

IGO Limited 2024 AGM Report

ASX code	IGO
Meeting date	Wednesday, 6 November 2024
Type of meeting	Hybrid
Monitor	Derek Miller assisted by John Campbell
Pre AGM-meeting	With chair Michael Nossal and Company Secretary Rebecca Gordon

Meeting Statistics

Number of holdings represented by ASA	38
Number of shares represented by ASA	313,000
Value of shares represented by ASA	\$1.6m
Total number attending meeting	186 in total of which about 60 in person
Market capitalisation	\$3.8 billion
ASA open proxies voted	ASA voted against directors standing for election and against an increase in the fee pool but for resolutions relating to remuneration.

Monitor Shareholding: The individuals (or their associates) involved in the preparation of this report have shareholdings in this company.

All directors were present, two via a video link to the USA, and all four directors spoke to their election or re-election. The chair's address covered the continuing strength of the Greenbushes indirect investment in producing spodumene concentrate at a positive EBITDA when most competitors could not. The MD/CEO Ivan Vella provided further information in his address showing production from Greenbushes at 1.38mt in FY24 at a cash cost of \$330/t and a chart showing it at the lowest end of the cost curve with a remaining mine life of 23 years (<https://www.igo.com.au/site/pdf/d1d83255-a862-4041-ae44-401d8679db27/2024-AGM-Presentation.pdf>). Answering shareholder questions, he said that the concentrate produced was competitive with brine-sourced lithium carbonate.

There were a number of questions concerning IGO's 49% interest in the Kwinana refinery which produced just 25% of design output 2.5 years after commissioning. Mr Vella said that some of the problems stemmed from flaws in the design of what was the first fully-automated continuous process refinery built by partner Tianqi. Another issue was that the plant was located a long way from the suppliers of component machinery. It was hoped that the current shut-down would be successful in addressing some of the problems and he was confident in the ability of the team to market the resulting production successfully. He did not convey confidence that the plant's problems would be entirely solved by the shut-down but he was sure that the Tianqi personnel assigned to the refinery were doing their best to overcome the problems.

The focus of ASA's questions was why the chair and other directors responsible for the decision to take over Western Areas in 2022 were still in office, the decision having cost shareholders \$1.3bn.

It had put the company at risk of failure was it not for the spike in lithium prices in 2022-3 enabling it to repay the \$900m borrowed to effect the WSA takeover. We said that there was no basis for trusting these directors to make the right decision if another acquisition was proposed. We also said we believed the board was too large for the reduced level of activity now and that we were voting against all directors standing for election and the increase in the fee pool on that basis. Mr Nossal said that board changes subsequent to the Western Areas take-over and lessons learned from the disaster were sufficient to ensure it could not happen again.

In the event, one major shareholder present at the meeting joined our protest vote against the three directors standing for re-election, whilst the company narrowly escaped the strike against the remuneration report which it had been expecting from the proxy count (poll 24% against vs proxies 28% against). The three directors received 85-86% support, whilst the fourth candidate, Mr Marcelo Bastos, gained 99% with a similar result in favour of the grant of share rights to Mr Vella and the increase in the fee pool.

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