)	(2,774)
Closing net book amount	34,100	17,823	13,052	30,222	95,197

* Additions during the previous financial year includes $22,243,000 relating to acquisition of the Southern Hills tenements which are contiguous to the Nova Mining Lease.

(a) Impairment

The Group recognised impairment charges during the current reporting period of $1,018,000 (2019: $nil) relating to the relinquishment of tenements.

(b) Recognition and measurement

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation expenditure is expensed to the profit or loss as incurred except in the following circumstances in which case the expenditure may be capitalised:

- The existence of a commercially viable mineral deposit has been established and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure; and
- The exploration and evaluation activity is within an area of interest which was acquired as an asset acquisition or in a business combination and measured at fair value on acquisition.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of expenditure exceeds its estimated recoverable amount. The area of interest is then written down to its recoverable amount and the impairment losses are recognised in profit or loss.

Upon approval for the commercial development of an area of interest, exploration and evaluation assets are tested for impairment and transferred to 'Mine properties in development'. No amortisation is charged during the exploration and evaluation phase.

(c) Key estimates and judgements

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

The Group reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amount.

Capital structure and financing activities

This section of the notes provides further information about the Group's borrowings, contributed equity, reserves, retained earnings/(accumulated losses) and dividends, including accounting policies relevant to understanding these items.

17 Borrowings

	2020 $'000	2019 $'000
Current		
Unsecured		
Bank loans	**56,937**	56,226
Total current borrowings	**56,937**	56,226
Non-current		
Unsecured		
Bank loans	**-**	28,363
Total non-current borrowings	**-**	28,363

(a) Corporate loan facility

In July 2015, the Company entered into a Syndicated Facility Agreement (Facility Agreement) with National Australia Bank Limited, Australia and New Zealand Banking Group Limited and Commonwealth Bank of Australia Limited for a $550,000,000 unsecured committed term finance facility comprising: a five year $350,000,000 amortising loan facility and a five year $200,000,000 revolving loan facility. Subsequent restructures, cancellations and repayments of the Facility Agreement have resulted in an outstanding balance of the amortising loan facility of $57,145,000 which expires in September 2020.

In response to the COVID-19 outbreak, and as a precautionary measure, the Group proactively sought to defer the payment of the scheduled debt repayment due in March 2020 to September 2020.

Transaction costs are accounted for under the effective interest rate method. These costs are incremental costs that are directly attributable to the loan and include loan origination fees, commitment fees and legal fees. At 30 June 2020, a balance of unamortised transaction costs of $208,000 (2019: $1,127,000) was offset against the bank loans contractual liability of $57,145,000 (2019: $85,716,000). Total capitalised transaction costs to 30 June 2020 are $5,495,000 (2019: $5,495,000).

The Facility Agreement has certain financial covenants that the Company has to comply with. All such financial covenants have been complied with in accordance with the Facility Agreement.

(b) Assets pledged as security

There were no assets pledged as security at 30 June 2020 (2019: $nil).

(c) Financing arrangements

The Group had access to the following financing arrangements at the reporting date:

	2020 $'000	2019 $'000
Total facilities		
Corporate debt facility	**57,145**	85,716
Contingent instrument facility[1]	**1,211**	1,131
	58,356	86,847
Facilities used as at reporting date		
Corporate debt facility	**57,145**	85,716
Contingent instrument facility	**1,211**	1,131
	58,356	86,847

1. This facility provides financial backing in relation to non-performance of third party guarantee requirements.

17 Borrowings (continued)

(d) Recognition and measurement

(i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs and amortised over the period of the remaining facility.

(ii) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

18 Contributed equity

(a) Share capital

	2020 **$'000**	2019 $'000
Fully paid issued capital	**1,897,126**	1,895,855

(b) Movements in ordinary share capital

Details	**2020** **Number of shares**	**2020** **$'000**	**2019** **Number of shares**	**2019** **$'000**
Balance at beginning of financial year	590,477,819	1,895,855	586,923,035	1,879,094
Issue of shares under the Employee Incentive Plan	319,215	1,271	459,376	1,036
Issue of shares on acquisition of Southern Hills Tenements	-	-	3,095,408	15,725
Balance at end of financial year	590,797,034	1,897,126	590,477,819	1,895,855

18 Contributed equity (continued)

(c) Capital management

The Board's policy is to preserve a strong balance sheet so as to maintain investor, creditor and market confidence, and to sustain ongoing and future development of the business. Demonstrating the Company's balance sheet strength are various financing and liquidity ratios, supported by strong EBITDA margins:

	2020	2019
Current ratio (times)	**6.2**	4.4
Debt to equity	**3%**	5%
Underlying EBITDA margin	**52%**	43%

The Group's capital comprises equity, including reserves, and net debt/(cash). As at 30 June 2020 this totalled $1,472,643,000 (2019: $1,586,568,000), a decrease of 7% over 2019. Contributing to this decrease was an ongoing reduction of debt as a result of debt repayments of $28,571,000 during the year and the strong continued cash flow generation during the year from deploying our existing capital.

The Company's capital management framework aims to respond to a dynamic commodity and investment cycle. To this end, the goals of the framework are to:

- Ensure that the Company's operations are able to generate cash flows safely, at appropriate margins, and according to plan;
- Provide a buffer from future potential adverse price movements as a result of the Company operating in a cyclical commodity price environment;
- Raise and repay debt and invest in growth and replenish and acquire new assets; and
- Raise capital and to repay capital to shareholders by way of dividends or capital returns in accordance with the Company's capital allocation policy. This policy targets the return of between 15 and 25 percent of free cash flow to shareholders with the policy to be reviewed every two years based on financial results, outlook for commodity prices, long-term growth capital requirements for the business and balance sheet strength.

None of the Group's entities are currently subject to externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the year.

(d) Recognition and measurement

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

19 Reserves and retained earnings/(accumulated losses)

(a) Reserves

	2020 $'000	2019 $'000
Hedging reserve	**244**	339
Share-based payments reserve	**18,645**	15,427
Foreign currency translation reserve	**(15)**	11
	18,874	15,777

(i) Movements in reserves

The following table shows a breakdown of the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Hedging reserve $'000	**Share- based payments reserve $'000**	**Foreign currency translation reserve $'000**	**Total $'000**
Balance at 1 July 2019	339	15,427	11	15,777
Revaluation - gross	(2,006)	-	-	(2,006)
Deferred tax	602	-	-	602
Transfer to profit or loss - gross	1,870	-	-	1,870
Deferred tax	(561)	-	-	(561)
Currency translation differences - current period	-	-	(26)	(26)
Share-based payment expenses	-	4,489	-	4,489
Issue of shares under the Employee Incentive Plan	-	(1,271)	-	(1,271)
Balance at 30 June 2020	244	18,645	(15)	18,874
Balance at 1 July 2018	1,393	13,340	38	14,771
Revaluation - gross	515	-	-	515
Deferred tax	(154)	-	-	(154)
Transfer to profit or loss - gross	(2,021)	-	-	(2,021)
Deferred tax	606	-	-	606
Currency translation differences - current period	-	-	(27)	(27)
Share-based payment expenses	-	3,123	-	3,123
Issue of shares under the Employee Incentive Plan	-	(1,036)	-	(1,036)
Balance at 30 June 2019	339	15,427	11	15,777

(ii) Nature and purpose of reserves

Hedging reserve

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Share-based payments reserve

The share-based payments reserve is used to record the value of share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 26 for further details of these plans.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

19 Reserves and retained earnings/(accumulated losses) (continued)

(b) Retained earnings/(accumulated losses)

Movements in retained earnings/(accumulated losses) were as follows:

	Notes	2020 $'000	2019 $'000
Balance at beginning of financial year		**(62,572)**	(115,038)
Net profit for the period		**155,093**	76,085
Dividends paid during the period	20	**(82,712)**	(23,619)
Balance at end of financial year		**9,809**	(62,572)

20 Dividends paid and proposed

(a) Ordinary shares

	2020 $'000	2019 $'000
Final dividend for the year ended 30 June 2019 of 8 cents (2018: 2 cents) per fully paid share	**47,264**	11,809
Interim dividend for the year ended 30 June 2020 of 6 cents (2019: 2 cents) per fully paid share	**35,448**	11,810
Total dividends paid during the financial year	**82,712**	23,619

(b) Dividends not recognised at the end of the reporting period

	2020 $'000	2019 $'000
In addition to the above dividends, since year end the Directors have recommended the payment of a final unfranked dividend of 5 cents per fully paid ordinary share (2019: 8 cents per fully paid ordinary share, franked to 97%), based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 25 September 2020 out of retained earnings at 30 June 2020, but not recognised as a liability at year end, is:	**29,540**	47,264

(c) Franked dividends

	2020 $'000	2019 $'000
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2019 - 30%)	**13**	19,661

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax;
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The dividend recommended by the Directors since the end of the reporting period, but not recognised as a liability at the reporting date, will be unfranked, therefore there will be no impact on the franking account (2019: reduction of $19,648,000).

(d) Recognition and measurement

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Risk

This section of the notes includes information on the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

21 Derivatives

The Group has the following derivative financial instruments in the following line items in the consolidated balance sheet:

	2020 $'000	2019 $'000
Current assets		
Diesel hedging contracts - cash flow hedges	**64**	484
	64	484
Non-current assets		
Diesel hedging contracts - cash flow hedges	**284**	-
	284	-

(a) Instruments used by the Group

Derivative financial instruments may be used by the Group in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates, commodity prices and diesel prices.

The derivative financial instruments are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as cash flow hedges. The Group's accounting policy for its cash flow hedges is set out below.

The fair value of the derivative instruments at the reporting date is reflected in current and non-current assets and liabilities in the balance sheet and is calculated by comparing the contracted rate to the market rates for derivatives with the same length of maturity.

Refer to note 22 and below for details of the diesel fuel risk being mitigated by the Group’s derivative instruments as at 30 June 2020 and 30 June 2019.

Diesel Hedges

The Group held various commodity forward hedging contracts at 30 June 2020 and 30 June 2019 to reduce the exposure to future increases in the price of the Singapore gasoil component of landed diesel fuel cost.

The following table details the Singapore gasoil 10ppm hedging contracts outstanding at the reporting date:

	Litres of oil ('000)		**Weighted average price (AUD/litre)**		**Fair value**	
	2020	2019	**2020**	2019	**2020 $'000**	2019 $'000
0 - 6 months	11,514	8,756	0.44	0.67	(11)	272
6 -12 months	15,954	8,818	0.45	0.67	75	212
1 - 2 years	7,144	-	0.45	-	284	-
Total	34,612	17,574	0.45	0.67	348	484

(b) Recognition and measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or

21 Derivatives (continued)

(b) Recognition and measurement (continued)

- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents, at the inception of the hedging transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability. Movements in the hedging reserve in shareholder's equity are shown in note 19.

(i) ***Fair value hedges***

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) ***Cash flow hedges***

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the hedging reserve in equity, limited to the cumulative change in the fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within 'sales revenue'.

The changes in the time value component of options that relate to hedged items are recognised with other comprehensive income in the hedging reserve within equity. The cumulative changes accumulated in the hedge reserve are reclassified to the profit or loss when the hedged item affects profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(iii) ***Derivatives that do not qualify for hedge accounting***

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

22 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

Financial instruments are held by the Group for various purposes, including:

- Operational: Activities of the Group generate financial instruments which include cash, trade receivables and trade payables;

- Financing: The Company may enter into debt instruments in order to finance both internal growth opportunities and acquire assets. Types of instruments used include syndicated and other bank loans and hire purchase agreements. Surplus funds are held either at call or as short-term deposits; and

- Risk management: The Group is exposed to commodity and foreign exchange risk which is overseen by management, under policies approved by the Board. Management identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units. Financial instruments used by the Group to mitigate these risks include forward exchange contracts, commodity swaps and forward sales agreements.

22 Financial risk management (continued)

By holding these financial instruments, the Group exposes itself to risk. The Board reviews and agrees the Group's policies for managing each of these risks, which are summarised below:

(a) Market risk

(i) ***Foreign currency risk***

As the Group's sales revenues for base and precious metals are denominated in United States dollars (USD), and the majority of operating costs are denominated in Australian dollars (AUD), the Group's cash flow is exposed to movements in the AUD:USD exchange rate. The Group may mitigate this risk through the use of derivative instruments, including, but not limited to, forward contracts denominated in AUD.

Financial instruments, including derivative instruments, denominated in USD and then converted into the functional currency (i.e. AUD) were as follows:

	2020 $'000	2019 $'000
Financial assets		
Cash and cash equivalents	**48,512**	1,891
Trade receivables	**46,595**	24,568
Net financial assets	**95,107**	26,459

The cash balance above only represents the cash held in the USD bank accounts at the reporting date as converted into AUD at the 30 June 2020 AUD:USD exchange rate of 0.6863 (2019: 0.7013). The remainder of the cash balance of $461,800,000 (2019: $346,317,000) was held in AUD bank accounts and therefore not exposed to foreign currency risk.

The trade receivables amounts represent the USD denominated trade debtors. All other receivables were denominated in AUD at the reporting date.

The following table summarises the Group's sensitivity of financial instruments held at 30 June 2020 to movements in the AUD:USD exchange rate, with all other variables held constant.

Sensitivity of financial instruments to foreign currency movements	**Impact on post-tax profit**	
	2020 $'000	2019 $'000
Increase/decrease in foreign exchange rate		
Increase 5.0%	**(4,377)**	(702)
Decrease 5.0%	**4,838**	961

(ii) ***Commodity price risk***

The Group's sales revenues are generated from the sale of nickel, copper, cobalt, gold and silver. Accordingly, the Group's revenues, derivatives and trade receivables are exposed to commodity price risk fluctuations, primarily nickel, copper, cobalt, gold and silver.

The markets for base and precious metals are freely traded and can be volatile. As a relatively small producer, the Group has no ability to influence commodity prices. The Group mitigates this risk through derivative instruments, including, but not limited to, quotational period hedging, forward contracts and collar arrangements.

Nickel

Nickel concentrate sales have an average price finalisation period of two to three months until the sale is finalised with the customer.

It is the Board's policy to hedge between 0% and 50% of total nickel production tonnes.

Copper

Copper concentrate sales during the year had an average price finalisation period of up to three months from shipment date.

It is the Board's policy to hedge between 0% and 50% of total copper production tonnes.

22 Financial risk management (continued)

(a) Market risk (continued)

(ii) ***Commodity price risk (continued)***

Gold

It is the Board's policy to hedge between 0% and 50% of forecast gold production from the Company's 30% interest in the Tropicana Gold Mine.

Diesel fuel

It is the Board's policy to hedge up to 75% of forecast diesel fuel usage. Diesel fuel price comprises a number of components, including Singapore gasoil and various other costs such as shipping and insurance. The total of all costs represents the wholesale or Terminal Gate Price (TGP) of diesel. The Group only hedges the Singapore gasoil component of the diesel TGP, which represents approximately 40% of the total diesel price.

At the reporting date, the carrying value of the financial instruments exposed to commodity price movements were as follows:

Financial instruments exposed to commodity price movements	**2020 $'000**	2019 $'000
Financial assets		
Trade receivables	**38,089**	26,501
Derivative financial instruments - diesel hedging contracts	**348**	484
Net exposure	**38,437**	26,985

The following table summarises the sensitivity of financial instruments held at 30 June 2020 to movements in the nickel price, with all other variables held constant. Trade receivables valuation uses a sensitivity analysis of 5.0% (2019: 5.0%).

Sensitivity of financial instruments to nickel price movements	**Impact on post-tax profit**	
	2020 $'000	2019 $'000
Increase/decrease in nickel price		
Increase	**3,840**	2,924
Decrease	**(3,840)**	(2,924)

The following table summarises the sensitivity of financial instruments held at 30 June 2020 to movements in the copper price, with all other variables held constant. Trade receivables valuation uses a sensitivity analysis of 5.0% (2019: 5.0%).

Sensitivity of financial instruments to copper price movements	**Impact on post-tax profit**	
	2020 $'000	2019 $'000
Increase/decrease in copper price		
Increase	**805**	949
Decrease	**(805)**	(949)

The following table summarises the sensitivity of financial instruments held at 30 June 2020 to a 20% (2019: 20%) movement in the price of Singapore gasoil 10ppm, with all other variables held constant.

22 Financial risk management (continued)

(a) Market risk (continued)

*(ii) **Commodity price risk (continued)***

Sensitivity of financial instruments to Singapore gasoil price movements	**Impact on other components of equity** **2020 $'000**	2019 $'000
Increase/decrease in Singapore gasoil price		
Increase	**2,206**	1,713
Decrease	**(2,206)**	(1,713)

*(iii) **Equity price risk sensitivity analysis***

The following sensitivity analysis has been determined based on the exposure to equity price risks at the reporting date. Each equity instrument is assessed on its individual price movements with the sensitivity rate based on a reasonably possible change of 20% (2019: 20%). At reporting date, if the equity prices had been higher or lower, net profit for the year would have increased or decreased by $15,086,000 (2019: $3,854,000).

*(iv) **Cash flow and fair value interest rate risk***

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. At the reporting date, the Group had the following exposure to interest rate risk on financial instruments:

	30 June 2020		30 June 2019	
	Weighted average interest rate %	**Balance $'000**	Weighted average interest rate %	Balance $'000
Financial assets				
Cash and cash equivalents	**1.3%**	**510,312**	1.9%	348,208
	1.3%	**510,312**	1.9%	348,208
Financial liabilities				
Bank loans	**2.6%**	**57,145**	3.7%	85,716
	2.6%	**57,145**	3.7%	85,716

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

Sensitivity of interest revenue and expense to interest rate movements	**Impact on post-tax profit** **2020 $'000**	2019 $'000
Interest revenue		
Increase 1.0% (2019: 1.0%)	**3,520**	2,425
Decrease 1.0% (2019: 1.0%)	**(3,520)**	(2,425)
Interest expense		
Increase 1.0% (2019: 1.0%)	**(400)**	(600)
Decrease 1.0% (2019: 1.0%)	**400**	600

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including only transacting with high quality financial institutions and customers with an appropriate credit history. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Group does not hold any collateral.

22 Financial risk management (continued)

(b) Credit risk (continued)

	2020 $'000	2019 $'000
Financial assets		
Cash and cash equivalents	**510,312**	348,208
Trade receivables	**46,595**	24,568
Other receivables	**19,315**	36,017
Financial assets at fair value through profit or loss	**107,759**	27,531
Derivative financial instruments	**348**	484
	684,329	436,808

(i) ***Impairment of financial assets***

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables, and
- other receivables and financial assets.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, no impairment loss was identified, despite the impact of the COVID-19 pandemic.

Trade receivables

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates, the impact of the COVID-19 pandemic and forward-looking information that is available. The allowance for expected credit losses is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

Gold bullion sales

Credit risk arising from the sale of gold bullion to the Company's customer is low as the payment by the customer (being The Perth Mint Australia) is guaranteed under statute by the Western Australian State Government. In addition, sales are made to high credit quality financial institutions, hence credit risk arising from these transactions is considered to be low.

Nickel, copper and cobalt concentrate sales

Credit risk arising from sales to customers is managed by contracts that stipulate a provisional payment of between 90% and 100% of the estimated value of each sale. Provisional payments are predominantly made via an unconditional and irrevocable letter of credit, governed by the laws of Western Australia, or alternatively via direct payment from the customer, and are expected to be received within a few business days of the sale. Final payment is dependent on the quotation period of the respective purchase contract, and is also made via an irrevocable letter of credit or direct payment from the customer.

Due to the large size of concentrate shipments, there are a relatively small number of transactions each month and therefore each transaction and receivable balance is actively managed on an ongoing basis, with attention to timing of customer payments and imposed credit limits. The resulting exposure to impairment losses is not considered significant, despite the impact of the COVID-19 pandemic.

Other receivables and financial assets

The Group recognises a loss allowance for expected credit losses on other financial assets which are either measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

22 Financial risk management (continued)

(b) Credit risk (continued)

Other receivables and financial assets (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired, or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

In respect of cash and cash equivalents, financial assets at fair value through profit or loss and derivative financial instruments, the Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group does not hold any credit derivatives to offset its credit exposure.

Derivative counterparties and cash transactions are restricted to high credit quality financial institutions.

(ii) ***Significant estimates and judgements***

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial liabilities as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management and the Board monitors liquidity levels on an ongoing basis.

Maturities of financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Contractual maturities of financial liabilities	Less than 6 months $'000	6 - 12 months $'000	Between 1 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
At 30 June 2020						
Trade and other payables	**53,013**	**-**	**-**	**-**	**53,013**	**53,013**
Lease liabilities	**3,931**	**3,775**	**27,862**	**9,485**	**45,053**	**39,785**
Bank loans*	**57,388**	**-**	**-**	**-**	**57,388**	**56,937**
	114,332	**3,775**	**27,862**	**9,485**	**155,454**	**149,735**
At 30 June 2019						
Trade and other payables	49,902	-	-	-	49,902	49,902
Bank loans*	29,100	29,900	28,842	-	87,842	84,589
	79,002	29,900	28,842	-	137,744	134,491

* Includes estimated interest payments.

22 Financial risk management (continued)

(d) Recognised fair value measurements

(i) Fair value hierarchy

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2020 and 30 June 2019 on a recurring basis.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 June 2020				
Financial assets				
Listed investments	**107,759**	**-**	**-**	**107,759**
Derivative instruments				
Diesel hedging contracts	**-**	**348**	**-**	**348**
	107,759	**348**	**-**	**108,107**

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 June 2019				
Financial assets				
Listed investments	27,531	-	-	27,531
Derivative instruments				
Diesel hedging contracts	-	484	-	484
	27,531	484	-	28,015

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2020 and did not transfer any fair value amounts between the fair value hierarchy levels during the year ended 30 June 2020.

(ii) Valuation techniques used to determine level 1 fair values

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(iii) Valuation techniques used to determine level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of commodity and forward foreign exchange contracts is determined using forward commodity and exchange rates at the reporting date.

22 Financial risk management (continued)

(d) Recognised fair value measurements (continued)

(iii) ***Valuation techniques used to determine level 2 and level 3 fair values (continued)***

- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of the resulting fair value estimates are included in level 2.

(iv) ***Fair value of other financial instruments***

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. These instruments had the following fair value at the reporting date.

	30 June 2020		**30 June 2019**	
	Carrying amount $'000	**Fair value $'000**	**Carrying amount $'000**	**Fair value $'000**
Current liabilities				
Bank loans	**56,937**	**57,145**	56,226	57,142
Lease liabilities	**6,235**	**7,706**	-	-
	63,172	**64,851**	56,226	57,142
Non-current liabilities				
Bank loans	**-**	**-**	28,363	28,574
Lease liabilities	**33,550**	**37,347**	-	-
	33,550	**37,347**	28,363	28,574

Group structure

This section of the notes provides information which will help users understand how the group structure affects the financial position and performance of the Group.

23 Subsidiaries

(a) Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of IGO Limited and the subsidiaries listed in the following table:

Name of entity	Note	Country of incorporation	Equity holding 2020 %	2019 %
IGO Newsearch Pty Ltd		Australia	**100**	100
IGO Stockman Parent Pty Ltd		Australia	**100**	100
IGO Stockman Project Pty Ltd		Australia	**100**	100
IGO Windward Pty Ltd		Australia	**100**	100
Flinders Prospecting Pty Ltd		Australia	**100**	100
IGO Europe Pty Ltd		Australia	**100**	100
IGO Nova Holdings Pty Ltd	(a)	Australia	**100**	100
IGO Nova Pty Ltd	(a)	Australia	**100**	100
Independence Group Europe AB		Sweden	**100**	100
IGO Downstream Technologies Pty Ltd		Australia	**100**	100

(a) These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission. For further information refer to note 29.

(b) Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entities. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 31(c)(i)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Other information

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but are not considered critical in understanding the financial performance or position of the Group.

24 Commitments and contingencies

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2020 $'000	2019 $'000
Mine properties in development	**4,125**	30,666
	4,125	30,666

(b) Leasing Commitments

	2020 $'000	2019 $'000
Operating lease commitments		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**-**	6,272
Later than one year but not later than five years	**-**	20,433
Later than five years	**-**	11,340
Total minimum lease payments	**-**	38,045

	2020 $'000	2019 $'000
Finance lease commitments		
Future minimum lease payments under lease contracts with the present value of net minimum lease payments are as follows:		
Within one year	**7,706**	-
Later than one year but not later than five years	**27,862**	-
Later than five years	**9,485**	-
Total minimum lease payments	**45,053**	-
Future finance charges	**(5,268)**	-
Present value of minimum lease payments	**39,785**	-
Current	**6,235**	-
Non-current	**33,550**	-
Total included in lease liabilities	**39,785**	-

24 Commitments and contingencies (continued)

(c) Gold delivery commitments

	Gold for physical delivery oz	Average contracted sale price A$/oz	Value of committed sales $'000
Within one year	55,800	1,845	102,942
Later than one but not later than two years	54,288	2,089	113,426
Total	110,088	1,965	216,368

The physical gold delivery contracts are settled by the physical delivery of gold as per the contract terms. The contracts are accounted for as sales contracts with revenue recognised once gold has been delivered to the counterparties. The physical gold delivery contracts are considered to sell a non-financial item and therefore do not fall within the scope of AASB 139 *Financial Instruments: Recognition and Measurement.* Hence, no derivatives have been recognised in respect of these contracts.

(d) Contingencies

The Group had guarantees outstanding at 30 June 2020 totalling $1,211,000 (2019: $1,131,000) which have been granted in favour of various third parties. The guarantees primarily relate to environmental and rehabilitation bonds at the various mine sites.

25 Events occurring after the reporting period

The impact of the COVID-19 pandemic is ongoing and, while it has had limited impact on the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 27 August 2020, the Company announced a final unfranked dividend of 5 cents per share, to be paid on 25 September 2020.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years, other than as stated elsewhere in the financial report.

26 Share-based payments

The Group provides benefits to employees (including executive directors) of the Group through share-based incentives. Information relating to these schemes is set out below.

(a) Employee Incentive Plan

The IGO Limited Employee Incentive Plan (EIP) was approved by shareholders at the Annual General Meeting of the Company in November 2016. The EIP incorporates both broad based equity participation for eligible employees, as well as key executive incentive schemes designed to provide long-term incentives to senior management (including executive directors) to deliver long-term shareholder returns.

The EIP comprised the following schemes during the current financial year:

- Long-term incentive (LTI) - performance rights;
- LTI - service rights;
- Employee share ownership award; and
- Employee salary sacrifice share plan.

26 Share-based payments (continued)

LTI - Performance Rights

Under the LTI scheme, participants are granted performance rights which will only vest if certain performance conditions are met and the employees are still employed by the Group at the end of the vesting period. Participation in the LTI scheme is at the Board's discretion and no individual has a contractual right to participate in the scheme or to receive any guaranteed benefits.

Equity settled awards outstanding

Set out below are summaries of performance rights granted under the LTI scheme:

	2020		2019	
	Number of share rights	**Weighted average fair value at grant date**	**Number of share rights**	**Weighted average fair value at grant date**
Outstanding at the beginning of the year	**2,369,141**	**2.54**	2,042,619	2.14
Rights issued during the year	**819,577**	**4.62**	953,229	2.67
Rights vested during the year	**-**	**-**	(281,388)	1.34
Rights lapsed during the year	**(495,826)**	**2.39**	(326,175)	1.51
Rights cancelled during the year	**(2,026)**	**2.29**	(19,144)	2.28
Outstanding at the end of the year	**2,690,866**	**3.20**	2,369,141	2.54

The share-based payments expense relating to performance rights included in profit or loss for the year totalled $2,695,027 (2019: $1,883,700).

Fair value of performance rights granted

The fair value of the share rights granted during the year ended 30 June 2020 are determined using a trinomial tree which has been adopted by the Boyle and Law (1994) node alignment algorithm to improve accuracy, with the following inputs:

Fair value inputs	CEO	Senior management	Other employees
Grant date	20 November 2019	23 September 2019	23 September 2019
Vesting date	1 July 2022	1 July 2022	1 July 2022
Share price at grant date	6.05	6.44	6.44
Fair value estimate at grant date	4.45	4.65	4.65
Expected share price volatility (%)	38	39	39
Expected dividend yield (%)	1.16	1.09	1.09
Expected risk-free rate (%)	0.71	0.74	0.74

Vesting conditions of performance rights granted

Vesting of the performance rights granted to executive directors, executives and other employees during the year is based on four equally weighted performance hurdles as follows:

- Relative total shareholder return (TSR);
- Absolute TSR;
- Reserve growth per share; and
- EBITDA average margin.

Relative TSR

The relative TSR scorecard for the three year measurement period will be determined based on a percentile ranking of the Company's TSR results relative to the TSR of each of the companies in the comparator group over the same three year measurement period.

The comparator group is a peer group comprised of members of the S&P ASX 300 Metals and Mining Index, as well as several mining companies listed on the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE). The Board has discretion to adjust the peer group from time to time in its absolute discretion.

26 Share-based payments (continued)

Vesting conditions of performance rights granted (continued)

The vesting schedule for the 25% of the performance rights subject to relative TSR testing is as follows:

Relative TSR performance	Level of vesting
Less than 50th percentile	Zero
Between 50th and 75th percentile	50% plus pro-rata straight line percentage between 50% and 100%
75th percentile or better	100%

Absolute TSR

The absolute TSR scorecard for the three year measurement period will be determined based on an increase in absolute TSR of the Company over the three year measurement period.

The vesting schedule for the 25% of the performance rights subject to absolute TSR testing is as follows:

Absolute TSR performance	Level of vesting
10% per annum return	33%
Above 10% per annum and below 20% per annum return	Straight line pro-rata between 33% and 100%
Above 20% per annum return	100%

Reserve growth per share

The reserve growth per share performance condition will be determined as managed ore reserve growth in excess of depletion over the three-year measurement period. Baseline Ore Reserves means the Group's managed nickel equivalent ore reserve at the start of the performance period as determined by the Board.

The vesting schedule for the 25% of the performance rights subject to Reserve growth per share testing is as follows:

Reserve growth per share	Level of vesting
<90% of Baseline Ore Reserves	0%
90% of Baseline Ore Reserves	33%
Above 90% of Baseline Ore Reserves and below 100%	Straight line pro-rata between 33% and 66%
100% of Baseline Ore Reserves	66%
Above 100% of Baseline Ore Reserves and below 120%	Straight line pro-rata between 66% and 100%
120% and above of Baseline Ore Reserves	100%

EBITDA average margin

The EBITDA average margin will be measured over the three-year measurement period.

The vesting schedule for the 25% of the performance rights subject to EBITDA average margin testing is as follows:

Group EBITDA margin	Level of vesting
<20%	0%
≥ 20%	33%
≥ 30%	66%
≥ 40%	100%

Service rights - LTI scheme

Under the Group's STI scheme, Executives and selected employees receive 50% of the annual STI achieved in cash and 50% in the form of rights to deferred shares in IGO Limited (referred to as service rights and classified as an LTI). The service rights are granted following the determination of the STI for the performance year and vest in two equal tranches. The first tranche of 50% vests on the 12 month anniversary of the STI award date, and the second tranche of 50% vests on the 24 month anniversary of the STI award date.

The service rights automatically convert into one ordinary share each on vesting at an exercise price of nil. The Executives and employees do not receive any dividends and are not entitled to vote in relation to the service rights during the vesting period. If an Executive or employee ceases to be employed by the Group within the vesting period, the service rights will be forfeited, except in circumstances that are approved by the Board on a case-by-case basis.

26 Share-based payments (continued)

Service rights - LTI scheme (continued)

The number of rights to be granted is determined based on the 5 day VWAP of the Company's shares after the release of IGO Limited's financial statements.

Set out below are summaries of movements in service rights during the year:

	2020		2019	
	Number of share rights	Weighted average fair value	Number of share rights	Weighted average fair value
Outstanding at the beginning of the year	**437,686**	**4.01**	290,202	3.51
Rights issued during the year	**338,175**	**5.88**	320,780	4.21
Rights vested during the year	**(279,978)**	**3.90**	(152,650)	3.51
Rights lapsed during the year	**(19,795)**	**4.77**	(20,646)	3.87
Outstanding at the end of the year	**476,088**	**5.36**	437,686	4.01

The share-based payments expense relating to service rights included in profit or loss for the year totalled $1,614,857 (2019: $1,116,176).

Employee Share Ownership Award

In accordance with the terms of the EIP, the Employee Share Ownership Award (ESOA) provides for shares to be issued by the Company to employees for no cash consideration. All employees (excluding executive directors, senior management and other employees entitled to participate in the LTI scheme and non-executive directors) who have been continuously employed by the Group for a period of at least three months prior to 1 July are eligible to participate in the ESOA.

Under the ESOA, eligible employees may be granted up to $1,000 worth of fully paid ordinary shares in IGO Limited annually for no cash consideration. The number of shares issued to participants in the scheme is the offer amount divided by the weighted average price at which the Company's shares are traded on the Australian Securities Exchange for the 20 days up to and including the date of grant.

	2020 Number	2019 Number
Number of shares issued under the plan to participating employees	**39,240**	25,338

Each participant was issued with shares worth $1,000 based on the weighted average market price of $4.58 (2019: $4.85). The share-based payments expense relating to ESOA included in profit or loss for the year totalled $179,719 (2019: $122,889).

Employee Salary Sacrifice Share Plan

In accordance with the terms of the EIP, the Employee Salary Sacrifice Plan allows for employees, excluding KMP, to purchase up to $5,000 of shares in the Company via salary sacrifice. The Company will match any share purchased with one share, up to a maximum of $5,000 (2019: any two shares purchased were matched with one share, up to a maximum of $2,500). The number of shares acquired on-market by the Company during the year for the purposes of this plan were 159,712 shares with an average price per share of $5.32 (2019: 69,970 shares with an average price per share of $4.50).

The share rights issued under the EIP will not be subject to any further escrow restrictions once they have vested to the employees.

Share trading policy

The trading of shares issued to participants under the Company’s EIP is subject to, and conditional upon, compliance with the Company’s employee share trading policy.

26 Share-based payments (continued)

Non-executive Directors

The EIP permits non-executive directors to be eligible employees and therefore to participate in the plan. It is not currently intended that non-executive directors will be issued with performance rights under the EIP and any such issue would be subject to all necessary shareholder approvals.

(b) Recognition and measurement

Equity-settled transactions

The fair values of equity settled awards are recognised in share-based payments expense, together with a corresponding increase in share-based payments reserve within equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined with the assistance of a valuation software using a trinomial tree which has been adopted by the Boyle and Law (1994) node alignment algorithm, and takes into account the exercise price, the term of the performance right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the share right and the correlations and volatilities of the peer group companies.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects: (i) the extent to which the vesting period has expired, and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at the reporting date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award is treated as if it was a modification of the original award, as described in the previous paragraph.

27 Related party transactions

(a) Transactions with other related parties

During the financial year, a wholly-owned subsidiary paid dividends of $195,000,000 to IGO Limited (2019: $78,000,000). Any such amounts are eliminated on consolidation for the purposes of calculating the profit of the Group for the financial year.

Loans were made between IGO Limited and certain entities in the wholly-owned group. The loans receivable from controlled entities are interest-free and repayable on demand.

(b) Key management personnel

Compensation of key management personnel

	2020 $	2019 $
Short-term employee benefits	**5,851,169**	5,313,201
Post-employment benefits	**305,561**	301,780
Long-term benefits	**138,450**	86,066
Share-based payments	**2,614,857**	1,901,926
	8,910,037	7,602,973

Detailed remuneration disclosures are provided in the remuneration report on pages 53 to 70.

28 Parent entity financial information

(a) Summary financial information

The following information relates to the parent entity, IGO Limited, at 30 June.

	2020 $'000	2019 $'000
Balance sheet		
Current assets	**583,089**	432,362
Non-current assets	**1,552,565**	1,550,426
Total assets	**2,135,654**	1,982,788
Current liabilities	**86,725**	80,620
Non-current liabilities	**88,307**	98,663
Total liabilities	**175,032**	179,283
Net assets	**1,960,622**	1,803,505
Equity		
Contributed equity	**1,897,126**	1,895,855
Reserves		
Hedging reserve	**44**	136
Share-based payments reserve	**18,645**	15,427
Retained earnings/(accumulated losses)	**44,807**	(107,913)
Total equity	**1,960,622**	1,803,505

	2020 $'000	2019 $'000
Profit for the year	**235,432**	85,055
Other comprehensive income for the period	**(92)**	(329)
Total comprehensive income for the year	**235,340**	84,726

(b) Guarantees entered into by the parent entity

The parent entity has no unsecured guarantees in respect of finance leases of subsidiaries (2019: $nil).

There are cross guarantees given by IGO Limited, IGO Nova Holdings Pty Ltd and IGO Nova Pty Ltd as described in note 29. No deficiencies of assets exist in any of these companies.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2020 or 30 June 2019.

(d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any outstanding contractual commitments for the acquisition of property, plant and equipment at 30 June 2020 or 30 June 2019.

29 Deed of cross guarantee

IGO Limited, IGO Nova Holdings Pty Ltd and IGO Nova Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (as amended) issued by the Australian Securities and Investments Commission. Independence Long Pty Ltd was also a party to the deed of cross guarantee until its divestment on 31 May 2019.

(a) Consolidated statement of profit or loss and other comprehensive income and summary of movements in consolidated retained earnings

The above companies represent a 'closed group' for the purposes of the Legislative Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by IGO Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2020 of the closed group consisting of IGO Limited, IGO Nova Holdings Pty Ltd and IGO Nova Pty Ltd. The results of Independence Long Pty Ltd are included until the date of its divestment on 31 May 2019.

Consolidated statement of profit or loss and other comprehensive income	**2020 $'000**	2019 $'000
Revenue from continuing operations	**888,930**	784,509
Other income	**3,492**	8,377
Mining, development and processing costs	**(249,486)**	(262,851)
Employee benefits expense	**(62,511)**	(52,205)
Share-based payments expense	**(4,489)**	(3,123)
Fair value movement of financial investments	**32,812**	(5,796)
Depreciation and amortisation expense	**(223,905)**	(204,531)
Exploration and growth expense	**(40,319)**	(30,441)
Royalty expense	**(35,075)**	(30,506)
Shipping and wharfage expense	**(17,624)**	(18,340)
Borrowing and finance costs	**(5,072)**	(6,237)
Impairment and forgiveness of loans to subsidiaries	**(20,425)**	(21,168)
Other expenses	**(14,463)**	(11,264)
Profit before income tax	**251,865**	146,424
Income tax expense	**(79,741)**	(52,794)
Profit after income tax for the period	**172,124**	93,630
Other comprehensive income		
Items that may be reclassified to profit or loss		
Effective portion of changes in fair value of cash flow hedges, net of tax	**(95)**	(1,054)
Other comprehensive loss for the period, net of tax	**(95)**	(1,054)
Total comprehensive income for the period	**172,029**	92,576

Summary of movements in consolidated retained earnings/(accumulated losses)	**2020 $'000**	2019 $'000
Accumulated losses at the beginning of the financial year	**(7,327)**	(77,338)
Profit for the year	**172,124**	93,630
Dividends paid	**(82,712)**	(23,619)
Retained earnings/(accumulated losses) at the end of the financial year	**82,085**	(7,327)

29 Deed of cross guarantee (continued)

(b) Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 June 2020 of the closed group consisting of IGO Limited, IGO Nova Holdings Pty Ltd and IGO Nova Pty Ltd.

	2020 $'000	2019 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**502,842**	346,451
Trade receivables	**65,857**	45,486
Inventories	**26,304**	25,889
Financial assets at fair value through profit or loss	**105,065**	26,732
Derivative financial instruments	**64**	484
Total current assets	**700,132**	445,042
Non-current assets		
Receivables	**4**	14,998
Property, plant and equipment	**28,657**	23,088
Right-of-use assets	**28,386**	-
Mine properties	**960,352**	1,116,014
Exploration and evaluation expenditure	**36,338**	36,338
Deferred tax assets	**111,113**	172,694
Derivative financial instruments	**284**	-
Investments in controlled entities	**35,195**	35,195
Investments in joint ventures	**429,706**	384,364
Total non-current assets	**1,630,035**	1,782,691
TOTAL ASSETS	**2,330,167**	2,227,733
LIABILITIES		
Current liabilities		
Trade and other payables	**92,407**	96,891
Borrowings	**56,937**	56,226
Lease liabilities	**4,869**	-
Provisions	**7,058**	5,180
Total current liabilities	**161,271**	158,297
Non-current liabilities		
Borrowings	**-**	28,363
Lease liabilities	**24,033**	-
Provisions	**40,273**	39,018
Deferred tax liabilities	**106,490**	97,761
Total non-current liabilities	**170,796**	165,142
TOTAL LIABILITIES	**332,067**	323,439
NET ASSETS	**1,998,100**	1,904,294
EQUITY		
Contributed equity	**1,897,126**	1,895,855
Reserves	**18,889**	15,766
Retained earnings/(accumulated losses)	**82,085**	(7,327)
TOTAL EQUITY	**1,998,100**	1,904,294

30 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, IGO Limited, and its related practices:

	2020 **$**	2019 $
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
Audit and review of financial statements	**177,500**	168,500
Other assurance services	**8,000**	8,000
	185,500	176,500
Amounts received or due and receivable by an associate of the auditor of the Group for:		
Tax services	**5,000**	5,000
Corporate advisory services	**18,000**	-
Other compliance and advisory services	**12,500**	7,000
	35,500	12,000
Total services provided by BDO	**221,000**	188,500

31 Summary of significant accounting policies

(a) New and amended standards and interpretations adopted by the Group

A number of new or amended standards became applicable for the current reporting period resulting in a change to the Group's accounting policies. Adjustments were made as a result of adopting the following standard:

- AASB 16 *Leases*

The impact of the adoption of this standard and the new accounting policies are disclosed below.

The Group has not elected to early adopt any new standards or amendments during the current financial year.

(i) ***AASB 16 Leases***

The Group has adopted AASB 16 *Leases* with effect from 1 July 2019 using the modified retrospective approach, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019. The new accounting policies are disclosed in note 14.

Adjustments recognised on adoption of AASB 16

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of remaining lease payments, discounted using an arm's length asset finance facility borrowing rate as of 1 July 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 4.3%.

31 Summary of significant accounting policies (continued)

(a) New and amended standards and interpretations adopted by the Group (continued)

*(i) **AASB 16 Leases (continued)***

	$'000
Operating lease commitments at 30 June 2019	**38,045**
Discounted using the lessee's incremental borrowing rate at the date of initial application	**32,884**
Lease liability recognised as at 1 July 2019	**32,884**
Represented by:	
Current lease liabilities	**4,979**
Non-current lease liabilities	**27,905**
	32,884

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	30 June 2020 $'000	1 July 2019 $'000
Land and buildings	**5,339**	**2,812**
Plant and equipment	**33,657**	**30,072**
	38,996	**32,884**

Practical expedients applied

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards is that they are not expected to have a material impact on the Group in the current or future reporting periods.

31 Summary of significant accounting policies (continued)

(c) Other significant accounting policies

*(i) **Business combinations***

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

*(ii) **Impairment of assets***

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

DIRECTORS' DECLARATION
30 JUNE 2020

In the Directors' opinion:

(a) the financial statements and notes set out on pages 74 to 127 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Peter Bradford
Managing Director

Perth, Western Australia
Dated this 26th day of August 2020

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INDEPENDENT AUDITOR'S REPORT

To the members of IGO Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of IGO Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO

Carrying Value of Mine Properties

Key audit matter	*How the matter was addressed in our audit*

Refer to Note 15 of the financial statements, for disclosure over the mine properties asset.
 	
The carrying value of mine properties is impacted by various key estimates and judgements in particular:
 	
• Ore Reserves and estimates;
• Amortisation rates;
• Capitalisation and attribution of mining costs; and
• Life of mine average stripping ratio.
 	
The Group is also required to assess for indicators of impairment at each reporting period. The assessment of impairment indicators in relation to the mine assets requires management to make significant accounting judgements and estimates which includes discount rates, commodity price and ore reserve estimates.
 	
This is a key audit matter due to the quantum of the asset and the significant judgement involved in management's assessment of the carrying value of mine properties.
	Our work included, but was not limited, to the following procedures:
	
	• Reviewing management's amortisation models, including agreeing key inputs to supporting information;
	• Assessing the competency and objectivity of, and work performed by, management's experts in respect of the ore reserve estimates;
	• Challenging management's judgements over capitalisation of development costs of underground mining operations;
	• Assessing whether the recognition of the deferred stripping assets was consistent with the requirements of IFRIC 20;
	• Evaluating and challenging management's assessment of indicators of impairment under the Australian Accounting Standards for the mining assets by:
	    ◦ Comparing the carrying amount of the Group's net assets against the market capitalisation, both as at 30 June 2020, and subsequent movements;
	    ◦ Considering commodity price assumptions at 30 June 2020, including forecasts;
	    ◦ Reviewing board and sub-committee meeting minutes, and holding discussions with key management, including non-finance personnel; and
	    ◦ Assessing economic indicators for impacts on appropriate discount rates; and
	• We also assessed the adequacy of related disclosures in Note 15 to the financial statements.

BDO

Valuation of Inventory

Key audit matter	*How the matter was addressed in our audit*

We consider accounting for inventory to be a key audit matter because of the:
• Quantitative significance of the inventory balance;
• Complexity involved in determining inventory quantities on hand due the assumptions used such as grades, volumes and densities;
• Significant judgement in applying an appropriate costing methodology in accordance with the Group's accounting policy and estimates for calculating stockpiles and concentrate on hand;
• Judgemental aspect of the carrying amount of the non-current stockpile at Tropicana; and
• Significant judgements made in determining net realisable value, including estimating the future sales price of commodities, less any estimated costs to complete production.
Refer to Note 9 for the detailed disclosures which include the related accounting policies, including a description of the major estimates management are required to make.
	Our work included but was not limited to the following procedures:
	• Testing the controls over the appropriate allocation of costs to ensure that they are absorbed into inventory accurately;
	• Reconciling ore stockpile and concentrate inventory balances held at 30 June 2020 to supporting documentation;
	• Verifying the physical inputs included in the cost models as at 30 June 2020 to stockpile survey and technical reports;
	• Assessing the competence and objectivity of the experts used by management in the preparation of stockpile surveys;
	• Assessing the methodology applied by management to record all appropriate costs into the calculation of inventories on hand;
	• Evaluating management's Net Realisable Value assessment and agree that the inventory cost carried is lower than Net Realisable Value; and
	• Testing the net realisable value by assessing management's calculation including:
	  ◦ Future commodity pricing;
	  ◦ Expected cost to complete; and
	  ◦ In the case of the non-current stockpile at Tropicana, a review of management's plans to blend the low grade stockpile with future high grade production over several years; and
	• We also assessed the adequacy of related disclosures in Note 9 to the financial statements.

BDO

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

BDO

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 53 to 70 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of IGO Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

Glyn O'Brien

Director

Perth, 26 August 2020

ADDITIONAL ASX INFORMATION

The following additional information not shown elsewhere in this report is required by ASX Limited in respect of listed companies only. This information is current as at 11 August 2020.

1. SHAREHOLDING

a. Distribution of shareholders

RANGE	TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1 – 1,000	4,461	1,629,460	0.28
1,001 – 5,000	2,773	7,056,600	1.19
5,001 – 10,000	813	6,159,504	1.04
10,001 – 100,000	782	19,076,446	3.23
100,001 – Over	90	556,875,024	94.26
Total	**8,919**	**590,797,034**	**100.00**

b. The number of shareholders holding less that a marketable parcel of fully paid ordinary shares is 1,200.

c. The Company has received the following notices of substantial shareholding (Notice):

SUBSTANTIAL SHAREHOLDER	RELEVANT INTEREST PER THE NOTICE – NUMBER OF SHARES
Mark Creasy	76,860,969
T. Rowe Price Group, Inc.	48,341,790
FIL Limited	45,566,028

d. Voting rights: The voting rights of the fully paid ordinary shares are one vote per share held.

2. TWENTY LARGEST HOLDERS OF ORDINARY SHARES

ORDINARY SHAREHOLDERS	NO. OF SHARES HELD	PERCENTAGE HELD
1 J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	162,617,066	27.53
2 HSBC CUSTODY NOMINEES <AUSTRALIA> LIMITED	148,795,100	25.19
3 CITICORP NOMINEES PTY LIMITED	79,598,469	13.47
4 YANDAL INVESTMENTS PTY LTD	63,445,781	10.74
5 NATIONAL NOMINEES LIMITED	31,158,317	5.27
6 FRASERX PTY LTD	13,415,188	2.27
7 BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	10,080,193	1.71
8 BNP PARIBAS NOMS PTY LTD <DRP>	6,470,324	1.10
9 MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	4,683,845	0.79
10 PERTH SELECT SEAFOODS PTY LTD	2,837,200	0.48
11 HSBC CUSTODY NOMINEES <AUSTRALIA> LIMITED <NT-COMNWLTH SUPER CORP A/C>	2,629,699	0.45
12 MR KENNETH JOSEPH HALL <HALL PARK A/C>	1,847,830	0.31
13 PERTH SELECT SEAFOODS PTY LTD	1,766,800	0.30
14 AMALGAMATED DAIRIES LIMITED	1,703,553	0.29
15 HSBC CUSTODY NOMINEES <AUSTRALIA> LIMITED-GSCO ECA	1,628,727	0.28
16 CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,410,890	0.24
17 HSBC CUSTODY NOMINEES <AUSTRALIA> LIMITED – A/C 2	1,244,849	0.21
18 AMP LIFE LIMITED	1,174,407	0.20
19 UBS NOMINEES PTY LTD	1,067,844	0.18
20 ZERO NOMINEES PTY LTD	1,024,683	0.17
Top 20 Holders of Independence Ordinary Share Class (Total)	**538,600,765**	**91.17**
Total Remaining Holders Balance	**52,196,269**	**8.83**

3. UNQUOTED SECURITIES

IGO has 1,729,067 performance rights and 476,088 service rights on issue. The number of beneficial holders of performance rights and service rights are 108 and 90 respectively.

IMPORTANT DATES

Please note that the dates below are subject to change.
Please check the IGO website nearer the time to confirm dates.

2020

29 October 2020	September 2020 Quarterly Activities Report
29 October 2020	September 2020 Quarter Investor Webcast
18 November 2020	Annual General Meeting, Four Points by Sheraton, Perth, Western Australia

2021

28 January 2021	FY21 Half Yearly Financial Statements (incorporating December 2020 Quarterly Activities Report)
28 January 2021	FY21 Half Year Investor Webcast
29 April 2021	March 2021 Quarterly Activities Report
29 April 2021	March 2021 Quarter Investor Webcast
29 July 2021	June 2021 Quarterly Activities Report
29 July 2021	June 2021 Quarter Investor Webcast

GLOSSARY OF TERMS

AC drilling	aircore usually in the context of exploration drilling or drill holes
AGAA	AngloGold Ashanti Australia
Ag	silver
Au	gold
BCM	bulk cubic metres
Co	cobalt
Cu	copper
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EM	electromagnetic
EM conductors	electromagnetic conductors returned from EM surveys
FLEM	fixed-loop electromagnetic
Free Cash Flow	comprises Net Cash Flow from operating activities and Net Cash Flow from investing activities.
HPGR	high pressure grinding rolls
HPM	high precious metal
IGO	IGO Limited
LTIFR	lost time injury frequency rate
MLEM	moving-loop electromagnetic surveys

Mt	million metric tonnes
Mtpa	million metric tonnes per annum
NPAT	Net Profit After Tax
Ni	nickel
oz	ounce
RC drilling	reverse circulation drilling
t	metric tonnes
Tropicana Operation	Tropicana Gold Mine that is 30% owned by the Company and 70% owned by AngloGold Ashanti Australia under the TJV agreement.
TJV	Tropicana Joint Venture that is 30% owned by the Company and 70% owned by AngloGold Ashanti Australia.
Underlying EBITDA	is a non-IFRS measure and comprises net profit or loss before finance costs, depreciation and amortisation and income tax, and after any earnings adjustment items, including asset impairments, gain or loss on sale of subsidiaries, redundancy and restructuring costs, depreciations and amortisation, and one-off transaction costs.
Underlying Free Cash Flow	comprises Free Cash Flow adjusted to exclude acquisition costs, proceeds from investment sales and payments for investments and mineral interests.
Zn	zinc
$	Australian dollars
$M	million Australian dollars

FORWARD-LOOKING STATEMENTS

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning IGO's planned production and 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 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.

CASH COSTS

All cash costs quoted include royalties and net of by-product credits unless otherwise stated.

CURRENCY

All currency amounts in this report are Australian dollars unless otherwise stated.

ALL-IN SUSTAINING COSTS (AISC) PER OUNCE OF GOLD SOLD

IGO reports All-in Sustaining Costs (AISC) per ounce of gold sold in AUD 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.

COMPANY DIRECTORY

DIRECTORS

PETER BILBE
Non-executive Chairman

PETER BRADFORD
Managing Director & CEO

DEBRA BAKKER
Non-executive Director

KATHLEEN BOZANIC
Non-executive Director

PETER BUCK
Non-executive Director

KEITH SPENCE
Non-executive Director

NEIL WARBURTON
Non-executive Director

EXECUTIVE LEADERSHIP TEAM

PETER BRADFORD
Managing Director & CEO

KEITH ASHBY
Head of SHEQ & Risk

KATE BARKER
General Counsel

MATT DUSCI
Chief Operating Officer

ANDREW EDDOWES
Head of Corporate Development

JOANNE McDONALD
Company Secretary and Head of Corporate Affairs

SAM RETALLACK
Head of People & Culture

IAN SANDL
General Manager Exploration

SCOTT STEINKRUG
Chief Financial Officer and Joint Company Secretary

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South Perth WA 6951

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Facsimile	+61 8 9238 8399
Email	contact@igo.com.au
Website	www.igo.com.au

EXTERNAL AUDITOR

BDO AUDIT (WA) PTY LTD
38 Station Street
Subiaco WA 6008

Telephone +61 8 6382 4600

SHARE REGISTRY

COMPUTERSHARE INVESTOR SERVICES PTY LIMITED
Level 11
172 St Georges Terrace
Perth WA 6000

Telephone	1300 850 505 (within Australia), +61 3 9415 4000 (outside Australia)
Facsimile	+61 3 9473 2500
Email	www.investorcentre.com/contact
Web	www.computershare.com

SHARES

LISTED ON AUSTRALIAN SECURITIES EXCHANGE (ASX)
ASX code: IGO
Shares on issue: 590,797,034 ordinary shares

WEBSITE

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available at minimum cost to the Company. All ASX releases, investor presentations, financial statements and other information are available on our website.

www.igo.com.au

CAUTIONARY NOTES AND DISCLAIMER

This annual report has been prepared by IGO Limited ("IGO") (ABN 46 092 786 304). It should not be considered as an offer or invitation to subscribe for, purchase or sell any securities in IGO or as an inducement to make an offer or invitation with respect to those securities in any jurisdiction.

This annual report contains general summary information about IGO, and information derived from publicly available sources that has not been independently verified. The information, opinions or conclusions expressed in this annual report should be read in conjunction with IGO's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available on the IGO website. No representation or warranty, express or implied, is made in relation to the fairness, accuracy or completeness of the information, opinions and conclusions expressed in this annual report. This annual report should not be relied upon as a recommendation or forecast by IGO.

This annual report contains forward looking information regarding future events, conditions, circumstances and the future financial performance of IGO. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue" and "guidance", or other similar words and may include statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. These forward looking statements are not a guarantee, assurance or prediction of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond IGO's control, which may cause actual results and developments to differ materially from those expressed or implied. Further details of these risks are set out below. All references to future production and production guidance made in relation to IGO are subject to the completion of all necessary feasibility studies, permit applications and approvals, construction, financing arrangements and access to the necessary infrastructure, amongst other things. Where such a reference is made, it should be read subject to this paragraph and in conjunction with further information about the Mineral Resources and Ore Reserves, as well as any Competent Persons' Statements included in IGO's periodic and continuous disclosure announcements lodged with the ASX. Forward looking statements only apply at the date of this annual report. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information IGO does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based. IGO cautions against 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.

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 annual report is subject to risks specific to IGO and of a general nature which may affect the future operating and financial performance of IGO.

The information in this annual report that relates to Exploration Results is extracted from the ASX announcements released on 30 January 2020 entitled 'CY19 Mineral Resource and Ore Reserve Statement', 16 October 2019 entitled 'PRX: Lake Mackay JV Update – New Gold Prospect Identified', 12 December 2019 entitled 'PRX: Lake Mackay JV – 97% Co and Mn recovered in Leach Extraction', and 29 July 2020 entitled 'June 2020 Quarterly Activities Report', and for which Competent Persons' consents were obtained. The Competent Persons' 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.

The information in this annual report that relates to Mineral Resources or Ore Reserves is extracted from IGO's Mineral Resource and Ore Reserve Statement released to the ASX on 30 January 2020 and for which Competent Persons' consents were obtained. The Competent Persons' 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.

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 on 16 October 2019, 12 December 2019, 30 January 2020 and 29 July 2020 and, 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. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original ASX announcement.