

Mining Journal

## **Caterpillar signed up for Ioneer's Rhyolite Ridge**

28 October 2020

US lithium developer Ioneer has signed on equipment giant Caterpillar for its Rhyolite Ridge project in Nevada.

Caterpillar will be the exclusive heavy equipment partner for the proposed lithium-boron mine, supplying haul trucks, hydraulic shovels, wheel loaders, and other mine site support machinery like track-type tractors (dozers), excavators, and motor graders.

The equipment and services to be supplied by Caterpillar during the first five years of operation are valued at roughly US\$100 million.

As part of the partnership, Caterpillar will offer finance solutions for the equipment, subject to documentation and a final investment decision for the project.

The two companies will also work on a joint automation study that aims for the early introduction of autonomous haul trucks at Rhyolite Ridge for improved safety, productivity, and a reduction in the physical and environmental footprint of the mine.

The partnership will operate through Cashman Equipment, a major Caterpillar equipment dealer, which has been based in Nevada since 1931.

"The Cashman Equipment Cat dealership has serviced the Nevada mining industry for close to 90 years, and we are delighted it is joining us in a new era of mining within Nevada and the United States - producing the materials that are critical for electric vehicles and renewable energy," Ioneer managing director Bernard Rowe said.

"Ioneer is at the forefront of the US strategic imperative to develop a domestic lithium battery supply chain."

The April definitive feasibility study for Rhyolite Ridge estimated a post-tax net present value of US\$1.26 billion, with an unlevered internal rate of return of 20.8%.

Capital costs are expected to be \$785 million.

Rhyolite Ridge is expected to come on stream in 2023 and produce over 22,000 tonnes per annum of lithium chemicals - more than four times current US production.

Shares in Ioneer jumped 17.6% to A20c, valuing the company at about \$336 million.