

Proactive Investors

ioneer eyes various sources of funding after DFS places Rhyolite Ridge as an attractive project

Tharun George

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Ioneer and its advisors are continuing to engage with various interested parties as they move closer to securing the project's funding solution.

Ioneer Ltd (ASX:INR) is aiming to fund its Rhyolite Ridge Lithium-Boron Project in Nevada, US with various sources of capital including strategic partnering, debt and equity.

The company is currently in advanced discussions with a wide range of strategic players who could become part of its funding solution.

These discussions are progressing well, despite the current conditions, which is a strong reflection of the significant value that Ioneer is positioned to deliver over the life of the project.

DFS results

In April, Ioneer delivered a positive definitive feasibility study (DFS) with a 280% increase in the ore reserve estimate for the Rhyolite Ridge Lithium-Boron Project.

The ore reserve has increased by 44.2 million tonnes and is now estimated to contain 60 million tonnes at 1,800 ppm lithium and 15,400 ppm boron.

The DFS delivered compelling economics with a net present value (NPV) of US\$1.265 billion and unlevered after-tax internal rate of return (IRR) of 20.8%.

It also included an average annual life-of-mine (LOM) EBITDA of US\$288 million, an annual after-tax LOM free cash flow of US\$193 million and average annual LOM revenue of US\$422 million.

Formal strategic partnering process

Ioneer has confirmed that the funding process is ongoing, and while discussions are advanced, a formal strategic partnering process has not commenced as reported in today's Australian Financial Review Street Talk column.

Ioneer, along with its advisors, will seek to continue engaging with various interested parties as it moves closer to securing the project's funding solution.