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## **Emerging lithium-boron giant expands plant species research in 'unique' ESG move**

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Emerging lithium-boron supplier Ioneer Ltd. has reported better-than-expected results from a "unique" environmental approach to the US\$600 million Rhyolite Ridge project it is looking to build in Nevada, in an early-mover environmental strategy that could help the junior overcome its capital expenditure challenge.

Ioneer announced April 9 that it expanded its research agreement with the University of Nevada by funding a five-year study to propagate and grow Tiehm's buckwheat at Rhyolite Ridge after over 1,000 seedlings were grown in the university's greenhouse from seeds collected on the project's acreage in 2019.

The germination rate of 32% far exceeded the anticipated rate of 16%, and the seedlings will be planted at Rhyolite Ridge once they are ready.

There are estimated to be just under 44,000 Tiehm's buckwheat plants occurring in nine discrete subpopulations, all of which are within a 4-hectare area in Nevada's remote Silver Peak Range. However, five subpopulations have been disturbed during past mineral exploration prior to Ioneer's.

The company has had protection measures in place focused on avoidance since 2016 as Tiehm's buckwheat is classified as requiring special management to ensure its protection and preservation.

Environmental group Center for Biological Diversity petitioned for state and federal endangered species listing for the wildflower, and filed a lawsuit against the Trump administration to cease exploration work at Rhyolite Ridge. The group dropped the lawsuit in January when Ioneer agreed to stop new activities at Rhyolite Ridge, but the company is continuing work on its definitive feasibility study due at the end of this month.

Ioneer Managing Director Bernard Rowe, who founded the explorer as Global Geoscience Ltd. in 2007, said in an interview that while the work with the university had nothing to do with the lawsuit, the research would play an important role in his company's environmental management plan that facilitates the mining permit.

It would also help Ioneer appeal to funds focused on environmental, social and governance issues that it will look to tap to help fund the project's US\$600 million capex, along with a strategic partner for lithium and possibly additional equity.

Value-creating move

Matt Fifield, managing partner at Australian private equity firm Pacific Road Capital Management Pty. Ltd., said in an interview that while US\$600 million is not a "scary" amount for a company with a quality project to raise, it is critical to focus upfront on the "value-creating" activity of ensuring that any key ESG issues or potential stumbling blocks are identified and managed before even pursuing funding.

Fifield, whose firm works within the boardrooms of the miners in which it has invested — mainly operators and those with late-stage mining projects — to drive more resilient businesses within key ESG areas, said that while it takes time and money to address and manage these issues, "You ultimately end up with a more resilient project and operating company."

Rhyolite Ridge will produce 20,200 tonnes per annum of lithium carbonate and 173,000 tonnes per annum of boric acid, making it a globally significant producer of both.

"The same critical factors and constraints that are revealed in a permitting process are the ones that matter to financiers and customers that ultimately bring a project from the drawing board into operation," Fifield said.

He said increasing resiliency of global supply chains and continued emphasis on ESG factor integration would be of greater importance for producers and investors over the next five years. "The fragility of supply chains is being laid bare by work stoppages across the industry, particularly in critical and strategic minerals," Fifield said. "Look for continued support from the West for a more robust, multi-sourced supply chain, and actionable incentives for increased domestic production of certain materials."

Rowe said that, to Ioneer's knowledge, there is no other mining project in Nevada that has developed a protection plan for a sensitive species in the initial stages of the permitting process, though there are several in Nevada where companies have been developing mitigation measures during the environmental analysis period.

These include General Moly Inc.'s Mount Hope molybdenum mine for the Monte Neva paintbrush plant, Nevada Gold Mines LLC's Long Canyon gold mine for an endangered fish, along with mining exploration projects in southern Nevada that are required to have monitors on site for desert tortoises.

However, Rowe said that to his knowledge, none of these projects developed protection measures prior to starting the National Environmental Policy Act approvals process, instead typically incorporating monitoring for potential impacts with any associated mitigation.

"Ioneer is not waiting for the problem, but doing everything it can to ensure the species' protection before the project begins," Rowe said.

"It is accomplishing that by funding important research on the plant conducted by a local university that goes beyond avoidance and seed banking and looks at being able to develop new populations of the plant in its natural habitat."

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