



IGO AND WESTERN AREAS AGREE TO AMEND SCHEME OF ARRANGEMENT

IGO Limited (ASX: IGO) (**IGO** or the **Company**) is pleased to announce that it has agreed to amend the terms of the scheme of arrangement with Western Areas Limited (ASX: WSA) (**WSA**) (the **Amended Scheme**), pursuant to which IGO will acquire 100% of WSA shares for cash consideration of A\$3.87 per share (**Revised Scheme Consideration**).

The Amended Scheme has been unanimously recommended by the WSA Board of Directors (in the absence of a superior proposal and subject to the independent expert (KPMG) concluding, and continuing to conclude, that the Amended Scheme is in the best interests of WSA shareholders). The Amended Scheme is subject to WSA shareholder approval and Court approval.

The Revised Scheme Consideration recognises the additional financial value generated by WSA as a result of higher nickel prices since the scheme of arrangement was first announced on 16 December 2021 (**Initial Scheme**), as well as the improvement in nickel price forecasts over the short and medium term. IGO's long term nickel price projections remain materially unchanged.

IGO's Managing Director and CEO, Peter Bradford, commented: *"Since first announcing the Initial Scheme in late 2021, we have observed continued strong nickel price performance and the subsequent impact on valuations of companies operating within the sector. Notwithstanding our view that the recent extreme trading and volatility in the nickel market will be short term in nature, IGO recognises that these higher prices have resulted in stronger financial performance from WSA compared to IGO's assumptions at the time the Initial Scheme was announced in December 2021. The Revised Scheme Consideration shares value with WSA shareholders, while maintaining a very strong value proposition for IGO shareholders over the longer term. IGO looks forward to building WSA shareholder support for the transaction, while in parallel continuing the important integration workstreams that have already commenced, as we work toward transaction completion."*

Wyloo Consolidated Investments Pty Ltd (**Wyloo Consolidated**) continues to support the Amended Scheme and, as previously announced on 7 February 2022, has undertaken to IGO to vote Wyloo Consolidated's 31,509,769 shares (representing a 9.8% interest) in WSA in support of the Amended Scheme, subject to there being no superior proposal for WSA that is unmatched by IGO and the independent expert concluding, and continuing to conclude, that the Amended Scheme is in the best interests of WSA shareholders. Subject to the same conditions, Wyloo Consolidated has also committed to a standstill such that it will not acquire or dispose of any WSA shares other than pursuant to the implementation of the Amended Scheme.

IGO continues to believe that the acquisition of WSA represents a highly logical transaction which will deliver strong value to IGO shareholders. The rationale for the Amended Scheme remains unchanged, with key highlights including:

- **Aligned with IGO's strategy** focused on metals critical to clean energy
- Expected to be **free cash flow accretive from FY24** once the ramp up of the Odysseus underground mine development is complete
- **Cash consideration** resulting in no dilution for IGO shareholders with the transaction to be funded via existing cash reserves and a new debt facility
- **Enhanced nickel portfolio and asset diversification** with a combined portfolio spanning nickel and lithium including Nova, Forrestania, Cosmos, Greenbushes and Kwinana
- **Strategic and logical consolidation** of Western Australian nickel assets with opportunities identified to unlock cost savings and future offtake synergies while also enhancing future downstream processing optionality



- **IGO's financial strength together with the operating expertise of IGO and WSA to maximise value** by leveraging IGO's strong balance sheet to de-risk and fund development of Odysseus, progress the Mt Goode pre-feasibility study, and continue to exploit the WSA exploration portfolio.

The Revised Scheme Consideration of A\$3.87 per WSA share represents a 15.2% increase to IGO's initial consideration of A\$3.36 per WSA share, as announced on 16 December 2021, and delivers an opportunity for WSA shareholders to maximise value and benefit from a;

- 6% premium to the last closing price of WSA of A\$3.65 per share on 4 April 2022
- 12.5% premium to the weighted average trading of WSA of A\$3.44 per share since Initial Scheme was announced
- 56.0% premium to the undisturbed closing price of WSA of A\$2.48 per share on 18 August 2021 (being the day before the fact that IGO and WSA were in discussion was announced to ASX)

The Revised Scheme Consideration of A\$3.87 per WSA share represents IGO's 'last and final' offer in the absence of a superior proposal.

Transaction Funding

IGO's funding structure for the Amended Scheme remains unchanged. The Revised Scheme Consideration implies a value of A\$1,263 million for WSA on a fully diluted basis, with transaction costs, inclusive of stamp duty, estimated to be A\$91 million.

IGO will fund the Amended Scheme and costs through a combination of:

- a new A\$900 million senior-secured debt facility underwritten by ANZ, CBA and NAB, comprising a A\$540 million amortising facility and A\$360 million revolver, both with a maturity date of 30 April 2025¹, and
- the remaining balance from IGO's existing cash reserves of A\$570 million².

Upon completion of the Amended Scheme, IGO will assume WSA's existing cash reserves of A\$143 million³. IGO expects to fund the continued development of Cosmos through a combination of existing cash and operating cashflows.

Transaction Conditions

The terms upon which IGO and WSA will implement the Amended Scheme remain unchanged from IGO's original announcement of the transaction on 16 December 2021, other than for the increase in consideration to A\$3.87 per WSA share and an extension of the 'End Date' under the Amended Scheme to 31 July 2022.

Timetable

Further details of the timetable will be provided in due course at the time that the Amended Scheme booklet is released, which is expected later in April with the Amended Scheme targeted for completion in June 2022, as set out in the following table:

Action	Estimated Date
First Court Hearing	April 2022
Dispatch scheme booklet to Western Areas shareholders	April 2022
Scheme Meeting	May 2022
Second Court Hearing	May 2022
Effective Date	May 2022

¹ The amortising facility is repayable by way of seven equal semi-annual instalments ending on 30 April 2025, and the revolver is repayable on 30 April 2025

² Cash reserves as at 31 December 2021

³ As at 31 December 2021. Refer to WSA's December Quarter 2021 Report released on 27 January 2022 at www.asx.com.au



Action	Estimated Date
Scheme Record Date	May 2022
Implementation Date	June 2022

Note: This timetable is indicative and subject to change.

Advisers

IGO is advised by Macquarie Capital (Australia) Limited as financial adviser and Herbert Smith Freehills as legal adviser.

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

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Cautionary Statements & Disclaimer

Forward looking statements

This Announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance (including the outcome and effects of the Amended Scheme) are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Announcement are based on subjective judgement, assumptions and contingencies which are subject to change without notice and involve known and unknown risks and certainties and other factors which are beyond the control of IGO and each of its respective related bodies corporate, affiliates, directors, securityholders, officers, employees, partners, agents, advisers and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumption on which these statements are based. These statements may assume the success of IGO's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Recipients of this Announcement are cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Announcement. The forward-looking statements are based on information available to IGO as at the date of this Announcement. Except as required by law or regulation (including the ASX Listing Rules), none of IGO, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Financial information

All financial information in this Announcement is in Australian Dollars (\$) or \$A) unless otherwise stated. The financial information in this Announcement is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The financial information



provided in this Announcement is for illustrative purposes only and is not represented as being indicative of IGO's views on its future financial condition and/or performance.

Limitation of information in relation to WSA

All information in this Announcement in relation to WSA (including Forresteria and Cosmos) has been sourced from WSA. IGO has conducted due diligence in relation to the Amended Scheme, but has not independently verified such information and, to the maximum extent permitted by law, makes no representation or warranty, expressed or implied, as to the fairness, accuracy, correctness, completeness or adequacy of any information relating to WSA. Receipt of additional or updated information may change the forward-looking statements concerning WSA in this Announcement. WSA may have a different interpretation of the underlying data and release other information to the market.