



CHAIRMAN'S ADDRESS – 2015 ANNUAL GENERAL MEETING

Dear Shareholders

The 2015 financial year has been an active and potentially “company making” year for IGO with operations at Long, Tropicana and Jaguar providing significant cash flows and the Company announcing its first material transaction since 2011.

The Company's production and cost performance during the year was highly commendable. Metal production and unit cost guidance was achieved or bettered at all operations. FY2015 was the first full year of production from the Tropicana gold project and combined with strong performances from the Long nickel mine and the Jaguar zinc/copper mine resulted in record revenues, record net cash flow and net profit after tax of \$77million. IGO's profit and cash flow performance, zero debt and strong financial position at year end enabled an increase in dividends in FY2015 following the considerable capital investment made in the Tropicana gold project in the first half of the prior year.

As I mentioned in my letter to shareholders last year, your Board appointed Peter Bradford as Managing Director and CEO in March 2014. Since joining IGO, Peter and the restructured management team have taken substantial steps to develop and implement strategies to grow shareholder value in a meaningful and sustainable way and to continue to build a market leading diversified resources group. The implementation of these initiatives culminated in the announcement in September of this year of the completion of the transaction to acquire Sirius Resources NL and its flagship asset, the world class Nova nickel/copper/cobalt project located in Western Australia.

The results of the Nova Optimisation Study announced just two days ago has demonstrated a further substantial improvement in the project economics, particularly in the initial years of production, and highlights the robustness of the project, even in a low nickel price environment. Nova is forecast to be the lowest cost nickel producer in Australia and one of the lowest cost producers globally and will deliver substantial benefits to shareholders over many years. Construction is on budget, ahead of schedule with first concentrate targeted for December 2016 and full production in early 2017. The project is fully funded with concentrate offtake agreements for the first three years in place.

The Nova project is located in the underexplored and emerging Fraser Range belt and when combined with the Tropicana belt to the North will provide a fertile exploration province in our “back yard” for some years to come.

This acquisition adds considerable depth and strength to the Company's asset portfolio and is consistent with our primary criteria for assessing opportunities of high margin, meaningful scale, long mine life and low risk jurisdiction and is consistent with our vision of creating a leading, diversified mining company.



However, on a more sobering note, we are all very much aware that US\$ prices for the base metals that the Company produces have plummeted in the last 12 months. Nickel has declined over 40% to a 12 year low and zinc and copper prices have declined about 25 - 30% to be at seven year lows. Fortunately, the gold price, in A\$ terms, has held up reasonably well which highlights one of the benefits of the business model of commodity diversification adopted by the Company. Despite the current “doom and gloom” we can be optimistic in the knowledge that base metal prices, particularly nickel, will recover to more sustainable levels in due course.

Against the current backdrop of negative financial markets, declining revenues and substantial capital outlays required for the Nova construction, the focus of the Board and management will continue to be on maximising productivity, minimising costs, effective capital management and ensuring the Nova construction and commissioning is completed on time and on budget.

IGO has for the first time published a Sustainability Report which reflects positively upon the organisational capability and growing maturity of the Company. Of note is the significant improvement over the past two years in the Company’s safety performance. I commend the report to shareholders.

There have been substantial changes to the board since our AGM last year. In mid December 2014, the Board appointed respected resources executive and geophysicist, Keith Spence, as a director. Keith has a broad range of experience in the natural resources industry in Australia and internationally including senior executive roles at Woodside and Shell. This experience adds considerable diversity to the Board and I would like to welcome Keith to IGO and look forward to his contribution in the coming years.

In late December 2014, Kelly Ross announced her retirement as a director after 13 years of dedicated service. Kelly played an important role in the listing of the Company in 2002 and management of the Company up to 2011 as an executive director and then non-executive director. I would like to acknowledge and thank Kelly for her significant contribution to IGO and wish her all the best in a well deserved retirement.

Following completion of the Sirius acquisition, former Sirius directors, Mark Bennett and Neil Warburton have joined the Board. Mark and Neil are, respectively, very experienced exploration and mining executives and directors with track records of considerable achievement and I welcome their active involvement.

In closing, I wish to acknowledge our most important asset, our people. 2015 has been a year of considerable change and achievement which has only been possible with the focus and hard work of our employees, contractors and joint venture partners. I thank you all.

On behalf of the Board, I also thank you, our shareholders, for your continued support. Your Board of Directors is looking forward to the coming years with optimism, enthusiasm and a real sense of purpose.

Peter Bilbe
Chairman