



NON-CASH IMPAIRMENT OF ASSETS ACQUIRED FROM WESTERN AREAS AND COSMOS PROJECT UPDATE

IGO Limited (ASX: IGO) (**IGO** or the **Company**) wishes to provide an update on the impairment of the assets acquired from Western Areas (WSA) in June 2022.

As noted in the March 2023 Quarterly Report¹, IGO has been in the process of finalising the purchase price allocation relating to the acquisition of WSA for accounting purposes, whereby the purchase price is allocated to the assets acquired at fair value in IGO's balance sheet. In parallel with this, the annual life of mine budget process has been progressing and based on preliminary findings, the Company previously advised that it expected to record an impairment charge in its FY23 Financial Statements.

Having concluded the purchase price allocation process and the life of mine budgets relating to the Forrestania and Cosmos assets, IGO can advise that it expects to record a non-cash, pre-tax impairment expense of between A\$880M and A\$980M in its financial results for the year ending 30 June 2023. The impairment relates to the reassessment of the accounting value at Cosmos and Forrestania to reflect higher capital and operating costs, challenges to the mine production schedule and delays in development at Cosmos. As a result, guidance provided on 31 October 2022 with respect to Cosmos has been withdrawn.

The non-cash impairment will not impact FY23 EBITDA and will be recorded in the Company's FY23 Audited Financial Results. The cash flows utilised in determining the impairment value are based on Reserves only and consensus nickel price and foreign exchange forecasts which are materially different to spot prices. The impairment does not include changes in the mark to market value of IGO's shareholding in Panoramic Resources, acquired as part of the WSA acquisition.

IGO's Board and Management team acknowledge the quantum of this impairment is significant and have engaged a group of leading independent consultants to assist with a comprehensive review of the Cosmos Project to better understand risks and opportunities to the current life of mine plan, capital cost estimates and schedule. This review is underway and expected to be completed in the December Quarter and will result in a revised plan which will detail how IGO will drive optimum value from Cosmos. The Company expects to be in a position to provide further detail of this review in the June Quarterly Results, scheduled to be released on 31 July 2023.

IGO's Acting CEO, Matt Dusci commented; *"Recording a significant impairment against the WSA assets is disappointing. While the project development team has made solid progress to advance Cosmos towards first production, capital and operating cost escalation and unforeseen operational challenges have impacted the value of the Project. A detailed independent review of the project development strategy and mine plan has now commenced and will provide a comprehensive assessment of the risks and opportunities for Cosmos. We will keep the market updated as this review progresses.*

"As a long-life nickel asset, Cosmos remains important to our nickel business and provides potential downstream optionality via our aspirations to develop an Integrated Battery Materials Facility in Western Australia.

This announcement is authorised for release to the ASX by IGO's Board of Directors.

¹ Released to ASX on 28 April 2023

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