



## ASX ANNOUNCEMENT

6 November 2020

### CHAIRMAN'S ADDRESS - 2020 ANNUAL GENERAL MEETING

Ladies and gentlemen,

My name is James Calaway and, as ioneer Chairman, I'd like to welcome you to the 2020 ioneer Annual General Meeting. I wish we lived in normal times so that I could be with you in person to say hello and to discuss the progress of your company. Instead, I'm with you virtually from my home in Houston, Texas. With the team divided between Australia and the US, we are used to virtual meetings in some respects, but we certainly hope this is our last virtual AGM.

I am proud and enthusiastic about the year of progress ioneer has had. The extensive work delivered this past year has generated momentum to complete Project engineering, obtain environmental approvals, fund the Project, and commence construction of our flagship Rhyolite Ridge lithium-boron Project next year.

The completion of the Definitive Feasibility Study (DFS) in April was a critical milestone and delivered almost four years to the day that ioneer's CEO, Bernard Rowe first set foot on the Rhyolite Ridge deposit. Rhyolite Ridge is the most advanced lithium project in the US. Our extensive pilot plant and DFS results confirmed our belief that the Project is a world-class asset with a large Reserve and Resource base, long life, and an all-in sustaining cash cost at the very bottom of the global lithium cost curve.

The conclusion of the DFS was the culmination of four years of hard work by ioneer and its committed team of contractors. The achievement has given the Company high confidence in the robust economics of the Project and a discerning understanding of our flowsheets and construction plans. We have been able to confidently continue detailed engineering activities to be construction-ready in the second quarter of 2021. We still aim to achieve first production in mid-2023, where Rhyolite Ridge would quadruple the current US supply of lithium chemicals.

Our Project is also compelling from an environmental perspective. ioneer's core mission is to produce the materials necessary for a sustainable future. Our plans have been carefully designed to deliver an environmentally sensitive and economically feasible project that ensures the least possible impact to local flora and fauna. We have worked for more than two years to complete multiple environmental baseline studies, which comprise the basis of our Plan of Operation – a major undertaking this past year. We are pleased that this work has been extensively reviewed and accepted by the Bureau of Land Management (BLM) allowing the Environmental Impact Study (EIS) approval process to continue.

We are also able to share today that the US Federal Government agency responsible for endangered species has issued a formal letter rejecting the petition of the Center for Biological Diversity to emergency list Tiehm's buckwheat, which is found on our site. We are pleased by this decision, and look forward to continuing our ongoing work with the federal agencies to responsibly complete the permitting process that will allow the Project's environmental approval, while at the same time continuing ioneer's commitment to protect

and conserve this rare plant. The ruling is an important part of Rhyolite Ridge's path to 2021 development.

Our funding strategy is another central work stream, a key component of which is the identification of a strategic partner(s) whose interests and capabilities support and advance our business plans. We are continuing discussions with a range of strategic industrial and financial parties and are pleased to have a number of parties undertaking due diligence in our DFS data-room. We remain optimistic that a prudent capital structure on fair terms for shareholders can be obtained with a methodical approach and recognition that market sentiment is rapidly improving for an important American asset like Rhyolite Ridge.

Once the strategic partnering process is completed, Ioneer will work to secure the remaining capital requirements to support a 'Final Investment Decision' (FID) with the support of Goldman Sachs, which is assisting and advising the Company in completing the funding solution.

We were pleased to appoint experienced finance and investment manager, Julian Babarczy, to the Ioneer Board in June. He is a great asset to the Board of directors and adds experience to the Board's oversight of the financing process.

Our achievements this year have been delivered despite a challenging overall macro environment, which had a notable impact on the lithium sector. Lithium prices materially deteriorated, putting several projects under significant pressure, especially those on the higher end of the cost curve.

This situation has been exasperated and prolonged by the COVID-19 pandemic. The complete shutdown of the global auto sector in the first half of 2020 slashed demand, exposed growing lithium stockpiles, and greatly impacted the pre-pandemic mismatch between supply and demand. As a result, the anticipated 2020 work down of lithium inventories has been delayed into late 2020 or early 2021.

Despite these challenges, our sales and marketing team have done an outstanding job completing the construction of a global boric acid distribution system, including a five year binding off-take agreement for 105,000 tonnes per year in December 2019 with Dalian Jinma Boron Technology Group Co, a leading user of this vital material. This was followed by the securing of three separate boric acid Distribution and Sales Agreements with respected and seasoned participants in the Asian boron business. This success was only possible due to our highly experienced internal sales and marketing team.

These concrete accomplishments have bolstered the all-important co-product revenue stream at Rhyolite Ridge. Our Boric Acid revenue carries significant weight in the Company's strategic funding discussions by confirming boric acid as a reliable and real co-product. Boric acid's low price volatility also builds remarkable financial resilience in the Project against cyclical stress in the lithium sector, and will allow Ioneer, to deliver substantial lithium battery chemicals at the very bottom of the global lithium cost curve.

It is worth noting, Ioneer has been intentionally slower to complete lithium off-takes for three key reasons:

1. Firstly, in order to structure fair commercial terms, it is important that users have reason to believe that at the time of our production start-up in 2023, market conditions will be materially tighter. This realisation is beginning to set in.

2. Secondly, in order to demonstrate the commercial viability of our Project and thus confidence in our ability to deliver on our agreements, serious binding off-take partners want to be confident that our all-important boron credit will enable ioneer to become a producer at the bottom of the cost curve. This concern has been addressed by our boric acid market success; and,
3. Finally, our ability to support qualification of our lithium material. We are pleased by the response to our material from the extensive full cycle pilot plant and user testing. Over the coming two quarters we are optimistic that the time is right to selectively enter into binding lithium off-take agreements that have volume commitments and fair rules-based price determinations as deliveries are fulfilled.

We anticipate that the industry will continue to face headwinds in the short-term and are therefore controlling what we can during this time. We remain laser-focused on securing funding and permitting, while preparing for the mid-term to ensure that we are ideally placed to capitalise on demand recovery and likely supply shortages, as governments across the globe increasingly promulgate incentive schemes to rapidly reduce reliance on fossil fuels and lower greenhouse gas emissions. We believe the plethora of new and exciting electric vehicle offerings across a wider price point in the mid-term, coupled with expanding governmental policies that encourage consumer adoption and pressure OEMs that fail to adjust, will drive the surge in electric vehicle uptake globally. ioneer believes these likely developments will shift the industry, and usher in a strong tailwind for lithium producers, particularly those independent from conversion in China, and that are durable and environmentally sound, low cost suppliers.

To this end, as I previously stated, Rhyolite Ridge is extremely well-positioned as the only DFS level project in the US and the most advanced lithium project in the US. Even more, Rhyolite Ridge's unique minerology enables us to generate two important revenue streams, with the co-production of boron solidifying the Project's position at the very bottom of the global lithium cost curve, while benefitting ioneer with critically important revenue stability.

This offers our Company significant opportunity. While America has been considered an also-ran market over the past two years, as was Europe before it, its strategic market opportunity is now becoming evident and noted by the market. We are confident of the flow-on benefits to your Company and we anticipate the coming two quarters to be significant in this value creating effort.

Finally, we are pleased with the bipartisan support for the development of critical minerals in the US. We are confident that regardless of the final outcome of the US Presidential election that there is momentum towards electrification. The Trump Administration has been vocal about supporting development of US-based critical mineral supply, including the issuance of an Executive Order on September 30 on the matter. On the other side of the aisle, the Biden campaign is centred around rapidly electrifying the transportation and power sectors to confront climate change. Regardless of individual leaning, from a US demand perspective, it is evident either a Trump or Biden Administration would usher in more rapid growth in demand for US-made materials. Our Project is the real opportunity to deliver materials for that demand surge.

Let me take a moment to thank our remarkable team, led by our able and dedicated CEO, Bernard Rowe. The growing Reno-based team, along with our terrific engineering, procurement and construction partner, Fluor Corporation, and related support contractors, have continued to meet the challenge of demonstrating excellence in execution and driving our Project to conclusion despite the difficulties of COVID-19. Spirits are high, and the team

remains fully committed to our core mission to make ioneer a leading, environmentally sensitive producer of the materials critical to a sustainable future. We are also pleased to see that our partners and contractors recognise the importance of Rhyolite Ridge, as they take concrete steps to support Project development.

Our EPCM-contractor, Fluor Corporation, has been instrumental in our efforts. We are also delighted Caterpillar Inc. has agreed to support our heavy mining equipment financing, and to potentially introduce autonomous systems on site to improve safety, productivity and reduce the physical and environmental footprint of the mine. We anticipate a growing list of strategic contracting partners in the coming months as we finalise and bid key equipment and service packages at Rhyolite Ridge.

I also want to thank our Board of Directors, who are as dedicated as our management team. For the past year their good nature and commitment to good governance, and wise counsel has been invaluable.

And finally, I want to thank you, our shareholders, for your patience, understanding and support in a year of challenging macro conditions. We are optimistic about what lies ahead for our Company and look forward to delivering on our objectives and driving value for our shareholders.

I would now like to turn the meeting over to my friend and our leader, Bernard Rowe. Following his presentation, we will both take your questions.

James D. Calaway  
**Executive Chairman**

This announcement was authorised for release by the the Chairman of ioneer Ltd.

-- ENDS --

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