



## ASX ANNOUNCEMENT

5 November 2021

### CHAIRMAN'S ADDRESS - 2021 ANNUAL GENERAL MEETING

Ladies and gentlemen,

My name is James Calaway and, as Ioneer Chairman, I'd like to welcome you to the 2021 Ioneer Annual General Meeting.

It is hard to believe that while another year has passed, I'm speaking to you over Zoom again this year from my home in Houston. I sincerely hope to be able to speak with you in person by the time the next shareholder meeting comes around!

Despite the disruption in the world, 2021 has been quite a year for Ioneer, and I am confident the year ahead will be as successful.

Over the last 12 months, we have delivered on our promises by:

- Securing our initial, binding lithium offtake agreement,
- Securing the equity to build the Project,
- Driving engineering to ensure we are ready for construction concurrent with receiving the final federal permit,
- Working with the State of Nevada, US Fish and Wildlife and Bureau of Land Management to secure necessary permits, and
- Building our operating team and systems in Reno, Nevada to support the upcoming construction and commissioning of operations at Rhyolite Ridge.

As I noted in last year's address to you, we were confident that being patient with offtakes for our lithium material would pay off for our shareholders. We were confident that market conditions would materially improve, and the buyers' market would become a sellers' market. I must say that while we were confident that patience would be beneficial to our efforts, we are delighted with the strength of the lithium market, and the pronounced shift to a firm sellers' market.

I have been asked by many people what I think about the lithium markets. In general, I believe we have a much more robust market than in prior cycles that is well positioned for an extended period of opportunity for suppliers. This is driven by two factors.

- Firstly, I believe a great deal of the best projects are already in the current supply mix, and,
- secondly, many of the projects that are being included as future supply are less than certain, and, in many instances dependent on unproven technology or untested flowsheets.

This is my third lithium boom, and I see a tendency for capital markets to fund and reward projects that are not rigorously understood. There are so few quality projects at DFS level, or beyond. High boom time capitalization has not historically meant that high quality projects have been funded. So, I think this time the supply response will be disappointing. I also think

there is a growing risk that, without rapid acceleration of good new projects and the expansion of existing projects, we are heading for a serious supply shortage.

This supply challenge is happening at the very time demand is exploding. And this boom is backstopped by massive global investments in battery production, not just aspirational promises. A supply demand mismatch could not only increase pricing, but could, if not addressed now, impede the ability of OEM's to deliver enough volumes to meet burgeoning demand across the globe. And let us not forget that in the next year the mix of offerings of electric and hybrid cars will greatly expand. We will see excellent offerings across price points and style of cars and yes, even pick-up trucks.

After completing our initial lithium off-take with EcoPro, one of the top cathode makers in the world, for 7,000 tonnes per year, our sales team has been overloaded with requests to discuss off-take arrangements for our remaining capacity. This interest is global, and our primary questions for any potential off-take partner are:

- Who do we most wish to work with that are aligned with our strategy?
- Who offers terms that optimize economics for ioneer stakeholders?

For ioneer, our highest priority is that our material be a part of the North American supply chain. Fortunately, most of the large OEMs across the world have decided to build US based integrated capacity from materials to cathodes, to cells, to battery packs for car supply chains. These off-take partners will not necessarily be American companies, but they will have clear plans to build plants in the United States dedicated to US electric car production.

With our Project being the most advanced of all US lithium projects and given the quality and quantity of our future production, we are in the enviable position to be an important part of an alliance that both serves our shareholders interest and supports the electrification of the US transportation fleet through domestic production. We anticipate finalizing our final lithium off-take contracts by the end of Q1, calendar year 2022.

On the project financing front, our focus was to obtain committed project equity via a simple structure, with a strategic partner that shares our passion for doing things right and a devotion to helping us save the planet. This process took time. We worked with Goldman Sachs to evaluate the alternatives and the terms involved. And while our work to secure a partner, by its nature will remain confidential, we can categorically state that the outcome met our goals. Sibanye Stillwater is an ideal partner for us, and the structure of the agreement provides ample equity capital to build our Project. They have a clearly articulated long-term battery materials strategy and have considerable expertise that truly adds to our management team and increases the likelihood of positive outcomes for all ioneer stakeholders. We are already working together to bring their skills to the Project to maximize the quality of our construction, commissioning and operational planning.

And while the debt component of our work has received less public attention, we are well advanced on this work stream. Our approach has been to evaluate the range of alternatives to determine the outcome that is lowest cost with sufficient tenure and acceptable terms and conditions. Once again, we are looking to keep the capital structure as simple as possible. With the equity in place, we are now confident that prior to FID we will be able to secure favourable project debt.

We have often noted that Rhyolite Ridge is the only US lithium project that has delivered a DFS. We also note that we reached DFS level engineering over one and a half years ago. Since then, we have moved from the 30% engineering complete at the DFS to over 60%

complete today. We now have the engineering needed to commence construction essentially in hand. I am very proud of our internal technical team and the array of excellent partners like Fluor Corporation that have been fully engaged with us to make our Project a model initiative for how to develop a large de-novo lithium project.

Lithium development requires rigorous science, from robust pilot development and research to very detailed design and engineering, and of course plans for construction, commissioning and operational readiness. Guiding all of this work is the need to internalize and build a culture that is committed to best ESG practices. Our Project has been developed with the support of the leading US and European technology providers to demonstrate this commitment. Our Project is highly efficient, closed loop where possible, and with minimum discharge. We recycle significant water in our processes (over 50%), with minimum risk to water contamination. Our emissions meet rigorous US air standards with low CO2 emissions per tonne of lithium produced, and we will have labour standards that ensure competitive wages and benefits that offer high-quality opportunities for our people. And most importantly, at the core, our purpose is to produce the materials necessary to ensure a sustainable world. This means we must take all steps to minimize our impact on the environment while producing these critical materials. I can say with confidence that we will be fully ready to build our Project as soon as we receive the federal permit to proceed.

I will let our Managing Director, Bernard Rowe, discuss the permitting in his presentation, but I can say that we have been working hard to collaborate with the US Fish and Wildlife service, and the BLM, to study Tiehm's buckwheat and to determine the best path forward. Tiehm's buckwheat exists on only 10 acres of the western edge of our deposit. Its rarity and vulnerability to climate change puts it at extreme risk. We have assumed and support the listing of the plant. We are highly confident, that with avoidance, and science-based conservation, we can build our Project, and at the same time provide the constant support needed to maximize the survival and uplift of Tiehm's buckwheat. This co-existence has always been at the heart of our plan. We currently anticipate the Notice of Intent will be published in the near term to initiate public scoping and have the expectation that the final Record of Decision will be issued in the second half of 2022 to allow for construction to commence immediately.

Let me now make a few comments on the development climate in the United States. First, America is a challenging place to build new mines. The regulatory environment is rigorous and lengthy, the NGO community is large and well-funded and populated by certain extremist groups opposed to development in general. The legal process requires diligence and patience. All lithium projects in the United States have, and should assume strong resistance, from those opposed to development. At Ioneer we have taken a methodical approach. We are leading with strong science and well considered plans. It has taken longer than we hoped, but we believe that the Tiehm's buckwheat matter is now well understood and that a solution is at hand.

Second, while the US has a fast growing demand for electric cars and now trucks, it also has a very underdeveloped battery supply chain. Cathode factories and cell factories must be built soon to provide the capacity and security of supply consistent with the Biden administrations plans. It is clear to all that a supply of lithium chemicals cannot be exclusively outsourced to other nations, particularly to China. Finally, most global car makers, both domestic and foreign are making concrete commitments to build integrated domestic supply chains.

We anticipate, the “Built Back Better” bill will soon pass Congress and be enacted into law. This proposed bill has over 500 billion in federal investment in the clean energy economy with massive commitments to charging infrastructure and increasing subsidies for electric car purchases. This commitment is further accelerating lithium demand and helping underpin the construction of a US integrated supply chain. Ioneer production is critical, and our timing to commence domestic delivery to these integrated supply chains is ideal.

Looking ahead, our focus is on completing the federal permitting process. We will also shift considerable attention to building out our team and systems at our operational centre in Reno, Nevada, to ensure smooth project execution. We also continue to advance towards a US listing which we anticipate completing early next Calendar year. As the US capital markets increasingly support electrification of the transportation sector, this step will allow North American investors a more efficient way to invest in our Company.

As we make the final turn to delivering the most important American lithium project at the bottom of the global cost curve, I would be remiss to not thank our fearless leader, Bernard Rowe, who has weathered almost two years sequestered on the other side of the earth running a growing business located in US. He and our CFO, Ian Bucknell, have made sacrifices to work all hours and all days to make this happen. On the US front, our engineering and operation chief, Matt Weaver, has maintained strong momentum despite Covid, and has taken on more than one could ask. Chad Yeftich, our head of business development has also taken the lead on numerous challenging projects, all done with aplomb. And the team as a whole has delivered for shareholders and maintains a laser focus on continuing to do so. I am honoured to work with such humble but determined leaders.

And finally, our Board of Directors continues to shine. We have made several changes, sadly as a result of health issues and the passing of the much missed John Hofmeister. But against this loss we have also secured new members that strengthen our commitment to diversity and who bring much needed expertise in ESG, and engineering and construction risk management. I know I speak on their behalf in thanking you for your patience as we take the big steps to allow our company to truly deliver enduring value to 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**

## Contacts

**Bernard Rowe**  
**ioneer Ltd**

Managing Director

T: +61 419 447 280

E: [browe@ioneer.com](mailto:browe@ioneer.com)

**Alex Cowie**  
**NWR Communications**

Investor & Media Relations  
(Australia)

T: +61 412 952 610

[alexc@nwrcommunications.com.au](mailto:alexc@nwrcommunications.com.au)

**Matt Dempsey**  
**FTI Consulting**

Investor & Media Relations  
(USA)

T: +1 202 316 9609

[matt.dempsey@fticonsulting.com](mailto:matt.dempsey@fticonsulting.com)

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