IGO Limited and Controlled Entities
ABN 46 092 786 304

Appendix 4D
1 July 2023 to 31 December 2023

PUBLICATION DATE 22/02/2024

Key Information – Results for Announcement to the Market

This page and the accompanying 44 pages comprise the half-year end financial information given to the Australian Securities Exchange (ASX) under Listing Rule 4.2A. The half-year report should be read in conjunction with the Financial Report for the year ended 30 June 2023.

	$'M	% Decrease over Previous Corresponding Period
Revenue from continuing operations	438.2	(19%)
Profit from ordinary activities after tax attributable to members	288.3	(53%)
Net profit attributable to members	288.3	(53%)

The previous corresponding period is the half-year ended 31 December 2022.

Dividends	Amount per security (cents)	Franked amount per security (cents)
Half-year ended 31 December 2023		
Interim dividend	11.0	11.0
Financial year ended 30 June 2023		
Interim dividend	14.0	14.0
Final dividend	44.0	44.0
Special dividend	16.0	16.0
Total FY23 dividend	**74.0**	**74.0**
Record date of interim FY24 dividend	13 March 2024	
Payment date of interim FY24 dividend	27 March 2024	

The major factors contributing to the above variances are as follows:

The Group generated revenue and profit after tax during the period of $438.2M and $288.3M, respectively.

An overview of other key contributing factors is outlined below:

- The Group reported a lower share of net profit from the lithium joint venture, Tianqi Lithium Energy Australia Pty Ltd, with IGO's share of net profit after tax of $495.2M, compared with $631.4M in the prior period, following lower spodumene prices and sales volumes.
- Revenue generated by the Nova Operation for the half-year was $281.3M, a 23% decrease over the prior period of $364.8M, resulting in segment profit before tax of $70.5M. Nova revenue was derived from sales of payable metal of 8,249 tonnes of nickel, 3,664 tonnes of copper and 152 tonnes of cobalt at average realised prices of $27,965/t, $12,003/t and $44,877/t respectively.
- Cash costs (including royalties) for the Nova Operation of $4.18 per payable pound of nickel were higher than the prior period of $3.99 per payable pound, primarily due to higher operating costs and higher tonnes milled to offset lower feed grades.
- The Forrestania Operation contributed revenue for the year of $145.8M and segment operating loss before impairment and tax of $3.9M, which included inventory adjustments of $14.3M to recognise inventory at net realisable value. Forrestania revenue was generated from payable nickel sales of 4,510 tonnes compared with 4,826 tonnes in the prior period.
- Cash costs (including royalties) for the Forrestania Operation of $11.83 per payable pound of nickel were higher than the prior period, reflecting lower production as a result of processing lower grade material, and higher operating costs.
- The Group recorded an impairment charge of $171.8M on the Cosmos and Forrestania assets primarily due to the decline in nickel prices during the period, together with an associated reduction in forecast life of mine nickel payability and mine inventory at the Cosmos Project.

Further details and analysis can be found in the ASX Release "Half-Year Financial Report – Period Ended 31 December 2023" released on the same day as this Appendix 4D.

The net tangible asset backing per ordinary share is $4.75 (31 December 2022: $5.17).

The accounts have been reviewed by BDO Audit Pty Ltd and they are not subject to dispute or qualification.

Investor and Media Enquiries

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This announcement is authorised for release to the ASX by Ivan Vella, Managing Director and Chief Executive Officer

Half-Year Financial Results

Period ended 31 December 2023

PUBLICATION DATE 22/02/2024

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Strong operating result and balance sheet despite weaker commodity prices

Revenue for the half-year of $438M, generating net profit after tax of $288M and underlying EBITDA of $515M

Solid results from TLEA delivered IGO a share of net profit of $495M and dividends of $578M for the period

Interim fully franked dividend declared of 11c per share in line with Capital Management Policy

1H24 spodumene production from Greenbushes of 771kt with unit costs of production of $306/t

Cosmos Project to be placed in care and maintenance following project review, as announced post period end

Impairment charge of $172M recorded against the Cosmos and Forrestania assets, and post investment review completed

Group nickel production of 14,249t and cash costs of $6.53 per payable pound of nickel

Cash balance of $276M at 31 December 2023 with $720M of undrawn debt

Ivan Vella commenced as Managing Director and CEO on 11 December 2023

Highlights

Underlying EBITDA
$515M
▼39% HoH

NPAT
$288M
▼53% HoH

Underlying FCF
$434M
▲0.2% HoH

Cash
$276M
▼64%

Investor Webcast

An investor webcast has been scheduled for 11.00am AEDT (8.00am AWST) on Thursday, 22 February 2024.

Please use the following link:

First Half FY24 Results Webcast

All figures are displayed in Australian Dollars ($) unless otherwise stated.

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Management Commentary

"Despite the commodity price headwinds we are facing, I am pleased to report on the continued cash generation of our nickel and lithium businesses and the underlying strength of our balance sheet.

"Nine weeks into my role at IGO, I am developing a clearer view of what needs to be done for IGO to achieve success into the future. While we will look to refresh our strategy over the coming months, our immediate priorities include:

- *Enhancing our safety culture and continuing to improve performance.*
- *Actively supporting the team at Greenbushes to drive further efficiencies, productivity and leading operating performance, while providing greater visibility of financial performance and optimising our joint venture structures.*
- *Collaborating closely with our partner at the Kwinana Refinery to find a pathway to improved performance and a consistent ramp up.*
- *Consistent and stable delivery of performance and cashflows from Nova and Forrestania.*
- *Safely and diligently transitioning Cosmos into care and maintenance, while caring for our people who will impacted by this change.*
- *Supporting our growth agenda while ensuring we appropriately manage costs.*

"While we have faced some challenges in recent months, our business remains in a great position. The declaration of an 11c per share interim dividend today, in line with our capital management framework, reflects our strong underlying free cash flow and robust balance sheet position. This strength, combined with our asset portfolio, highly credentialled partners, and unique, purpose-led culture gives me great confidence in what IGO can achieve in the future."

Ivan Vella
Managing Director and Chief Executive Officer

Group Financial Summary

Half-Year ended 31 December ($M)	1H24	1H23	%Δ
Total Revenue	438.2	541.7	▼19%
Underlying EBITDA	515.0	844.9	▼39%
Net Profit After Tax	288.3	612.3	▼53%
Underlying Net Profit After Tax	454.4	613.9	▼26%
Net Cash Inflow from Operating Activities	567.7	561.9	▲1%
Net Cash Outflow from Investing Activities	(225.7)	(148.8)	▲52%
Net Cash Outflow from Financing Activities	(845.1)	(270.9)	▲212%
Underlying Free Cash Flow	433.5	432.7	▲0.2%
Interim Dividend ($ per share)	0.11	0.14	▼ 21%

	31 December 2023	30 June 2023	%Δ
Total Assets	4,104.2	4,737.9	▼13%
Cash	276.4	775.2	▼64%
Debt	-	360.0	▼100%
Total Liabilities	508.8	947.7	▼46%
Shareholders' Equity	3,595.4	3,790.2	▼5%

Group Production & Cost Summary

	Units	1H24	1H23	%Δ
Spodumene Production	kt	771	740	▲4%
Spodumene Cash Cost (Production)	A$/t	306	225	▲36%
Lithium Hydroxide Production	t	1,224	779	▲57%
Total Nickel in Concentrate	t	14,249	16,939	▼16%
Total Copper in Concentrate	t	4,806	4,758	▲1%
Nickel Cash Cost (Payable)	A$/lb Ni	6.53	6.09	▲7%

Executive Summary

The Group has commenced the 2024 financial year strongly, despite material deterioration in the nickel and lithium markets. The results for the half-year include net profit after tax (NPAT) of $288.3M, underlying earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)[1] of $515.0M and underlying free cash flow[2] of $433.5M.

The results for the period include an impairment charge of $171.8M against the Cosmos and Forrestania assets acquired as part of the acquisition of Western Areas in June 2022. Underlying NPAT[3], which excludes this impairment charge and other underlying adjustments, was $454.4M.

Financial Summary

Group revenue for the half-year decreased 19% to $438.2M, with both the Nova and Forrestania operations generating lower revenue due to lower realised nickel prices and sales volumes during the period.

IGO's investment in Tianqi Lithium Energy Australia (TLEA) reported a lower share of net profit of $495.2M, compared with $631.4M in the prior period, following lower spodumene prices and sales volumes. The Greenbushes Operation, in which IGO holds a 24.99% indirect interest, recorded sales revenue of $3,529.7M and EBITDA of $3,183.5M, on a 100% basis (1H23: $4,161.5M and $3,650.7M, respectively). Greenbushes spodumene production for the period of 771,406t and unit costs of production of $306/t compared with 740,373t and $225/t in the comparative period, respectively.

Production of lithium hydroxide at the Kwinana Refinery was 1,224t for the half-year, compared with 779t in 1H23. Whilst the team at Kwinana has made progress on the plant modifications and rectifications to deliver an improvement in maximum daily production rates and overall plant output, further improvements are needed for the plant to perform at these levels consistently and reliability to meet the plant's design parameters.

Sales revenue at Nova of $281.3M was 23% lower than the prior period revenue of $364.8M, a result of lower realised nickel prices and sales volumes. Nova nickel production of 9,876t was lower than the prior period, however both copper and cobalt production were steady at 4,806t and 346t, respectively. Nova cash costs of $4.18/lb payable nickel were higher than the prior period, reflecting higher operating costs and lower feed grades, which led to higher throughout. Underlying EBITDA for Nova decreased 33% to $153.5M, with a corresponding decrease in Nova's EBITDA margin to 55% (1H23: 63%). Nova's segment profit before tax was $70.5M (1H23: $148.5M).

The Forrestania Operation contributed revenue of $145.8M, a 16% reduction from 1H23, also due to lower nickel sales volumes and realised prices. Forrestania nickel production of 4,374t was lower (H123: 6,139t) following the transition to campaign milling as a single mine operation via Spotted Quoll over the remaining life of mine, following the planned closure of the Flying Fox mine during the period. Forrestania cash costs for the period of $11.83/lb payable nickel were higher than the prior period (1H23: $9.80/lb), primarily due to the processing of lower grade material which contributed to lower overall nickel production. Forrestania's underlying EBITDA of $11.7M and segment loss before impairment and tax of $3.9M were also impacted by net realisable value adjustments recorded against inventory stockpiles during the period.

[1] EBITDA (Earnings before Interest, Tax, Depreciation, Amortisation & Impairment) is a non-IFRS measure. Underlying EBITDA for 1H24 of $515.0M (1H23: $844.9M) excludes: 1) insurance claim proceeds relating to Nova fire of $10.8M (1H23: $nil) and 2) acquisition and integration costs of $nil (1H23: $2.3M). EBITDA, prior to these exclusions for 1H24 and 1H23, was $525.8M and $842.6M respectively.

[2] Free Cash Flow comprises Net Cash Flow from Operating Activities less Net Cash Flow from Investing Activities. Underlying free cash flow for 1H24 of $433.5M (1H23: $432.7M) excludes: 1) transaction and integration costs of $51.2M (1H23: $11.7M) and 2) payments for mineral interests and financial assets of $40.4M (1H23: $7.9M). Free Cash Flow, prior to these exclusions for 1H24 and 1H23, is a net cash flow of $341.9M and $413.1M respectively.

[3] Underlying NPAT for 1H24 of $454.4M (1H23: $613.9M) comprises statutory NPAT adjusted for: 1) impairment of Forrestania and Cosmos assets of $171.8M (1H23: $nil), 2) impairment of exploration expenditure of $1.9M (1H23: $nil) and 3) insurance claim proceeds relating to Nova fire of $7.6M (1H23: $nil) and 4) acquisition and integration costs of $nil (1H23: $1.6M). Statutory NPAT, prior to these exclusions, was $288.3M and $612.3M respectively.

During the period, the Cosmos Project commenced commissioning of the plant and production of nickel concentrate. No sales were recorded during the period. Cosmos reported an EBITDA loss for the period of $26.5M and a net operating loss before impairment and tax of $27.0 million. The Cosmos result was also impacted by net realisable value adjustments recorded against inventory stockpiles during the period.

As previously advised to the market, the Company has recorded further impairments of $171.8M against the Cosmos and Forrestania assets previously acquired from Western Areas. The additional impairments recognised during the period reflected a reduction in the life of mine and delays in getting to full capacity at Cosmos. Furthermore, the significant deterioration in nickel prices during the period and further cost escalations also contributed to the impairment charges. Post-impairment, the Forrestania Operation and Cosmos Project recorded net operating losses before tax for the period of $13.7 million and $189.0 million, respectively.

Cash and cash equivalents at 31 December 2023 totalled $276.4M (30 June 2023: $775.2M), with a further $720.0M of undrawn debt available to the Company. Of note is the following:

- Cash flows from operating activities for the Group were $567.7M (1H23: $561.9M), which included record dividends from TLEA of $577.6M. The Nova Operation also generated $169.8M cash flows from operating activities, whilst the Forrestania Operation contributed $39.9M after benefitting from favourable hedging entered into during the period for the total remaining forecast life of mine production at Forrestania. Cash flows from operating activities also included a $51.2M payment for stamp duty in relation to the acquisition of Western Areas in 2022, together with $51.0M cash outflows for exploration and evaluation expenditure and income tax payments of $41.0M.
- Cash outflows from investing activities for the period were $225.7M (1H23: $148.8M), which includes development expenditure of $173.7M, primarily related to the ongoing development of the Cosmos Project. Investing cash outflows during the period also included $40.4M for the acquisition of listed investments.
- Net cash outflows from financing activities of $845.1M (1H23: $270.9M) included the accelerated repayment of debt of $360.0M and the record FY23 final dividend payment to IGO shareholders of $454.4M (or $0.60 per share) (1H23: $37.9M or $0.05 per share). Payments for the current period also include $13.1M of on-market share purchases to satisfy the Company's Employee Share Incentive obligations (1H23: $13.1M).

IGO repaid the $360.0M of outstanding debt during the period and executed amendments to its syndicated facility agreement to increase the amount of revolving credit available to $720.0M (previously $360.0M). This facility is set to mature on 30 April 2025, with options to extend the maturity date by up to a further two years.

Cosmos Project Update

As announced on 31 January 2024, IGO has commenced the necessary work to transition the Cosmos Project (Cosmos or the Project) into care and maintenance. This difficult decision was made following the completion of a technical and financial review into the Project and considering the prevailing nickel market conditions.

During the transition phase, IGO is working to safely preserve the asset base at Cosmos and complete some key activities, including commissioning of the processing plant, to ensure the Project is well positioned for a potential restart in the future. The transition phase is expected to be completed by 31 May 2024, after which formal care and maintenance will commence.

Regrettably, this decision will have an impact on some roles, and the Company is working closely with our people to ensure that this process is managed with care and respect and in line with IGO's values.

IGO is continuing to finalise the key work programs required to transition the Project into care and maintenance, which is expected to be complete by 31 May 2024. Once the transition phase is complete, expenditure during the care and maintenance phase is expected to be $12M to $15M per annum.

Western Areas Post Investment and Integration Review

In July 2023, the IGO Board commissioned a review into IGO's acquisition of Western Areas Limited in 2022. While the acquisition was aligned with IGO's clean energy strategy, the Company has faced a series of challenges related to the Cosmos Project.

The Post Investment and Integration Review (PIIR) was conducted by an independent consultant and focused on key areas including acquisition strategy, due diligence process, key assumptions, risk assessment and management, capital project estimation, integration and governance.

The PIIR has now concluded with important findings in three key areas:

Valuation Assumptions: The valuation assumptions underpinning IGO's assessment of the Cosmos asset at the time of the acquisition were not borne out following completion of the acquisition. This was coupled with the rapid deterioration of the nickel market and nickel price assumptions. The PIIR has recommended that key valuation assumptions for future transactions will be benchmarked and externally peer reviewed as part of the process.

Transaction Process: There were opportunities identified to improve the transaction process. The PIIR has recommended improvements to processes including due diligence, project gating, risk assessment and risk management and the assessment of downside risks and scenarios in future transactions.

Post Acquisition Integration and Project Delivery: The risks and complexity of the acquisition were significant given that the Cosmos project was mid-construction and was further impacted by development during a period of high cost-inflation. The post transaction integration was challenged by limited information flows and pre-project planning. The PIIR has recommended a greater degree of focus on integration strategy and implementation, project delivery capability as part of the assessment of future acquisitions and the involvement of additional integration focused resources to assist as appropriate.

In light of the acquisition and integration challenges, IGO has been actively working to improve its systems, M&A process, governance and risk management, and to bridge capability gaps that have been identified since the acquisition was completed.

The Board and management acknowledge the quantum of the impairment IGO has recorded against the Western Areas transaction is significant. Having considered the PIIR in detail, the Board and management are committed to ensuring that the key findings are absorbed into the business and future M&A processes and that the recommendations made by the independent reviewer, particularly with respect to project evaluation and integration, are implemented. The Company is also continuing to assess its operating model and organisational structure, and conducting a strategy refresh, which will be communicated to the market in due course.

Lithium Business Guidance

As announced in the December 2023 Quarterly Activities Report[4], IGO has amended FY24 spodumene concentrate production guidance from Greenbushes to 1,300kt to 1,400kt, reflecting the mine's operator, Talison's, need to manage production and stockpiles following a reduction in sales.

Talison has reforecast its operating and capital costs for the remainder of FY24 as part of its CY24 Budget process. As a result of lower expected production over the second half of FY24 and some cost escalations, IGO has amended cash production cost guidance to \$330/t – \$380/t (from \$280/t – \$330/t).

IGO maintains its FY24 guidance for sustaining, growth and deferred stripping capex at Greenbushes at between \$850M to \$950M, but notes the JV Partners, being TLEA and Albemarle, are continuing to review and optimise capital expenditure at Greenbushes. The JV Partners remain committed to the construction of Chemical Grade Plant 3 (CGP3), whilst Front-End-Engineering and Design (FEED) work

[4] Released to ASX on 31 January 2024

for the proposed Chemical Grade Plant 4 (CGP4) is ongoing, with an expected DFS during the second half of CY24.

FY24 guidance for Train 1 sustaining capital at Kwinana is also maintained at between $35M and $45M, however IGO notes that this expenditure is trending above the top end of guidance.

1H24 Dividend

The IGO Board has declared an 11c per share fully franked interim dividend for FY24. The record date of the dividend will be 13 March 2024 with payment expected to be made on 27 March 2024.

Executive Management

Ivan Vella commenced as Managing Director and Chief Executive Officer in December 2023. Ivan has worked in the mining industry for 25 years, spending over 20 years with Rio Tinto where he gained experience across various senior operating, commercial and functional roles.

Ivan's experience covers iron ore, copper, coal, aluminium and now battery metals. His most recent role as Chief Executive Aluminium at Rio Tinto had global accountability for the world's largest western aluminium production. Preceding this he was Interim Chief Executive at Rio Tinto Iron Ore, and Managing Director of their rail, ports and core infrastructure across Western Australia. Ivan also spent five years in Mongolia from 2010, building the Oyu Tolgoi Project and completing his term as the Chief Operating Officer of this business.

FY24 Guidance

IGO provided FY24 revised guidance for its Nickel Business, Lithium Business and exploration expenditure in its Quarterly Report for the period ended 31 December 2023, which was released on 31 January 2024. IGO's FY24 guidance is summarised below and should be read in conjunction with this report.

	Units	FY24 Revised Guidance	FY24 Original Guidance
Nickel Business			
Production			
Nova Nickel Production	t	21,000 – 22,000	21,500 – 23,500
Forrestania Nickel Production	t	No change	7,500 – 9,000
Total Nickel Production	t	28,500 – 31,000	29,000 – 32,500
Total Copper Production	t	No change	8,500 – 10,000
Total Cobalt Production	t	No change	700 - 800
Nickel Cash Costs			
Nova Cash Cost (Payable)	A$/lb Ni	3.90 – 4.30	3.40 – 3.90
Forrestania Cash Cost (Payable)	A$/lb Ni	10.50 – 11.50	9.50 – 10.50
Total Nickel Business Cash Cost (Payable)	A$/lb Ni	5.75 – 6.50	5.00 – 5.75
Development, Sustaining and Improvement Capex			
Nova	A$M	No change	14 – 18
Forrestania	A$M	10 – 13	16 – 22
Total Nickel Business Capex	A$M	24 – 31	30 – 40
Lithium Business			
Production (100%)			
Spodumene Production	kt	1,300 – 1,400	1,400 – 1,500
Lithium Hydroxide Production	kt	Not Provided	Not Provided
Cash Costs			
Cash Cost (production)	A$/t	330 - 380	280 – 330
Development, Sustaining and Improvement Capex			
Greenbushes	A$M	No change	850 – 950
Kwinana – Train 1[5]	A$M	No change	35 – 45
Total Lithium Business Capex	A$M	No change	885 – 995
Exploration			
Group exploration (ex-Lithium Business)	A$M	No change	65 – 75

[5] FY24 guidance is for Train 1 sustaining and improvement capex only. Train 2 capex will be guided after FID approval.

Investor Webcast

An investor webcast has been scheduled for 11.00am AEDT/8.00am AWST on Thursday, 22 February 2024. The webcast link can be found below.

https://ccmediaframe.com/?id=Qq7Vq9rr

Please note that it is best to log on at least 5 minutes before 11am AEDT (8am AWST) on Thursday, 22 February 2024 to ensure you are registered in time for the start of the presentation.

Investors are advised that, in addition to the live webcast, a recording of the presentation will be available on the IGO website www.igo.com.au approximately one hour after the conclusion of the webcast.

Investor and Media Enquiries

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This announcement is authorised for release to the ASX by Ivan Vella, Managing Director and Chief Executive Officer

Forward-Looking Statements

This document includes forward-looking statements including, but not limited to, statements of current intention, statements of opinion and expectations regarding IGO's present and future operations, and statements relating to possible future events and future financial prospects, including assumptions made for future commodity prices, foreign exchange rates, costs and mine scheduling. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Such statements are not statements of fact and may be affected by a variety of risks, variables and changes in underlying assumptions or strategy which could cause IGO's actual results or performance to materially differ from the results or performance expressed or implied by such statements. There can be no certainty of outcome in relation to the matters to which the statements relate, and the outcomes are not all within the control of IGO.

IGO makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statement. The forward-looking statements in this document reflect IGO's expectations held at the date of this document. Except as required by applicable law or the ASX Listing Rules, IGO disclaims any obligation or undertaking to publicly update any forward-looking statements or discussions of future financial prospects, whether as a result of new information or of future events.

IGO Limited

ABN 46 092 786 304

Interim financial report
for the half-year ended 31 December 2023

Your Directors present their report on the consolidated entity (the Group) consisting of IGO Limited (IGO or the Company) and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were Directors of IGO Limited during the whole of the financial period and up to the date of this report, unless otherwise noted:

Ivan Vella[1]
Trace Arlaud
Debra Bakker
Samantha Hogg
Michael Nossal
Justin Osborne
Keith Spence
Xiaoping Yang

1. Ivan Vella was appointed Managing Director and Chief Executive Officer effective 11 December 2023 and continues in office at the date of this report.

Review of operations

A summary of consolidated revenues and results for the half-year (1H24) and half-year comparative period (1H23) by significant segment is set out below:

	Segment revenues		**Segment results (before impairment)**	
Consolidated entity	**31 December 2023 $M**	31 December 2022 $M	**31 December 2023 $M**	31 December 2022 Restated $M
Nova Operation	**281.3**	364.8	**70.5**	148.5
Forrestania Operation[1]	**145.8**	173.6	**(3.9)**	13.3
Cosmos Project[2]	**-**	-	**(27.0)**	(3.8)
Lithium Business	**-**	-	**495.2**	631.4
Growth	**-**	-	**(49.5)**	(50.2)
Unallocated revenue	**11.1**	3.3	**-**	-
	438.2	541.7	**485.3**	739.2
Impairment of assets			**(174.5)**	-
Unallocated revenue less unallocated expenses			**(70.3)**	(57.6)
Profit before income tax			**240.5**	681.6
Income tax benefit (expense)			**47.8**	(69.3)
Profit after income tax			**288.3**	612.3
Net profit attributable to members of IGO Limited			**288.3**	612.3

1. Forrestania Operation segment loss after impairment of $13.7 million (1H23: profit of $13.3 million).
2. Cosmos Project segment loss after impairment of $189.0 million (1H23: loss of $3.8 million).

Group profit after tax for the period was $288.3 million, compared to $612.3 million for 1H23. The reduction in profit is primarily due to the Group's lower share of profits from TLEA, which decreased to $495.2 million for the period (1H23: $631.4 million), together with an impairment charge of $171.8 million recognised during the period in relation to the Forrestania and Cosmos assets acquired from Western Areas in 2022.

Review of operations (continued)

Group revenue for the period decreased 19% to $438.2 million (1H23: $541.7 million), with both the Nova and Forrestania operations generating lower revenue than the prior period due to lower sales volumes and realised nickel prices during the period.

The Group's lithium business reported a lower share of net profit from TLEA of $495.2 million for the period, compared with $631.4 million in 1H23, following lower spodumene prices and sales volumes. The Greenbushes Operation, in which IGO holds a 24.99% economic interest, recorded sales revenue of $3,529.7 million and underlying earnings before interest, tax depreciation, amortisation and impairment (EBITDA) of $3,183.5 million for the period, on a 100% basis.

The Nova Operation contributed revenue of $281.3 million during the half-year, a decrease of 23% on the prior period of $364.8 million, due to lower sales volumes and realised nickel prices. Nova cash costs for the period increased to $4.18 per payable pound (1H23: $3.99 per payable pound) as a result of higher operating costs and lower feed grades, which led to higher tonnes milled. EBITDA from the Nova Operation was $153.5 million, or 33% lower than 1H23, and net operating profit before tax decreased 53% from $148.5 million to $70.5 million.

Revenue from the Forrestania Operation was $145.8 million, a 16% reduction from 1H23, due to lower nickel sales volumes and realised prices. Cash costs for the period of $11.83 per payable pound were $2.03 per payable pound higher than the previous period, primarily due to the processing of lower grade material which contributed to lower overall nickel production. EBITDA and net operating loss before impairment from the Forrestania Operation of $11.7 million and $3.9 million, respectively, was also impacted by net realisable value adjustments recorded against inventory stockpiles during the period.

During the period, the Cosmos Project commenced commissioning of the plant and production of nickel concentrate. No sales were recorded during the period. Cosmos reported an EBITDA loss for the period of $26.5 million and a net operating loss before impairment of $27.0 million. The Cosmos result was also impacted by net realisable value adjustments recorded against inventory stockpiles during the period.

As foreshadowed in the 31 December 2023 Quarterly Report, the Company has recorded further impairments against the assets previously acquired from Western Areas, totalling $171.8 million. The additional impairments recognised during the period reflect a reduction in nickel inventory and life of mine at Cosmos, together with cost escalations and lower forecast nickel prices at both Cosmos and Forrestania. Post-impairment, the Forrestania Operation and Cosmos Project recorded net operating losses before tax for the period of $13.7 million and $189.0 million, respectively.

Expenses in the Growth segment (exploration, business development and project evaluation) of $49.5 million were broadly in line with the prior period (1H23: $50.2 million). The 1H24 result also includes $39.9 million in unfavourable mark-to-market revaluations of listed investments (1H23: unfavourable $14.1 million).

The Group generated cash flows from operating activities during the half-year of $567.7 million (1H23: $561.9 million), which included record dividends from TLEA of $577.6 million. The Nova Operation contributed operating cash flows of $169.8 million (1H23: $313.6 million), whilst the Forrestania Operation generated $39.9 million in operating cash flows (1H23: $49.8 million) after benefitting from favourable hedging entered into during the period. Operating cash flows during the period also included a $51.2 million payment for stamp duty in relation to the acquisition of Western Areas in 2022, together with growth expenditure of $51.0 million, which includes exploration, evaluation and business development expenditure, and income tax payments of $41.0 million.

Cash outflows from investing activities for the period were $225.7 million (1H23: $148.8 million), which includes development expenditure of $173.7 million, primarily relating to the ongoing development of the Cosmos Project. Investing cash outflows during the period also included $40.4 million for the acquisition of listed investments.

Net cash outflows from financing activities were $845.1 million (1H23: $270.9 million), which included the accelerated repayment of the Company's total outstanding debt of $360.0 million and the record FY23 final dividend payment to shareholders of $454.4 million (or $0.60 per share) (1H23: $37.9 million or $0.05 per share). Payments in the current period also include $13.1 million of on-market share purchases to satisfy the Company’s Employee Share Incentive obligations (1H23: $13.1 million).

At 31 December 2023, Group had cash and cash equivalents of $276.4 million with no drawn debt (30 June 2023: cash and cash equivalents of $775.2 million and net cash of $415.2 million).

Review of operations (continued)

A summary of the significant factors that have affected the Group’s operations and results during the period are detailed below:

Lithium Business

Greenbushes Operation (100% basis)

At Greenbushes, a total of 1,543kt ore was mined, 24% lower than 1H23. Higher ore grades mined helped contribute to a 4% increase in total spodumene production to 771,406t compared with the comparative period. Unit costs of production increased to $306/t from $225/t in 1H23, with generally higher mining, processing and maintenance costs.

The following table outlines key production and financial statistics for the half-year:

Greenbushes Operation	31 December 2023	31 December 2022	Variance (%)
Total material mined (BCM)	3,934,676	2,809,661	40
Ore mined (t)	1,543,259	2,034,857	(24)
Li_2O grade - ore mined (%)	2.68	2.59	4
Total spodumene concentrate production (t)	771,406	740,373	4
A$ Unit cost of production*	306	225	36

* Unit cost of production is IGO’s estimate of unit cash costs of production and includes mining, processing, crushing and site administration, and utilises production as the unit of measurement. Inventory adjustments, non-site G&A, offsite and royalty costs are excluded.

Kwinana Refinery

At Kwinana, lithium hydroxide production from Train 1 increased to 1,224t compared with 779t in 1H23. While the production run-rate at Kwinana improved considerably during the period, the overall plant performance remains below IGO’s expectations. Production consistency during the period was hampered by a series of blockages and materials handling issues, resulting in extended downtime. A comprehensive work program to address plant bottlenecks and complete process rectifications is being undertaken by the site team, designed to improve the production capacity at Train 1 and overall plant performance.

The following table outlines key production and financial statistics for the half-year:

Kwinana Refinery	31 December 2023	31 December 2022	Variance (%)
Lithium hydroxide production (t)	1,224	779	57

Nickel Business

Nova Operation

A total of 766kt of ore was mined at Nova during the period, with lower nickel and copper head grades compared with the prior period. The Nova processing plant milled 774kt, with nickel and copper recoveries of 85.4% and 86.1% respectively, compared with 85.8% and 85.5% in the comparative period. The Nova Operation in the prior period was impacted by the fire to the power station in December 2022.

Concentrate production for the period was 73,427t and 15,350t of nickel and copper concentrate respectively, with contained metal of 9,876t of nickel and 4,806t of copper. Payable metal sold for the period was 8,249t of nickel, 3,664t of copper and 152t of cobalt, generating revenue of $281.3 million for the half-year (1H23: $364.8 million).

Profit before tax of $70.5 million was $78.0 million lower than the prior period, a result of lower sales revenue resulting from the lower nickel sales and realised prices, together with higher production costs. Cash costs including royalties were $4.18 per payable pound (1H23: $3.99 per payable pound).

Review of operations (continued)

Nova Operation (continued)

The table below outlines key production and financial statistics for the half-year.

Nova Operation	**31 December 2023**	**31 December 2022**	**Variance (%)**
Ore mined (t)	766,071	720,280	6
Ore milled (t)	774,401	705,078	10
Nickel grade (%)	1.49	1.79	(17)
Copper grade (%)	0.68	0.73	(7)
Cobalt grade (%)	0.05	0.06	(17)
Contained nickel metal (t)	9,876	10,800	(9)
Contained copper metal (t)	4,806	4,758	1
Contained cobalt metal (t)	346	387	(11)
Payable nickel metal (t)	7,955	8,632	(8)
Payable copper metal (t)	4,393	4,301	2
Payable cobalt metal (t)	147	164	(10)
Nickel cash costs & royalties (A$ per payable pound)	4.18	3.99	5
A$ nickel price (A$ per pound sold)	12.68	15.46	(18)
A$ copper price (A$ per pound sold)	5.44	5.15	6
A$ cobalt price (A$ per pound sold)	20.36	34.40	(41)

Forrestania Operation

A total of 176kt of ore was mined at an average grade of 2.65%, comprising 70kt and 106kt of ore from the Flying Fox and Spotted Quoll deposits, respectively. Mining activities ceased at Flying Fox in November 2023.

The processing plant milled 224kt of ore at an average feed grade of 2.40% for the period. Ore milled was lower during the period as the Operation transitioned to campaign milling in connection with the Flying Fox mine closure.

Contained metal production for the period was 4,374t, while payable metal sold was 4,510t.

Forrestania reported an operating loss before impairment and tax of $3.9 million, which included inventory adjustments of $14.3 million to recognise inventory at net realisable value. Cash costs for the period were $11.83 per payable pound, compared to $9.80 per payable pound in the prior period, reflecting lower nickel production and higher costs.

An impairment charge of $9.8 million was recognised on the Forrestania assets during the period (1H23: $nil) reflecting lower nickel prices, higher unit costs and lower nickel payability.

The table below outlines key production and financial statistics for the half-year.

Forrestania Operation	**31 December 2023**	**31 December 2022**	**Variance (%)**
Ore mined (t)	175,742	220,677	(20)
Ore milled (t)	223,937	302,838	(26)
Nickel grade (%)	2.40	2.53	(5)
Contained nickel metal (t)	4,374	6,139	(29)
Payable nickel metal (t)	3,586	4,907	(27)
Nickel cash costs & royalties (A$ per payable pound)	11.83	9.80	(21)
A$ nickel price (A$ per pound sold)	14.63	16.06	(9)

Review of operations (continued)

Cosmos Project

At Cosmos, a project review facilitated by a global team of experts commenced to address the under performance of the Project which led to the impairment expense that was recorded against the Cosmos assets in June 2023. The scope of the review was targeted at identifying risks and opportunities to the life of mine plan, capital cost estimates and schedule given the challenges faced at Cosmos during the development phase. As part of the findings, it was decided that the mechanised materials handling system that had been partially constructed would be placed on care and maintenance and that Cosmos would transition to an ore trucking operation in the interim, as outlined in the ASX release on 13 December 2023 titled, “Cosmos Project Update”.

Notwithstanding this outcome, key project development activities were successfully progressed during the period. Total construction and mine development expenditure incurred during the period was $197 million, comprising $115 million mine development and $82 million project capital. The ore commissioning of the processing plant commenced early in 2Q24, with the first concentrate produced mid-November 2023. Plant commissioning progressed well during the period, with design throughput rates successfully achieved.

Construction of the headframe and the stripping and lining of the shaft to near full depth (~1km) was completed. Loading pocket excavation progressed during the period, however was placed on hold in November 2023. Mechanical installation of the winder was greater than 90% complete and electrical install was well progressed by the end of the period. Construction of the power station continued, while two generators were successfully deployed and supported the process plant commissioning. Installation and commissioning of the remaining generators was completed by early December 2023.

Total lateral jumbo development was 3,081m. This comprised 1,283m of capital development and 1,798m of operating development. The key milestone achieved was the increasing number of ore stopes coming online as the mine plan progresses. At the end of the period, ore stockpiles on the ROM and available for processing totalled 163kt.

Subsequent to the end of the period, and following completion of the project review, the Company announced that the Cosmos Project would transition into care and maintenance. The transition is expected to conclude by 31 May 2024 and will prioritise the safe preservation of the Cosmos assets and the completion of select key workstreams, including finishing the wet commissioning of the processing plant and processing of existing ore on the ROM pad.

Growth

The Company has an enduring commitment to exploration and discovery, targeting transformational value creation and sustainable growth through the discovery of clean energy metals deposits. Our disciplined approach to both brownfields and greenfields exploration and discovery is designed to maximise the chance of material success. Exploration activities during the half-year focused on:

Brownfields Exploration

Fraser Range, Western Australia

In the Fraser Range, IGO continues to actively explore for additional nickel-copper-cobalt sulphide and zinc-copper-gold mineralisation. During CY23, diamond drilling was completed at the Andromeda, Goddard Creek, Chimera, White Truffle (EIS funded Round 26), Ganymede and Western Eye targets. Diamond drilling is scheduled to continue in 3Q24, testing targets at Chimera, Firehawk, and Red Queen.

Forrestania, Western Australia

Forrestania near-mine exploration is focused on the discovery of additional high-tenor komatiitic-hosted nickel sulphide mineralisation to extend the Forrestania Operation’s mine life, as well as maximising opportunities for lithium in the belt.

Review of operations (continued)

Lithium exploration at South Ironcap continued, targeting the main lithium bearing pegmatite zone. Drilling is designed to infill and increase geological confidence, and to extend drilling coverage laterally and to the south of the main zone. Drilling will continue in the coming quarter, to better understand geological control and test open positions. These results will be further assessed on the receipt of all assay results. Exploration work and diamond drilling is ongoing for lithium in the vicinity of South Ironcap, with additional exploration targets identified at Fireball, Conqueror and North Endeavour Prospects over a 9km strike trend.

At Mt Hope, a discrete pegmatite vein system has been identified. Work to develop a structural / geological model and target generation to better understand potential is underway to identify thicker veins and possible accumulation zones. Heritage surveys are planned leading to drilling in 4Q24.

For Forrestania nickel exploration, Purple Haze has been identified as a high priority conductance downhole electromagnetic (DHEM) target, with drilling now planned in the latter half of the financial year.

Cosmos, Western Australia

Significant exploration upside has been identified along 9km of prospective ultramafic host sequence within the Leinster-Wiluna nickel corridor. Exploration mobilised to Cosmos in October 2023 to champion the Mt Goode Feasibility and Orleans Resource Infill Drilling Programs, with greater than 6,000m of diamond drilling planned.

Greenfields Exploration

Paterson Project, Western Australia

The Paterson Project is targeting sediment-hosted copper deposits with potential gold and/or cobalt credits. The Project comprises a substantial ground position, inclusive of three earn-in and joint venture agreements with Cyprium Metals Limited, Encounter Resources Limited and Antipa Minerals Limited, and tenements staked 100% by IGO.

Targets included coincident magnetic-gravity high anomalies near Winu (co-funded by a Western Australia Government EIS grant for $0.2 million) and Minyari, together with cupriferous fluid conduits and trap sites interpreted from inversion modelling of geophysical data to the east of Nifty and Maroochydore. Highly encouraging assays from earlier 2023 drilling programs have now been received.

At Lookout Rocks (IGO-Encounter JV), two diamond holes reported several narrow (<1m wide) zones of copper and/or base metal mineralisation (up to 0.3%) hosted by strongly brecciated rocks at the contact between reduced carbonaceous shale and oxidised sandstone. These holes are more than 2km to the northwest of previously discovered copper mineralisation in a comparable “first reductant” setting (refer to Encounter Resources Ltd ASX release on 28 July 2016 titled "Copper sulphides confirmed in first diamond hole at Lookout Rocks"), with no drilling having taken place between these sites. Integrated geological and geophysical modelling is in progress to understand the structural controls on this mineralisation and assess both its potential continuity and extension.

Kimberley Project, Western Australia

The Kimberley Project is targeting Nova-style nickel-copper-cobalt mineralisation in the Paleoproterozoic belts of the West and East Kimberley. During the period, field work continued across the Kimberley Project with UTV and helicopter-assisted geological/geochemical traverses, with over 200km distance completed. Over 3500 pXRF measurements were also collected, a HeliTEM airborne EM survey, ground EM surveys and three diamond holes were completed (two targets tested: Merlin Conductor H and Dogleg).

In the West Kimberley, the Dogleg Prospect (Ni-Cu-Co) was originally identified as an area of interest, based on the interpretation of magnetic data suggesting it being in an analogous position to the magnetic features that are associated with the Merlin Ni-Cu-Co Prospect. A moving-loop EM geophysical survey was undertaken over the magnetic features at Dogleg in 2022, identifying a 280m x 75m, 12,000 Siemen conductor (refer to Buxton Resources Limited ASX release on 14 September 2023 titled “Progress Report”).

Review of operations (continued)

Massive sulphides were reported at Dogleg with 6.57m of massive (>80%) sulphides intersected in hole 23WKDD003 within a 14.7m zone of mineralisation from 176.45m (refer to Buxton Resources Limited ASX release on 4 October 2023 titled “Massive Sulphides at Dogleg Ni-Cu-Co Prospect”). This sulphide mineralisation is hosted in the Ruins Dolerite, which sits within a similar package of quartz-muscovite bearing metasediments of the Marboo Formation to Merlin. A second hole (23WKDD004) was drilled 65m down-plunge (pierce point) of 23WKDD003, and outside the area of the original MLEM conductor. This drillhole intersected 2.85m (downhole length) of semi-massive (>60%) sulphide mineralisation (refer to Buxton Resources Limited ASX release on 19 October 2023 titled “Second Hole Intersects Semi-Massive Sulphides at Dogleg”).

Copper Wolf Project, Arizona, USA

The Copper Wolf Project is a copper-molybdenum target located in the highly endowed porphyry copper belt of the Basin and Range Province in Arizona, USA. IGO are in partnership with Buxton Resources and has an exclusive right to earn up to 70% interest in the tenements by sole funding exploration expenditure over three years. Buxton Resources reported assay results from this second diamond hole (CPW0002DD) returning 405.38m at 0.70% CuEq from 608.38m, including 105.77m at 0.86% CuEq from 700.43m (refer to Buxton Resources Limited ASX release on 14 December 2023 titled "Assay Results from 2nd Diamond Hole at Copper Wolf Project"). A site visit was also undertaken by an independent expert, confirming a large, mineralised porphyry Cu-Mo system, the hypogene Cu-Mo grades equalling or higher than those reported by previous explorers and recognition of multiple Cu-Mo mineralising vein events and associated potassic alteration over a vertical extent of >600m. The scale and continuity of mineralisation provides evidence of a large multi-phase porphyry Cu-Mo mineral system.

Corporate

Ivan Vella commenced as Managing Director and Chief Executive Officer in December 2023. Ivan has worked in the mining industry for 25 years, spending over 20 years with Rio Tinto where he gained experience across various senior operating, commercial and functional roles.

Ivan’s experience covers iron ore, copper, coal, aluminium and now battery metals. His most recent role as Chief Executive Aluminium at Rio Tinto had global accountability for the world’s largest western aluminium production. Preceding this he was Interim Chief Executive Officer at Rio Tinto Iron Ore, and Managing Director of their rail, ports and core infrastructure across Western Australia. Ivan also spent five years in Mongolia from 2010, building the Oyu Tolgoi Project and completing his term as the Chief Operating Officer of this business.

Significant changes in the state of affairs

The Group has announced a further non-cash impairment to be recognised on the assets acquired from Western Areas Limited in June 2022. An impairment charge on the Forrestania and Cosmos assets of $171.8 million has been reflected in the Group's profit or loss for the half-year reflect a reduction in nickel inventory and life of mine at Cosmos, together with cost escalations and lower forecast nickel prices at both Cosmos and Forrestania.

The Company also restructured its existing banking facilities during the period. Following the full repayment of the revolving credit facility during the previous financial year, the Company fully repaid the $360.0 million of debt outstanding on the term loan during the current period and converted this balance to a revolving credit facility, doubling the amount of undrawn debt available to $720.0 million. The facilities are due to mature on 30 April 2025, with options available to extend the maturity date by up to a further two years.

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

Matters subsequent to the reporting date

FY24 Interim Dividend

On 21 February 2024, the Directors resolved to pay a fully franked interim dividend of 11 cents per share, payable on 27 March 2024.

Matters subsequent to the reporting date (continued)

Cosmos Project Update

On 31 January 2024, the Company announced that following completion of the Cosmos project review, the Cosmos Project would transition into care and maintenance. The transition is expected to conclude by 31 May 2024 and will prioritise the safe preservation of the Cosmos assets and the completion of select key workstreams, including finishing the wet commissioning of the processing plant and processing of existing ore on the ROM pad.

During the transition to care and maintenance, the Company will also assess the value of continuing work on select exploration programs to increase the size and definition of the mineral resource, in particular the AM5 and AM6 orebodies, and optimising the mining and materials handling methods. IGO intends to protect the optionality to restart Cosmos in the future should market conditions improve.

Tropicana Royalty Claim

On 1 February 2024, the Company announced that it had been served with a writ of summons issued out of the Supreme Court of Western Australia by South32 Royalty Investments Pty Ltd (South32). The writ claims that IGO is liable to pay royalties to South32 concerning the mining operations at the Tropicana Gold Mine in Western Australia, together with interest and costs. IGO rejects South32's allegations and considers the claim to be without merit.

South32 has estimated in the writ that the royalties payable by IGO are $122.1 million (exclusive of interest and costs) for the period from December 2014 to September 2023.

IGO no longer has an interest in the Tropicana Gold Mine, having sold its 30% interest in the Tropicana Gold Mine Joint Venture to Regis Resources Limited effective 31 May 2021. IGO has an indemnity in its favour from Regis concerning any royalty liability to South32 from that date onwards. IGO estimates that the relevant portion of the above claim amount in the period from 31 May 2021 to September 2023 (covered by the Regis indemnity) is in the range of approximately $35 million to $40 million.

The Company denies that it has any liability to South32 and intends to fully and vigorously defend the claim.

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 reporting periods.

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 9.

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 hundred thousand dollars, or in certain cases, to the nearest dollar.

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

Michael Nossal
Non-executive Chair

Perth, Western Australia
21st day of February, 2024

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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF IGO LIMITED

As lead auditor for the review of IGO Limited for the half-year ended 31 December 2023, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

Ashleigh Woodley

Director

BDO Audit Pty Ltd

Perth

21 February 2024

	Notes	**31 December 2023 $M**	31 December 2022 Restated* $M
Revenue from continuing operations	2	**438.2**	541.7
Other income		**15.6**	5.5
Mining, development and processing costs		**(233.8)**	(172.4)
Employee benefits expense		**(52.5)**	(48.8)
Share-based payments expense		**(6.3)**	(3.6)
Fair value movement of financial assets		**(39.9)**	(14.1)
Depreciation and amortisation expense		**(108.8)**	(140.0)
Exploration, evaluation and business development expense		**(48.5)**	(48.7)
Impairment of exploration and evaluation expenditure		**(2.7)**	-
Impairment of other assets	4	**(171.8)**	-
Royalty expense		**(15.6)**	(20.9)
Transport, shipping and wharfage costs		**(9.1)**	(16.6)
Borrowing and finance costs		**(13.2)**	(24.1)
Acquisition and transaction costs		**-**	(2.3)
Other expenses		**(6.3)**	(5.5)
Share of profit from associates	10	**495.2**	631.4
Profit before income tax		**240.5**	681.6
Income tax benefit (expense)		**47.8**	(69.3)
Profit for the period		**288.3**	612.3
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		**25.9**	(35.1)
Items that will not be reclassified to profit or loss			
Share of other comprehensive income of associates accounted for using the equity method		**(21.2)**	(19.4)
Changes in the fair value of equity investments at fair value through other comprehensive income		**(26.3)**	(7.2)
Other comprehensive income for the period, net of tax		**(21.6)**	(61.7)
Total comprehensive income for the period		**266.7**	550.6
Profit for the period attributable to members of IGO Limited		**288.3**	612.3
Total comprehensive income for the period attributable to the members of IGO Limited		**266.7**	550.6

	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:		
Basic earnings per share	**38.07**	80.85
Diluted earnings per share	**37.98**	80.64

* Refer to note 15(a) for details of restatement of comparative balances.

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

	Notes	**31 December 2023 $M**	30 June 2023 $M
ASSETS			
Current assets			
Cash and cash equivalents		**276.4**	775.2
Trade and other receivables		**89.3**	89.7
Inventories		**115.1**	136.2
Financial assets at fair value through profit or loss		**63.2**	62.4
Derivative financial instruments	5	**50.7**	1.2
Current tax receivables		**115.3**	74.3
Total current assets		**710.0**	1,139.0
Non-current assets			
Property, plant and equipment		**44.2**	57.5
Right-of-use assets		**51.8**	62.4
Mine properties	3	**420.5**	498.0
Exploration and evaluation expenditure		**461.1**	460.9
Deferred tax assets		**106.0**	69.5
Investments accounted for using the equity method	10	**2,305.5**	2,409.1
Other non-current assets		**5.1**	3.9
Financial assets at fair value through other comprehensive income		**-**	37.6
Total non-current assets		**3,394.2**	3,598.9
TOTAL ASSETS		**4,104.2**	4,737.9
LIABILITIES			
Current liabilities			
Trade and other payables		**100.7**	160.8
Borrowings	6	**-**	178.4
Provisions		**43.3**	41.7
Lease liabilities		**25.2**	29.1
Total current liabilities		**169.2**	410.0
Non-current liabilities			
Borrowings	6	**-**	179.5
Provisions		**95.5**	93.6
Lease liabilities		**36.1**	45.1
Deferred tax liabilities		**208.0**	219.5
Total non-current liabilities		**339.6**	537.7
TOTAL LIABILITIES		**508.8**	947.7
NET ASSETS		**3,595.4**	3,790.2
EQUITY			
Contributed equity	7	**2,621.5**	2,631.5
Reserves	8(a)	**90.7**	563.8
Retained earnings	8(b)	**883.2**	594.9
TOTAL EQUITY		**3,595.4**	3,790.2

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

	Contributed equity $M	Retained earnings $M	Other reserves $M	Total equity $M
Balance at 1 July 2022	2,641.8	45.8	747.6	3,435.2
Profit for the period	-	612.3	-	612.3
Other comprehensive income				
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	(35.1)	(35.1)
Share of other comprehensive income of associate	-	-	(19.4)	(19.4)
Changes in financial assets at fair value through other comprehensive income, net of tax	-	-	(7.2)	(7.2)
Total comprehensive income for the period	-	612.3	(61.7)	550.6
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	(13.1)	-	-	(13.1)
Dividends paid	-	-	(37.9)	(37.9)
Share-based payments expense	-	-	3.6	3.6
Issue of shares - Employee Incentive Plan	2.4	-	(2.4)	-
Share of other equity of associate	-	-	(1.1)	(1.1)
Balance at 31 December 2022	2,631.1	658.1	648.1	3,937.3

	Contributed equity $M	Retained earnings $M	Other reserves $M	Total equity $M
Balance at 1 July 2023	2,631.5	594.9	563.8	3,790.2
Profit for the year	-	288.3	-	288.3
Other comprehensive income				
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	25.9	25.9
Share of other comprehensive income of associate	-	-	(21.2)	(21.2)
Changes in financial assets at fair value through other comprehensive income, net of tax	-	-	(26.3)	(26.3)
Total comprehensive income for the period	-	288.3	(21.6)	266.7
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	(13.1)	-	-	(13.1)
Dividends paid	-	-	(454.4)	(454.4)
Share-based payments expense	-	-	6.3	6.3
Issue of shares - Employee Incentive Plan	3.4	-	(3.4)	-
Transfer of excess shares from Salary Sacrifice Plan	(0.3)	-	-	(0.3)
Balance at 31 December 2023	2,621.5	883.2	90.7	3,595.4

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

	Notes	**31 December 2023 $M**	31 December 2022 $M
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**473.1**	628.2
Payments to suppliers and employees (inclusive of GST)		**(342.3)**	(294.9)
		130.8	333.3
Acquisition and transaction costs		**(51.2)**	(11.7)
Income taxes paid		**(41.0)**	(130.7)
Interest and other costs of finance paid		**(9.0)**	(17.3)
Interest received		**11.5**	3.2
Payments for exploration, evaluation and business development		**(51.0)**	(54.8)
Dividends received from TLEA		**577.6**	439.9
Net cash inflow from operating activities		**567.7**	561.9
Cash flows from investing activities			
Payments for property, plant and equipment		**(8.8)**	(12.6)
Payments for purchase of listed investments		**(40.4)**	(7.0)
Payments for development expenditure		**(173.7)**	(128.2)
Payments for capitalised exploration and evaluation expenditure		**(2.8)**	(1.0)
Net cash (outflow) from investing activities		**(225.7)**	(148.8)
Cash flows from financing activities			
Proceeds from borrowings		**-**	100.0
Repayment of borrowings		**(360.0)**	(310.0)
Transaction costs associated with borrowings		**-**	(0.2)
Payment of dividends	9	**(454.4)**	(37.9)
Payments for shares acquired by the IGO Employee Trust		**(13.1)**	(13.1)
Principal element of lease payments		**(17.6)**	(9.7)
Net cash (outflow) from financing activities		**(845.1)**	(270.9)
Net (decrease) increase in cash and cash equivalents		**(503.1)**	142.2
Cash and cash equivalents at the beginning of the half-year		**775.2**	367.1
Effects of exchange rate changes on cash and cash equivalents		**4.3**	5.7
Cash and cash equivalents at the end of the half-year		**276.4**	515.0

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

1 Segment information

(a) Description of 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 period, the following segments were in operation: Nova Operation, Forrestania Operation, Cosmos Project, Lithium Business, and Growth, which comprises Regional Exploration Activities and Project Evaluation.

The Nova Operation comprises the Nova underground nickel mine and processing operation which 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 Forrestania Operation comprises the Flying Fox (closed in November 2023) and Spotted Quoll underground mines, and the Cosmic Boy processing facility. Nickel concentrate is produced, and revenue is derived primarily from the sale of these concentrates containing nickel and cobalt to multiple customers. The General Manager of the Forrestania Operation is responsible for the budgets and expenditure of the Operation.

The Cosmos Project comprises the development of the Odysseus underground mine focused on the production of nickel concentrate, containing nickel and cobalt metal. The General Manager of the Cosmos Project is responsible for the budgets and expenditure of the Project.

The Lithium Business represent the Group's 49% share in the lithium joint venture, Tianqi Lithium Energy Australia Pty Ltd (TLEA), with Tianqi Lithium Corporation. The existing assets of TLEA include the Greenbushes Lithium Mine and the Kwinana Lithium Hydroxide Refinery located in Western Australia, to which the Group holds an indirect interest of 24.99% and 49%, respectively. The investment is equity accounted by the Group.

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 Group's Chief Development Officer 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 Growth and become reportable in a separate segment.

(b) Segment results

	Nova Operation $M	Forrestania Operation $M	Cosmos Project $M	Lithium Business $M	Growth $M	Total $M
Half-year ended 31 December 2023						
Nickel revenue	228.5	126.0	-	-	-	354.5
Copper revenue	42.5	-	-	-	-	42.5
Silver revenue	0.5	-	-	-	-	0.5
Cobalt revenue	7.6	1.7	-	-	-	9.3
Shipping and insurance service revenue	1.6	0.2	-	-	-	1.8
Other revenue	0.6	17.9	-	-	-	18.5
Total segment revenue	281.3	145.8	-	-	-	427.1
Segment net operating profit (loss) before impairment	70.5	(3.9)	(27.0)	495.2	(49.5)	485.3
Impairment of assets	-	(9.8)	(162.0)	-	(2.7)	(174.5)
Segment net operating profit (loss) before income tax	70.5	(13.7)	(189.0)	495.2	(52.2)	310.8

1 Segment information (continued)

(b) Segment results (continued)

	Nova Operation $M	Forrestania Operation $M	Cosmos Project $M	Lithium Business $M	Growth $M	Total $M
Half-year ended 31 December 2022						
Nickel revenue	306.9	161.8	-	-	-	468.7
Copper revenue	49.5	-	-	-	-	49.5
Silver revenue	0.5	-	-	-	-	0.5
Cobalt revenue	13.1	-	-	-	-	13.1
Shipping and insurance service revenue	4.6	6.9	-	-	-	11.5
Other revenue	(9.8)	4.9	-	-	-	(4.9)
Total segment revenue	364.8	173.6	-	-	-	538.4
Segment net operating profit (loss) before impairment (restated)	148.5	13.3	(3.8)	631.4	(50.2)	739.2
Impairment of assets	-	-	-	-	-	-
Segment net operating profit (loss) before income tax	148.5	13.3	(3.8)	631.4	(50.2)	739.2
Total segment assets						
31 December 2023	649.5	194.8	40.6	2,305.5	461.3	3,651.7
30 June 2023	753.4	211.0	23.5	2,409.1	461.0	3,858.0
Total segment liabilities						
31 December 2023	125.6	71.5	72.0	-	1.7	270.8
30 June 2023	123.9	73.3	78.8	-	2.2	278.2

(c) Segment revenue

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

	31 December 2023 $M	31 December 2022 $M
Total revenue for reportable segments	**427.1**	538.4
Interest revenue	**11.1**	3.3
Total revenue	**438.2**	541.7

1 Segment information (continued)

(d) Segment net profit before income tax

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

	31 December 2023 $M	31 December 2022 Restated $M
Segment net operating profit before income tax	**310.8**	739.2
Interest revenue on Group cash balances	**11.1**	3.3
Fair value movement of financial investments	**(39.9)**	(14.1)
Share-based payments expense	**(6.3)**	(3.6)
Depreciation expense on unallocated assets	**(2.2)**	(1.8)
Corporate and other costs and unallocated other income	**(23.3)**	(17.6)
Borrowing and finance costs	**(9.7)**	(21.5)
Acquisition and other integration costs	**-**	(2.3)
Profit before income tax	**240.5**	681.6

(e) Segment assets

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

	31 December 2023 $M	30 June 2023 $M
Total segment assets	**3,651.7**	3,858.0
Unallocated assets:		
Deferred tax assets	**106.0**	69.5
Listed equity securities	**63.2**	100.0
Cash and receivables held by the parent entity	**148.6**	615.6
Office and general plant and equipment	**14.3**	16.6
Other assets	**5.1**	3.9
Current tax receivables	**115.3**	74.3
Total assets as per the consolidated balance sheet	**4,104.2**	4,737.9

(f) Segment liabilities

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

	31 December 2023 $M	30 June 2023 $M
Total segment liabilities	**270.8**	278.2
Unallocated liabilities:		
Deferred tax liabilities	**208.0**	219.5
Unallocated creditors and accruals	**13.8**	75.3
Provision for employee entitlements of the parent entity	**12.4**	12.9
Bank loans	**-**	357.9
Corporate lease liabilities	**3.8**	3.9
Total liabilities as per the consolidated balance sheet	**508.8**	947.7

2 Revenue

	31 December 2023 $M	31 December 2022 $M
From continuing operations		
Sales revenue from contracts with customers		
Sale of goods revenue	**406.8**	531.8
Shipping and insurance service revenue	**1.8**	11.5
Sales revenue	**408.6**	543.3
Other revenue		
Interest revenue	**11.1**	3.3
Provisional pricing and hedging adjustments	**18.5**	(4.9)
Other revenue	**29.6**	(1.6)
Total revenue	**438.2**	541.7

3 Mine properties

	31 December 2023 $M	31 December 2022 Restated $M
Mine properties in development	**-**	620.1
Mine properties in production	**420.5**	641.0
	420.5	1,261.1

Reconciliations of the carrying amounts at the beginning and end of the half-year are as follows:

	Mine properties in development $M	**Mine properties in production $M**	**Total mine properties $M**
Half-year ended 31 December 2023			
Carrying amount at beginning of the period	**-**	**498.0**	**498.0**
Additions	**158.7**	**14.7**	**173.4**
Amortisation expense	**-**	**(86.2)**	**(86.2)**
Impairment*	**(158.7)**	**(6.0)**	**(164.7)**
Carrying amount at end of the period	**-**	**420.5**	**420.5**
Half-year ended 31 December 2022 (restated)			
Carrying amount at beginning of the period	**481.1**	743.9	1,225.0
Additions	**139.0**	4.3	143.3
Amortisation expense	**-**	(107.2)	(107.2)
Carrying amount at end of the period	**620.1**	641.0	1,261.1

* Refer to note 4 for details of impairment charges recognised during the year.

4 Impairment of other assets

(a) Impairment policy

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, operating assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units - CGUs). The recoverable amount of each CGU is determined as the higher of value-in-use and fair value less costs of disposal (FVLCD) estimated based on the discounted present value of future cash flows (a level 3 fair value estimation method) and other adjustments. Assets that are not currently in use and not scheduled to be brought back into use (idle assets) are considered on a standalone basis.

Indicators of impairment may include significant changes in business performance or future operating plans, along with changes in technology.

(b) Impairment of Forrestania Operation and Cosmos Project cash generating units

These operations are separate CGUs as they each operate independently of each other.

Given the nature of the Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, the value-in-use for each CGU has been estimated based on discounted future estimated cash flows (expressed in nominal terms) expected to be generated from the continued use of the CGUs using consensus prices and foreign exchange forecasts. Production and cost assumptions were derived from estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, and its eventual disposal, based on each CGU’s latest life of mine (LOM) plans. These cash flows were discounted using a nominal pre-tax discount rate that reflects the weighted average cost of capital of the Group. Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are generated as part of the Group's planning process, including LOM plans.

This assessment is in accordance with the relevant accounting standards, taking into consideration the current outlook for nickel and cobalt prices and other macroeconomic cost assumptions.

The non-cash impairment charge of $171.8 million recognised on the Cosmos and Forrestania assets reflects a reduction in nickel inventory and life of mine at Cosmos, together with cost escalations and lower forecast nickel prices at both Cosmos and Forrestania.

In accordance with the Group policy, at 31 December 2023, the Group has impaired the carrying amount of the Forrestania and Cosmos assets, as detailed in the table below:

	Consolidated entity	
	31 December 2023 $M	30 June 2023 $M
Property, plant and equipment	**6.6**	99.6
Mine properties	**164.7**	860.9
Right-of-use assets	**0.5**	8.0
	171.8	968.5

Refer to note 1 for the allocation of the impairment charge to each CGU.

4 Impairment of other assets (continued)

(c) Key assumptions

The table below summaries the key assumptions for the two CGUs where the impairment calculations were updated at 31 December 2023:

	Cosmos		Forrestania	
Assumption	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Nickel price	US$17,929/t	US$18,619/t	US$17,458/t	US$20,177/t
Foreign exchange rate (AUD:USD)	0.718	0.731	0.676	0.670
Inflation rate (per annum)	2.5%	2.5%	2.5%	2.5%
Discount rate	10% pre-tax	10% pre-tax	9% pre-tax	9% pre-tax

Nickel prices

Nickel price assumptions are determined based on December 2023 and June 2023 consensus forecasts.

Foreign exchange rates

AUD:USD exchange rate assumptions are determined based on December 2023 and June 2023 consensus forecasts.

Inflation rates

The annual inflation rate used within the discounted cash flow model was 2.5% which is based on the Reserve Bank of Australia's long-term target for monetary policy in Australia to achieve an inflation rate within the range of 2% to 3% on average, over time.

Discount rate

In determining the fair value of the CGU’s, the future real cash flows are discounted using the Group’s target nominal pre-tax weighted average cost of capital, with adjustments made to reflect specific risks associated with each CGU: being 10% and 9% for the Cosmos and Forrestania CGU's, respectively.

Operating and capital costs

Life of mine operating and capital cost assumption are based on the Group’s latest approved budget and life-of-mine plans.

5 Derivative financial instruments

	31 December 2023 $M	30 June 2023 $M
Current assets		
Commodity hedging contracts - cash flow hedges	**37.0**	-
Commodity hedging contracts - held for trading	**13.7**	1.2
	50.7	1.2

6 Borrowings

	31 December 2023 $M	30 June 2023 $M
Current		
Secured		
Bank loans	-	180.0
Capitalised borrowing costs	-	(1.6)
Total secured current borrowings	-	178.4
Non-Current		
Secured		
Bank loans	-	180.0
Capitalised borrowing costs	-	(0.5)
Total secured non-current borrowings	-	179.5

(i) Corporate loan facility

In May 2022, the Company entered into a new Syndicated Facility Agreement (Facility Agreement) for amounts totalling $900.0 million. The Facility Agreement comprises:

- A $540.0 million amortising term loan facility; and
- A $360.0 million revolving credit facility.

Following the full repayment of the revolving credit facility during the previous financial year, the Company repaid the $360.0 million of debt outstanding on the term loan during the current period and converted this balance to a revolving credit facility, doubling the amount of undrawn debt available to $720.0 million.

The facilities are due to mature on 30 April 2025, with options to extend the maturity date by up to a further two years.

Interest is payable based on the BBSY bid price plus a relevant margin.

Borrowings are initially recognised at fair value, net of transaction costs. These costs are incremental costs that are directly attributable to the loan and include loan origination fees, commitment fees and legal fees. At 31 December 2023, there are no outstanding unamortised transaction costs (30 June 2023: $2.1 million unamortised transaction costs were offset against the bank loans contractual liability of $360.0 million).

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.

(ii) Assets pledged as security

The Company has a General Security Agreement that provides that it and its subsidiaries pledge all present and after acquired property as security for all debts and monetary liabilities owing under the Facility Agreement and the related finance documents.

7 Contributed equity

	31 December 2023 $M	31 December 2022 $M
Fully paid issued capital	**2,651.2**	2,651.2
Treasury shares	**(29.7)**	(20.1)
	2,621.5	2,631.1

(a) Share capital

Movements in ordinary share capital:

Details	2023 Number of shares	2023 $M	2022 Number of shares	2022 $M
Balance at 1 July	**757,267,813**	**2,651.2**	757,267,813	2,651.2
Balance at 31 December	**757,267,813**	**2,651.2**	757,267,813	2,651.2

(b) Treasury shares

Treasury shares are shares in IGO Limited that are held by the Company's Employee Share Trust for the purpose of issuing shares under the IGO Employee Incentive Plan.

Movements in treasury shares

Details	2023 Number of shares	2023 $M	2022 Number of shares	2022 $M
Balance at 1 July	**(1,023,258)**	**(19.7)**	(320,390)	(9.4)
Acquisition of shares by the Trust	**(939,188)**	**(13.1)**	(1,178,706)	(13.1)
Issue of deferred shares under the Company's Employee Incentive Plan	**600,790**	**3.4**	400,329	2.4
Transfer of forfeited shares from Salary Sacrifice Plan	**(46,233)**	**(0.3)**	-	-
Balance at 31 December	**(1,407,889)**	**(29.7)**	(1,098,767)	(20.1)

8 Reserves and retained earnings

(a) Reserves

	31 December 2023 $M	30 June 2023 $M
Hedging reserve	**25.9**	-
Share-based payments reserve	**30.1**	27.2
Foreign currency translation reserve	**(10.1)**	11.1
Other reserves	**1.2**	1.2
Distributable profits reserve*	**102.2**	556.6
Financial assets at fair value through other comprehensive income	**(58.6)**	(32.3)
	90.7	563.8

*The movement in the Distributable profits reserve for the period of $454.4 million reflects the payment of the final dividend for the year ended 30 June 2023 (2022: $37.9 million for the year ended 30 June 2022) (refer Note 9).

8 Reserves and retained earnings (continued)

(b) Retained earnings

Movements in retained earnings were as follows:

	31 December 2023 $M	31 December 2022 $M
Balance at 1 July	**594.9**	45.8
Net profit for the period	**288.3**	612.3
Balance at 31 December	**883.2**	658.1

9 Dividends

(a) Ordinary shares

	31 December 2023 $M	31 December 2022 $M
Final dividend for the year ended 30 June 2023 of 60 cents (2022: 5 cents for the year ended 30 June 2022) per fully paid share	**454.4**	37.9
Total dividends paid during the half-year	**454.4**	37.9

The final dividend for the years ended 30 June 2023 and 30 June 2022 was paid out of the Distributable profits reserve (refer Note 8(a)).

(b) Dividends not recognised at the end of the reporting period

	31 December 2023 $M	31 December 2022 $M
In addition to the above dividends, since the period end the Directors have recommended the payment of an interim dividend of 11 cents (31 December 2022: 14 cents) per fully paid share, fully franked. The aggregate amount of the proposed dividend expected to be paid on 27 March 2024 out of the distributable profits reserve, but not recognised as a liability at period end, is:	**83.3**	106.0

10 Interests in associates

(a) Interests in associates

Set out below are the associates of the Group as at 31 December 2023 which, in the opinion of the Directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	**Place of business/ country of incorporation**	**% of ownership interest**		**Nature of relationship**	**Measurement method**	**Carrying amount**	
		31 December 2023 %	30 June 2023 %			**31 December 2023 $M**	30 June 2023 $M
TLEA*	Australia	**49.0**	49.0	Associate	Equity method	**2,305.5**	2,409.1

* Tianqi Lithium Energy Australia Pty Ltd

10 Interests in associates (continued)

(a) Interests in associates (continued)

The investment represents the Group's 49% share in Tianqi Lithium Energy Australia Pty Ltd (TLEA), with Tianqi Lithium Corporation (Tianqi) holding 51%. TLEA is the exclusive vehicle for lithium investments for IGO and Tianqi outside of China. The existing assets of TLEA include the Greenbushes Lithium Mine and Kwinana Lithium Hydroxide refinery located in Western Australia, to which the Group holds an indirect interest of 24.99% and 49%, respectively.

(i) Summarised financial information for associates

The table below provides a summary of the amounts presented in the financial statements of TLEA and have been amended to reflect adjustments made by the Group when using the equity method, including fair value accounting adjustments and modifications for differences in accounting policy:

	TLEA (100%)	
Summarised balance sheet	**31 December 2023 $M**	30 June 2023 $M
Current assets		
Cash and cash equivalents	**587.5**	461.9
Other current assets	**1,434.5**	3,446.8
Total current assets	**2,022.0**	3,908.7
Non-current assets	**6,319.0**	5,709.8
Current liabilities	**932.2**	1,679.5
Non-current liabilities		
Financial liabilities (excluding trade payables)*	**1,265.1**	1,409.3
Other non-current liabilities	**601.3**	421.7
Non-current liabilities	**1,866.4**	1,831.0
Net assets	**5,542.4**	6,108.0
Less: Minority interest	**(837.3)**	(1,191.4)
Net assets attributable to owners of TLEA	**4,705.1**	4,916.6

*** Revolving corporate loan facility**

On 7 October 2022, Windfield Holdings Pty Ltd (a member of the TLEA Group) replaced its existing US$630.0 million facility with a new US$1,000.0 million facility.

At 31 December 2023, US$1,000.0 million (A$1,462.0 million) (30 June 2023: US$1,000.0 million (A$1,508.3 million)) of the facility was available and US$875.0 million (A$1,279.2 million) of the facility was drawn (30 June 2023: US$945.0 million (A$1,425.3 million)).

The facility is provided by a syndicate of commercial banks, with loan covenants typical of this type of facility. The facility expires on 6 October 2027 and is fully secured over the Australian assets of the Windfield Group.

10 Interests in associates (continued)

(a) Interests in associates (continued)

(i) Summarised financial information for associates (continued)

Carrying value of equity-accounted investments

The carrying amount of equity-accounted investments has changed as follows in the six months to 31 December 2023 and 31 December 2022:

	TLEA (IGO 49% share)	
	31 December 2023 $M	31 December 2022 $M
Reconciliation to carrying amounts:		
Carrying amount at 1 July	**2,409.1**	1,994.5
Profit for the year	**495.2**	631.4
Other comprehensive income	**(21.2)**	(19.4)
Dividends received	**(577.6)**	(439.9)
Share of other changes in equity of TLEA	**-**	(1.1)
Carrying amount at the end of the period	**2,305.5**	2,165.5

	TLEA	
Summarised statement of comprehensive income	**31 December 2023 $M**	31 December 2022 $M
Revenue (100%)	**3,648.3**	4,600.7
Profit for the period (100%)[1]	**1,029.3**	1,315.6
Profit for the year - IGO Group's 49% share	**504.4**	644.7
Equity accounting adjustments[2]	**(9.2)**	(13.3)
IGO Group's share of profit of equity accounted investments	**495.2**	631.4
Total other comprehensive income[3]	**(43.3)**	(39.8)
IGO Group's share of other comprehensive income	**(21.2)**	(19.4)

1. Profit for the period is the amount attributable to owners of TLEA (ie net of amounts attributable to non-controlling interests within the TLEA Group).
2. IGO's share of equity accounting adjustments for the period relate to the amortisation of the accounting fair value adjustments of $1,158.1 million (IGO Group's 49% share).
3. Other comprehensive income is the amount attributable to owners of TLEA (ie net of amounts attributable to non-controlling interests within the TLEA Group) and primarily relates to revaluation of foreign exchange loans between TLEA group companies.

11 Fair value measurements of financial instruments

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

(a) Fair value hierarchy

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 financial assets and financial liabilities measured and recognised at fair value at 31 December 2023 and 30 June 2023 on a recurring basis:

	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
At 31 December 2023				
Financial assets				
Financial assets at fair value through profit or loss	**63.2**	**-**	**-**	**63.2**
Derivative instruments				
Commodity hedging contracts	**-**	**50.7**	**-**	**50.7**
	63.2	**50.7**	**-**	**113.9**

	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
At 30 June 2023				
Financial assets				
Financial assets at fair value through profit or loss	62.4	-	-	62.4
Financial assets at fair value through other comprehensive income	37.6	-	-	37.6
Derivative financial instruments - commodity hedging contracts	-	1.2	-	1.2
	100.0	1.2	-	101.2

Specific valuation techniques used to value financial instruments include:

(i) 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.

(ii) 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.

All of the resulting fair value estimates are included in level 2.

11 Fair value measurements of financial instruments (continued)

(iii) Fair value of other financial instruments

The Group also had a number of financial instruments that are not measured at fair value in the balance sheet. These instruments had the following fair value at the reporting date.

	31 December 2023		**30 June 2023**	
	Carrying amount $M	**Fair value $M**	**Carrying amount $M**	**Fair value $M**
Current liabilities				
Lease liabilities	**25.2**	**27.6**	29.1	31.9
	25.2	**27.6**	29.1	31.9
Non-current liabilities				
Lease liabilities	**36.1**	**38.0**	45.1	47.5
	36.1	**38.0**	45.1	47.5

12 Contingencies

(a) Contingent liabilities

Tropicana Royalty Claim

On 1 February 2024, the Company announced that it had been served with a writ of summons issued out of the Supreme Court of Western Australia by South32 Royalty Investments Pty Ltd (South32). The writ claims that IGO is liable to pay royalties to South32 concerning the mining operations at the Tropicana Gold Mine in Western Australia, together with interest and costs. IGO rejects South32's allegations and considers the claim to be without merit.

South32 has estimated in the writ that the royalties payable by IGO are $122.1 million (exclusive of interest and costs) for the period from December 2014 to September 2023.

IGO no longer has an interest in the Tropicana Gold Mine, having sold its 30% interest in the Tropicana Gold Mine Joint Venture to Regis Resources Limited effective 31 May 2021. IGO has an indemnity in its favour from Regis concerning any royalty liability to South32 from that date onwards. IGO estimates that the relevant portion of the above claim amount in the period from 31 May 2021 to September 2023 (covered by the Regis indemnity) is in the range of approximately $35 million to $40 million.

IGO denies that it has any liability to South32 and has instructed lawyers to act on its behalf to fully and vigorously defend the claim.

Tianqi Tax Liability

The Group previously announced on 22 June 2021 that the finalisation of the agreement to acquire the Company's 49% interest in the Lithium Joint Venture from Tianqi Lithium Corporation (Tianqi) was subject to an internal restructure of the Australian arm of Tianqi, which included informal engagement by Tianqi with the Australian Taxation Office (ATO) to confirm that there would be no tax implications arising from the internal restructure. The ATO engagement process was ongoing at that time. Notwithstanding this process was not completed with the ATO, and it was a matter between Tianqi and the ATO, IGO agreed to proceed to completion and if there were any unforeseen tax outcomes resulting from the internal restructure, IGO would share the tax liability with Tianqi in proportion to IGO's joint venture interest (being 49%), to a maximum of $96.7 million. The review with the ATO is ongoing.

12 Contingencies (continued)

(a) Contingent liabilities (continued)

Guarantees

The Group had guarantees outstanding at 31 December 2023 totalling $1.4 million (30 June 2023: $1.9 million) which have been granted in favour of various third parties. The guarantees primarily relate to mining environmental and rehabilitation bonds.

13 Related party transactions

(a) Issue of Performance Rights and Service Rights to Managing Director and Chief Executive Officer

During the period, following his appointment as Managing Director and Chief Executive Officer, Mr Ivan Vella was issued with performance rights and service rights in accordance with the Company's Employee Incentive Plan. The issue of the performance rights and service rights was approved at the Company's Annual General Meeting on 16 November 2023.

Performance Rights

Mr Vella was issued with 111,657 performance rights, calculated on a pro-rata basis from his commencement date. The performance rights are subject to the following:

Performance Hurdles

The performance rights are subject to the following performance hurdles:

- Relative total shareholder return - 50%
- Absolute total shareholder return - 20%
- Strategic delivery - 30%

Relative TSR

The relative TSR (total shareholder return) 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 and a number of overseas listed mining companies. The Board has discretion to adjust the peer group from time to time at its absolute discretion.

The vesting schedule for the 50% of the 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 straight-line pro-rata between 50% and 100%
Between 75th and 90th percentile	100% plus straight-line pro-rata between 100% and 150%
90th percentile or better	150%*

* Provided that Absolute TSR is greater than 10% per annum, however the total combined LTI vesting is capped at 100%.

13 Related party transactions (continued)

(a) Issue of Performance Rights and Service Rights to Managing Director and Chief Executive Officer (continued)

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 20% of the performance rights subject to absolute TSR testing is as follows:

Absolute TSR performance	Level of vesting
Less than 10% per annum return	0%
Between 10% and 20% per annum return	50% plus straight-line pro-rata between 50% and 100%
Between 20% and 25% per annum return	100% plus straight-line pro-rata between 100% and 150%
25% per annum return or better	150%

Strategic Delivery

The Company's strategic delivery will be assessed on the number of completed strategic projects. Further details on the projects will be provided in the Remuneration Report following the completion of the three year measurement period.

Strategic Project Delivery	Weighting
Delivery of Greenbushes Growth Profile	10.0%
Delivery of Kwinana Growth Profile	7.5%
Expansion of the Nickel Business	7.5%
Delivery of IGO Decarbonisation Plan	5.0%

Fair value

The fair value of the share rights granted is 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	Performance rights
Grant date	16 November 2023
Vesting date*	1 July 2026
Share price at grant date	$8.85
Fair value estimate at grant date	$5.55
Expected share price volatility (%)	39%
Expected dividend yield (%)	3.73%
Expected risk-free rate (%)	4.17%

* The performance rights are also subject to an additional one year holding lock (refer below).

Vesting period

The performance rights will vest following completion of the testing of the performance hurdles, however there is an additional one year holding lock and the performance rights will be available to exercise on 1 July 2027.

13 Related party transactions (continued)

(a) Issue of Performance Rights and Service Rights to Managing Director and Chief Executive Officer (continued)

Service Rights

Mr Vella was also issued with 400,000 service rights which will vest according to the following schedule, provided that Mr Vella remains an employee of IGO on those dates:

Vesting date	Number of service rights
August 2024	100,000
August 2025	100,000
August 2026	100,000
August 2027	100,000

The service rights were granted on 16 November 2023 and have a grant date value of $8.85 per service right.

(b) Transactions with other related parties

During the period, the Board approved that Trace Arlaud, a Non-executive Director, would be paid an additional monthly fee of US$8,750 for her role as a member of the Cosmos Steering Committee. A total of US$52,500 (A$80,442) was incurred during the period.

14 Events occurring after the reporting period

FY24 Interim Dividend

On 21 February 2024, the Directors resolved to pay a fully franked interim dividend of 11 cents per share, payable on 27 March 2024.

Cosmos Project Update

On 31 January 2024, the Company announced that following completion of the Cosmos project review, the Cosmos Project would transition into care and maintenance. The transition is expected to conclude by 31 May 2024 and will prioritise the safe preservation of the Cosmos assets and the completion of select key workstreams, including finishing the wet commissioning of the processing plant and processing of existing ore on the ROM pad.

During the transition to care and maintenance, the Company will also assess the value of continuing work on select exploration programs to increase the size and definition of the mineral resource, in particular the AM5 and AM6 orebodies, and optimising the mining and materials handling methods. IGO intends to protect the optionality to restart Cosmos in the future should market conditions improve.

Tropicana Royalty Claim

On 1 February 2024, the Company announced that it had been served with a writ of summons issued out of the Supreme Court of Western Australia by South32 Royalty Investments Pty Ltd (South32). The writ claims that IGO is liable to pay royalties to South32 concerning the mining operations at the Tropicana Gold Mine in Western Australia, together with interest and costs. IGO rejects South32's allegations and considers the claim to be without merit.

South32 has estimated in the writ that the royalties payable by IGO are $122.1 million (exclusive of interest and costs) for the period from December 2014 to September 2023.

IGO no longer has an interest in the Tropicana Gold Mine, having sold its 30% interest in the Tropicana Gold Mine Joint Venture to Regis Resources Limited effective 31 May 2021. IGO has an indemnity in its favour from Regis concerning any royalty liability to South32 from that date onwards. IGO estimates that the relevant portion of the above claim amount in the period from 31 May 2021 to September 2023 (covered by the Regis indemnity) is in the range of approximately $35 million to $40 million.

14 Events occurring after the reporting period (continued)

IGO denies that it has any liability to South32 and has instructed lawyers to act on its behalf, and intends to fully and vigorously defend the claim.

There has been no other matter or circumstance that has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

15 Basis of preparation of half-year report

This consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by IGO Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New and amended standards adopted by the Group

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(a) Restatement of comparatives

Following the finalisation of the purchase price accounting allocation at 30 June 2023 relating to the Group's acquisition of Western Areas Limited in June 2022, the Group has restated the financial statements at 31 December 2022 to reflect the revised accounting balances of assets and liabilities. The restatement of balances has resulted in a credit to the profit or loss for the period ended 31 December 2022 of $21.3 million, primarily relating to reduced amortisation expense.

In the Directors' opinion:

(a) the interim financial statements and notes set out on pages 10 to 30 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 31 December 2023 and of its performance for the half-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.

This declaration is made in accordance with a resolution of the Directors.

Michael Nossal
Non-executive Chair

Perth, Western Australia
21st day of February, 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of IGO Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of IGO Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 December 2023, 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 half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 21 February 2024