



## CHAIRMAN'S ADDRESS – 2017 ANNUAL GENERAL MEETING

Dear fellow shareholders,

The 2017 financial year was a period of significant advancement for IGO, as we venture forward in the pursuit of creating sustainable and long-term value for all stakeholders. We do so with a clear purpose and genuine passion.

During the past year, your Company made excellent progress completing the development and commissioning of the world class Nova project, our flagship nickel-copper-cobalt operation. Consequently, IGO is now in the enviable position of being a significant, ASX-listed diversified gold and base metals mining company with long life, high margin assets.

Considering the substantial capital investment required for the Nova development, IGO finished the financial year in a sound financial position with revenue and net cash flow increasing, relatively low debt, \$36 million in cash and access to an undrawn \$200 million credit facility.

In addition, the Company maintained its dividend payment of 30 per cent of net profit after tax. On the topic of dividends, it is particularly noteworthy to record that IGO paid its first dividend payment in 2005, which was only three years after listing on the ASX in 2002, as an exploration company. Since that time, the Company has paid dividends every year for a total amount of \$160 million returned to shareholders to-date.

In regard to Nova, in 2015 the IGO Board took a bold step in the form of acquiring Sirius Resources and making the commitment to develop the Nova-Bollinger deposits. The success of that transaction, and the subsequent development and commissioning of Nova, has underpinned IGO's long-term growth strategy and value proposition as a diversified Australian miner, for which both management and employees should be extremely proud.

The successful ramp up of mining and processing operations at Nova was achieved 12 months earlier than originally planned in the Definitive Feasibility Study, and within 3 per cent of the January 2015 capital expenditure estimate. IGO (and the former Sirius Resources) has taken Nova from a greenfield discovery to a fully operational, high margin producing asset in only five years.

This is an outstanding result that would not have been possible without the commitment, skill, resourcefulness, and simply the hard work, by many individuals and organisations... including:

- Peter Bradford and his executive group;
- The Nova project development team;
- Our suppliers and contractors;
- Traditional landowners;
- The local community and government agencies

.... All of whom contributed to this success. Congratulations on a job well done.



The focus at Nova now shifts to unlocking the upside potential of this world class asset, as well as realising the exploration potential of the area around Nova and the wider Fraser Range region. With the addition of Nova, IGO now has four operations in our portfolio.

For FY17, the Long nickel mine and the Tropicana gold mine both finished the year in a strong position with metal production and cash costs better than guidance for both operations.

At Tropicana, together with our partner AngloGold Ashanti, we progressed several value enhancement initiatives including the process plant expansion, grade streaming, improved mining efficiencies and the Long Island Study, which will deliver higher production at lower unit costs in the ensuing years, particularly in the 2018 and 2019 financial years.

For Long, we are now preparing to transition the operation into care and maintenance and consequently, I would like to take a moment to acknowledge our management and employees at Long and thank them for their commitment to deliver on their targets and consistent high performance over many years.

The Jaguar zinc-copper mine saw zinc production fall slightly short of guidance while cash costs were within guidance. Over the past year, we've made good progress to identify opportunities to optimise and maximise the operation and are now progressing with multiple value enhancement projects that offer optionality for the business, as we continue to look for ways to unlock further value.

IGO remains committed to the creation of long-term shareholder value through the discovery, development and operation of a quality portfolio of assets with scale, longevity and geographical focus.

We also continue to ramp up exploration work around Nova and across the Fraser Range, as we see real potential for another major discovery in this belt scale region. In addition, we have enjoyed early, encouraging results from the Lake Mackay exploration project in the Northern Territory.

I am pleased to say that IGO is in a much stronger position today than it has been at any other time in its history. And the outlook for your Company continues to be very positive, underpinned by;

- The transition from a capital investment to a cash generation phase
- An improved outlook for commodity markets and prices for base metals
- Nova fully operational and transitioning to name plate capacity
- Higher gold production and lower unit costs at Tropicana
- Value enhancement initiatives being implemented at Jaguar
- Increased investment in exploration and discovery
- Substantially increased cash flow and balance sheet strength, and
- Investment in people, business processes and the "IGO way"

Before closing, I wish to advise that IGO has also recently published its third Sustainability Report. This report provides a comprehensive overview of the significant non-financial aspects of our business to enable our stakeholders to more broadly assess IGO's performance during FY17.

It is notable that the Australian Council of Superannuation Investors (ACSI) recently completed a review of the sustainability reporting practices of the ASX 200 companies and for the second year in a row, ACSI rated IGO's sustainable reporting as "Sector Leading".

This represents a significant independent endorsement of the Company's practices and of those employees who are charged with the responsibility of driving performance in these areas. IGO is an active participant in the community surrounding our operations and we very much value our social license to operate.

Ladies and gentlemen, in conclusion I think it is fair to say that this is an exciting time for IGO and we thank all shareholders for your ongoing support.



On behalf of the Board, I wish to acknowledge the outstanding contribution by all our employees and business partners during the past year. We sincerely thank you.

We now look forward to the 2018 Financial Year with purpose and much enthusiasm, as we venture forward in our efforts to build upon recent achievements with a view to IGO becoming Australia's leading diversified mining company.

We hope you will continue to join us on that journey as we go from strength to strength.

Thank you.

**Peter Bilbe**

**Chairman**