



COMMON MANAGEMENT SYSTEM STANDARD 15 ACQUISITION, DIVESTMENT AND CLOSURE

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1. OVERVIEW

This document sets out IGOs standard for the acquisition, divestment and closure for current and future IGO operations. Effective due diligence demands that an understanding is gained of the nature and value of the value proposition (and liabilities) that exist at the time of acquisition. Following acquisition, IGO is responsible for managing the land that it owns or leases to minimise the long-term impact of its operations; this requires that we complete progressive rehabilitation works. As a temporary user of land, IGO is also responsible for leaving a site, at the conclusion of its operations, in a condition that provides options for an agreed future use.

2. APPLICATION

This standard applies to all IGO operations. It also applies to applications for tenements, purchase or transfer of land title or lease, or where there is a sale, surrender (in whole or part) or other transaction that results in IGO modifying an interest in a property, title or lease.

3. ACQUISITION

The development of acquisition proposals and, following approval, the execution of acquisitions shall be overseen by IGO New Business. Typically, a dedicated team will be assigned to the task. Authority to engage potential acquisition targets, complete associated negotiations and effect transactions is defined in the document ***IGO Group Governance Standard 1 - Corporate Control***.

Acquisitions must be subject to careful due diligence. Before committing to a transaction, IGO will ensure that it knows what it is buying, what obligations it is assuming, the nature and extent of the target company's liabilities, problematic contracts, litigation risks and intellectual property issues.

In some merger and acquisition (M&A) transactions, such as 'mergers of equals', or where transaction consideration includes IGO stock, or where such stock comprises a significant portion of the overall consideration, the target company will want to engage in 'reverse due diligence'. This may be as broad in scope as the primary due diligence conducted by IGO.

As part of due diligence, IGO will:

- investigate the target company's historical financial statements and related financial metrics, as well as the reasonableness of the target's projections of its future performance
- review of the company's production performance and that of its key contractors
- develop an understanding of the competitive environment in which the target company's business operates
- understand the target company's customer base and sales contracts, and develop an understanding of the target company's marketing strategies and arrangements
- consider the likely future performance of the target company as a stand-alone business; IGO will clearly define how the target company will fit strategically within our organisation
- review of all property owned by the target company or otherwise used in the business
- review all material contracts and commitments of the target company
- develop an understanding of the extent to which the target company is subject to, and has complied with, regulatory requirements
- develop an understanding of any litigation (pending, threatened, or settled), arbitration, or regulatory proceedings involving the target company



- develop an understanding of tax liabilities and or tax carry forwards and their potential benefit to IGO
- examine the quality of the target company's management and employee base
- review key insurance policies of the target company's business
- review general corporate governance arrangements including organisational documents and general corporate records (including capitalisation) of the target company
- identify any potential environmental issues the target company may face. This includes issues arising from approvals and performance obligations, site contamination, site closure and legacy liabilities
- develop an understanding of the extent of any 'related party' transactions, such as agreements or arrangements between the target company and any current or former officer, director, shareholder, or employee
- examine the extent and quality of the target company's technology and intellectual property.

4. DIVESTMENT

Comparable to IGOs approach to acquisition, the development of divestment proposals and, following approval, the execution of a divestment shall be overseen by IGO New Business. Typically, a dedicated team will be assigned to the task. Authority to engage potential buyers, complete associated negotiations and effect transactions is defined in ***IGO Group Governance Standard 1 - Corporate Control***.

To ensure an effective and accretive approach to divestment, IGO will:

- maintain an understanding of potential buyers for the company's businesses
- complete a routine IGO portfolio assessment, testing assets against IGO strategy and value proposition.

In effecting a divestment, IGO will develop a clear divestment strategy and work programme.

5. EXPLORATION LEASES

As part of IGOs day-to-day operations, IGO New Business team will complete the acquisition, management, and divestment of exploration leases. Given the transactional nature of this activity, IGO will establish and maintain a documented standard business processes incorporating both appropriately scaled due diligence and land rehabilitation. Authority to acquire and divest exploration leases is defined in ***IGO Group Governance Standard 1 - Corporate Control***.

6. CLOSURE

6.1 Closure Strategy

IGO will ensure a closure strategy is developed and maintained for each mine site and exploration project, such that in the absence of divestment, IGO is prepared and understands the cost of affecting the closure of each mine site. This knowledge may usefully inform decisions regarding divestment.

The closure strategy is the process by which the site will work towards obtaining agreement on 'completion criteria'. Completion criteria include both a 'basis of design' (BoD) and an agreed set of indicators which, upon being met, will demonstrate successful closure of a site.

Typically, closure criteria must be approved by the state regulator. For exploration sites, the strategy is generally defined by the state.

For new mines and exploration projects, the completion criteria must be defined prior to the commencement of mining or other land disturbance. For existing mines, completion criteria are to be completed no later than five years prior to the end of the Life of Mine (LOM) Plan.

6.2 Closure Planning

IGO will ensure that all operation IGO mines and major projects have a Closure Plan. The site Closure Plan shall:

- document the closure strategy
- document the scope of work required to achieve the Completion Criteria in accord with statutory regulation and IGO environmental standards
- include a BoD for each domain requiring major earthworks. Specifically, a final landform design must be established for each tailings storage facility (TSF) and waste rock dump (WRD). Cut and fill volumes must be determined to produce final landforms for likely as-built structures or disused structures; material sources must be defined; and demolition quotes must be sought, thus enabling quantitative closure costing
- include a schedule of works based on a current LOM Plan, and must clearly define:
 - i. the schedule of progressive rehabilitation works
 - ii. the schedule of closure works post the cessation of production
- document the cost of effecting:
 - i. progressive rehabilitation works
 - ii. the cost of closure works post the cessation of production
- document arrangements for a 'care and maintenance' scenario in anticipation of such circumstances prior to active mine closure.

Refer to **IGO Group Environmental Standard 6 - Mine Closure** for further detail.

6.3 Progressive Rehabilitation

Land, landforms or a facility, or parts thereof, shall be deemed available for rehabilitation in accord with **IGO Group Environmental Standard 6 - Mine Closure**. In general, progressive rehabilitation is defined as the rehabilitation of land disturbed by the Company's activities, the rehabilitation of new landforms created by the Company, and the disposal or demolition and rehabilitation of mining or process facilities, or parts thereof, as and when they become available for rehabilitation.

At an operational mine site, there are works that cannot commence until the end of the commercial production phase. However, where practicable, IGO will complete rehabilitation works progressively.

Specific progressive rehabilitation works are to be defined and scheduled as part of the normal mine planning process and documented in the Closure Plan.

6.4 Implementation of Closure Plans

It is the responsibility of the Chief Operating Officer (COO) to direct the Resident Manager to implement the Closure Plan.



7. RELINQUISHMENT

Where closed exploration areas or mine sites are to be relinquished back to the state, IGO will ensure that:

- the closure criteria have been met;
- an estimate of actual is disclosed and potential residual liability is estimated; and
- appropriate approval is received internally in accord with **IGO Group Governance Standard 1 - Corporate Control**.

All relinquishments shall be defined as incomplete until such time as the state formally accepts title for the affected land.

8. RECORD RETENTION

IGO will keep records of all acquisition, divestment, closure and relinquishment related activities.

9. RELATED DOCUMENTS

- IGO Group Environmental Standard 6 - Mine Closure
- IGO Group Governance Standard 1 - Corporate Control