



ASX ANNOUNCEMENT

8 November 2019

CHAIRMAN'S ADDRESS - 2019 ANNUAL GENERAL MEETING

Ladies and gentlemen,

I am delighted to stand before you, our shareholders, and report that over the past year your company has made great strides to become a globally significant producer of high-quality Lithium and Boric Acid. Our growing ioneer team, supported by world class technical partners led by Fluor, are successfully taking on the challenges that invariably arise with a project of this scale. Our advanced development work demonstrates that our unique American asset, Rhyolite Ridge, should deliver the materials necessary for a sustainable planet at the bottom of the global cost curve. Our future revenue stream is diversified with approximately half of the revenue derived from our much needed new Boric Acid supply. This revenue stream from our Boric Acid business unit has the distinct advantage of being relatively stable and predictable, thus helping to reduce financing risk associated with single revenue source lithium projects.

So what is of first importance now is that we take the critical steps to insure we truly understand our asset and have a plan and an execution team capable of avoiding the construction and commissioning failures so many early stage lithium companies have faced. This is of great importance for ioneer, as we are determined to not just be a project developer, but also a great operating company with Rhyolite Ridge as a demonstration of that commitment. Playing a critical role in insuring our understanding, we have undertaken extensive pilot testing fully simulating our expected plant so that our team has as good as possible understanding of our flowsheet, including the practical operating issues that invariably appear. This pilot plant work over the past six months has taught us how to improve our engineering and operating plans. We are now confident in the insights learned to finalize the detailed engineering plans for the DFS due in Q1, 2020.

We are also pleased to report that the Boric Acid and Technical Grade Lithium Carbonate produced in our pilot plant has been very well received by potential off-take partners. I have just returned from a two-week trip with our able commercial team, led by Yoshio Nagai, across Korea, Japan, and China. The purpose of my being a part of the tour was to allow high level discussions with many interested customers, but also my own desire to directly receive prospective customers technical review of our samples provided to them a month earlier.

I must admit that when a team has worked so hard to produce excellent product, receiving this first feedback is nerve racking. And when those potential large customers make it clear that your material not only meets their needs but is truly excellent both in its high purity levels and the desirable grain size distribution, one's heart jumps for joy. With this broad-based feedback from end users received, ioneer is now confident that our unique mineralogy and robust processes deliver lithium and boric acid product that users are ready to buy.

As a result of the great progress we have made in completing our process development and the very encouraging feedback from the market concerning our materials, we anticipate signing several important off- take agreements in the coming months. These anticipated off- takes, coupled with the results of the DFS, form the core ingredients to facilitate the furthering of strategic partner discussions. The level of interest from strategic and financial parties to be a part of Rhyolite Ridge gives us confidence that, with a strong and well conceived DFS and initial off- take agreements, we will be successful in constructing a prudent and thoughtful capital structure that helps insure financial stability for the Company, but that also rewards our shareholders for the risk they have taken, and for their greatly appreciated steadfast support of our outstanding management team.

With a unique and long-life Resource, a process that reliably delivers high quality Lithium and Boric Acid, and with the likely prospect of being in the bottom of the cost curve, the key questions remaining are the cost of capital, and the ability of the team to scale to meet the growing demands of construction, commissioning and operations.

With our commitment to be a strong operating team, and not just a project development company, it is critical that we have a well developed human resource plan that effectively recruits the right talent at the right time, and integrates the team to strive for a safe, environmentally sustainable, and cost effective operation. Great effort is underway to plan for this growth over the next few years. So far, the team our able Managing Director has recruited, and the culture of accountability and environmental stewardship we have instilled, bodes well for the operations we plan to build over the next couple of years.

Let me now make a few observations about the overall Lithium and Boric Acid market and its impact on our share price. As you are all well aware, like weather, we are not able to control nor reliably predict market conditions. Since early 2018, conditions in the lithium market have, to say the least, been highly volatile, mainly to the downside. This downward pressure on prices for lithium of all stripes has rattled markets, caused all securities to take a major correction, and potentially upended the future of high cost producers. We have witnessed our first high cost casualties, and without relief, other high cost producers may fail, and other high cost projects are likely to be postponed or discarded.

As I have stated many times, it is very difficult at this time to have an accurate reading on what the future holds and the timing and magnitude of supply and demand in the lithium market. This lack of certainty is exacerbated by the fact that we are all dependent on a new and rapidly developing global electrification of transportation and intermittent storage revolution, where slight shifts in the supply or demand curves cause sharp movements in prices. We are even in a raging debate among major banks and important analyst teams as to whether lithium is a commodity, and thus subject to the cyclical rules of all commodities, while other sophisticated teams, look at the same information and argue that lithium will behave more like a specialties chemicals business, and require incentive pricing to stimulate high supply growth to meet the high CAGR demand forecasts.

I for one have no clear view that allows me to have confidence that anyone can accurately predict the magnitude or timing of supply or demand, and thus the price of lithium or whether Lithium will or will not become a commodity. I do believe that the pessimist case rests on a risky supposition that we are in a classic commodity market, that the Salar de Atacama and its operators are superior to all others, production can be expanded at will to meet demand, and it will be able to stay at the bottom of the cost curve. It is instructive to remember that this same case was made twelve years ago at the first lithium conference I

attended. At that time, the majors said that there was no need for any other producers to supply global demand, and with their low cost they could easily expand production to service demand, crushing all newcomers. Oddly, it is now objectively known that to this day this promise did not happen. So why do certain important analysts fail to recognize this objective historical fact, and assign greater risk to these producers' similar pronouncements today about the coming year's massive expansions?

Making matters worse, in Chile, rising environmental unrest and shifting governmental takes suggest continued underperformance. In the meantime, it will be more difficult to finance expansion of de-novo projects in Argentina due to macro uncertainty and country risk derived from the risk of default, and the re-emergence of a less business friendly administration. In a nutshell, to assume smooth sailing for massive increases in brine production should at least be heavily discounted based upon past performance and current macro risks.

As for the Australia-China axis of production, here too there are serious issues that were buried by high spodumene prices bolstered by sky high China converted material prices. To support this supply chain, most spodumene producers needed a healthy per ton concentrate price from less than reliable off-take partners, to not only pay their cash cost but also to deal with expensive capital structures with complex covenants and related party obligations. As this formula began to unravel with Spodumene prices falling, the high cost structure of the Australia-China axis revealed itself. All but the best integrated producers have overall cash costs that put them firmly in the top half of the cost curve where the punishment from low points in the supply/demand cycle invariably root out the weak. This has shown itself in deep cuts in stock prices, early bankruptcies, and massive cuts in the timing of spodumene expansion plans.

For both of these reasons, I believe we will see a sharp supply correction that has the real potential to create a supply shortage sooner than the pessimists believe. The supply side has not historically demonstrated the ability to respond to potential squeezes nimbly. We believeioneer's predictable and stable new supply has a good chance to be timely.

On the demand side it is also very difficult to predict with certainty, size and timing. We are in a revolutionary period that is upending massive industries associated with the hydrocarbon economy. This revolution is driven by a complex web of related matters. These matters include policy decisions around the world to account for the ever dire externality costs associated with the combustion of hydrocarbons, the pace of technology development to overcome range anxiety, charging timing and related infrastructure, dealer incentive structures, price parity with ICE, and the rising campaign of some hydrocarbon interests to mislead markets and buyers to perpetuate the status quo for as long as possible.

Demand is also driven by how the OEM's around the world respond to these complex matters, and the pace of their investment.

And finally, demand is determined to some extent by the actual capacity of a developing supply chain to efficiently deliver batteries that meet OEM ever larger and more stringent requirements, while at the same time playing a part in delivering price parity so important to unleashing market forces.

It is also important for me to discuss the less celebrated, but incredibly important opportunity we have in Boric Acid. As is well known, we anticipate producing about 10

tons of Boric Acid for each ton of Lithium. Boric Acid is no sideshow for our company, but rather a core business unit integral to our financial success. We have developed significant internal capabilities both in the technical and importantly sales and marketing front, staffing with very senior people from major market participants. For the past year we have been executing our sales and marketing plan, first introducing our company and project, then developing trusting relations, and now delivering test materials that prove we have the goods they need. Our team is now confident in our ability to place our large Boric Acid supply into the market at competitive rates that help insure that on a net basis, ioneer is in the bottom of the lithium cost curve. ioneer is greatly advantaged in having this unique opportunity.

Boric acid is different than lithium in that it has been heavily used in numerous applications for over 100 years and has had a consistent price range on a global basis between \$600-800 per ton. Most people do not know much about Boron, but there are currently over 300 known applications. Many applications are mundane, but others are quite exciting. Your i-phone glass has loads of it. Your LCD tv screens depend on it. Solar panels need it. Strong permanent magnets used in wind turbines and electric motors are material users. And the strongest alloys in the world are made from it. Oh, and agriculture uses it for vital micronutrients. It really is an amazing material that is vital to the future of the world. And commercial quantities are remarkably rare, with the second largest producer facing the inevitable very late stage issues at its US production facilities. This aging issue renders the world deeply dependent upon Turkey for Boron. Given the trajectory of Turkish domestic and foreign policy, this reliance for such a vital material is benefitting ioneer's entry to the market, as users seek diversification and security of supply. Our internal analysis suggest that the timing of our market entry should be fortuitous. Market receptivity certainly suggests this to be the case.

All things considered, I believe there is a growing consensus that the electrification of the world, critically enabled by lithium, is a transformation forthcoming. I also believe that our major position in the boron sector will greatly aid our efforts to be a solidly profitable producer of the materials critical to a sustainable planet. For those who share these perspectives, and have a middle term investment orientation, the future for bottom of the curve producers such as the potential at Rhyolite Ridge, is indeed bright. We must maintain our focus on building a durable, financially strong operation in a reliable geopolitical environment, that is operated efficiently and profitably, but with great care and stewardship for the environment that is truly core to our company's values and purpose. We believe that for shareholders, the future is indeed bright.

Before I close, I would be remiss if I did not profusely thank our very capable and very hard working board. Each one of these outstanding business leaders have gone well beyond what is required to be an effective board member. They of course come prepared for board meetings as expected, and they provide sage advice and consent. But this board goes well beyond the expected and leans-in where their expertise is needed. They take heavy assignments that bolster our management team. They utilize their important relations around the world to open doors for our Company. They never hold back their complete support. I have always been a big supporter of strong boards to guide policy and culture. But this board has set a new standard for me. I am indeed honored to be their chairman. Thank you Board!

And finally, thanks to all of you in attendance, and to all of our current and future shareholders for your interest and steadfast support as we navigate towards this promising future.

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Chairman

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