

Proactive Investors

ioneer's Rhyolite Ridge lithium-boron project in US poised to take advantage of global shift toward sustainable energy solutions

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27 November 2020

Snapshot

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ioneer Ltd - Ioneer's Rhyolite Ridge lithium-boron project poised to take advantage of global shift toward sustainable energy solutions

ioneer Ltd (ASX:INR) (OTCMKTS:GSCCF) (FRA:4G1) is focused on securing funding and permitting for its Rhyolite Ridge Lithium-Boron Project in Nevada - the only definitive feasibility study (DFS) level project and the most advanced lithium project in the US.

A DFS completed in April 2020 confirmed Rhyolite Ridge as a world-class lithium and boron project that is expected to become a globally significant, long-life, low-cost source of lithium and boron vital to a sustainable future.

The project is expected to come on stream in 2023 and annually produce over 22,000 tonnes of lithium chemicals - more than four times current US production.

ioneer is expected to be the first new lithium chemicals producer in the US in over 60 years and become a major supplier of lithium and boron products to the US and global markets for many decades.

Zero Emission Transportation Association

ioneer recently joined a group of 25 companies to launch the Zero Emission Transportation Association (ZETA), an organization dedicated to achieving 100% electric vehicle (EV) sales in the United States by 2030.

ZETA brings together industry leaders, advocates and non-governmental organizations across the transportation, clean energy and technology sectors to drive policy changes that accelerate electric vehicle adoption.

ioneer joins ZETA alongside 25 American companies and pioneers such as Tesla Inc (NASDAQ:TSLA), ChargePoint, Uber Technologies Inc (NYSE:UBER) and Duke Energy Corp (NYSE:DUK).

The company is poised to take advantage of the global shift to electric vehicles, as lithium is an irreplaceable component in lithium-ion batteries and has been listed as a 'critical mineral' by the US Federal Government.

Strong tailwind for lithium

ioneer is focused on ensuring it is ideally placed to capitalize on demand recovery and likely supply shortages, as governments across the globe increasingly look to incentive schemes to rapidly reduce reliance on fossil fuels and lower greenhouse gas emissions

The company believes there will be a surge in electric vehicle uptake globally, as new EVs come on stream with a wider price point in the mid-term, coupled with expanding governmental policies encouraging consumers and pressuring OEMs that fail to adjust.

These likely developments could 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.

Construction ready in H2 2021

The company is confident the project will be construction-ready in the second half of 2021 and that it is on course for first Rhyolite Ridge production in mid-2023.

On August 31, 2020, Ioneer announced that the Bureau of Land Management (BLM) had deemed its plan of operations acceptable and complete - marking a major milestone toward the completion of the National Environmental Policy Act (NEPA) process.

Ioneer is also moving closer to gaining environmental approval, with the US Federal Government agency responsible for endangered species issuing a formal letter rejecting the petition of the Center for Biological Diversity to emergency-list Tiehm's buckwheat, which is found on the project site.

The company maintains its ongoing commitment to protect and conserve the rare plant and looks forward to finalising the project's environmental approval and moving forward with development.

Funding strategy

Rhyolite Ridge's unique mineralogy enables the company 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.

The company is continuing discussions with a range of strategic industrial and financial parties and several parties are undertaking due diligence in its DFS data-room.

Once the strategic partnering process is completed, Ioneer will work to secure the remaining capital requirements to support a final investment decision with the support of Goldman Sachs, which is assisting and advising the company in completing the funding solution.