

# ioneer Ltd

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## ioneer has a rare, large-scale asset in lowest quartile of the cost curve: Kerr Allan Financial

ioneer Ltd's (ASX:INR) Rhyolite Ridge project is one of two known large-scale, hard-rock lithium-boron deposits globally, and its location in Nevada makes it uniquely placed to meet future US demand for these strategic commodities.

Following is an extract from Kerr Allan Financial's research report on iioneer:

Rare, large scale asset in the lowest quartile of the cost curve

Rhyolite Ridge is a large, shallow, open-pittable, long life project which is amenable to acid leaching, and will be in the lowest quartile for lithium carbonate producers due to its significant boric acid by-product credit, which underwrites 75% of operating costs at the current Reserve grade.

Boron market disruptor

Rhyolite Ridge has an opportunity to disrupt the boron market dominated by Etimine and Rio Tinto, which will be driven by ex-Rio Tinto / US Borax sales and marketing executives now part of the INR management team.

Low ESG footprint

The operation will not require a tailings dam or evaporation ponds, has low water consumption compared to brine operations, can generate surplus 'green' electricity, and its outputs are linked to energy efficiency, reduced emissions, and lifting agricultural yields.

Economics likely to improve on drilling, acid plant savings

INR has flagged that recent assays from infill and extensional drilling have returned grades 15-20% above the Resource grade, which we interpret may lift production during the initial years of operations. Capex has also fallen 10% with the award of the acid plant contract to SNC Lavalin.

Quality management with the credentials to deliver

INR's board has experience in developing and financing lithium projects and running boron operations.

Its US based members are also well-placed to work with US investors, corporates, and the US Government, which has bipartisan support for new legislation to secure supply chain for lithium and other minerals critical to its automotive and energy sectors.

Our valuation of A\$0.54/sh is underpinned by Rhyolite Ridge modelled on a long term US\$12,647/t lithium carbonate price, and INR securing project finance accompanied by a 25% sell-down of the project for US\$126m.

**Price:** A\$0.145

**Market Cap:** A\$213.87M

### 1 Year Share Price Graph



### Share Information

**Code:** INR

**Listing:** ASX

**52 week High Low**  
A\$0.46 A\$0.14

**Sector:** Mining

**Website:** [www.iioneer.com](http://www.iioneer.com)

### Company Synopsis:

*iioneer Ltd (ASX:INR) is an emerging lithium-boron supplier from its Rhyolite Ridge project in Nevada.*

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Our A\$0.40/sh price target reflects uncertainty on our assumed financing scenario.

Given the deposit's potential to be the next US lithium producer, and the opportunity to disrupt the borate market, we anticipate INR will have financing optionality to reduce the construction equity requirement, and in our view the stock will start to re-rate as a funding strategy begins to emerge, and as the project progresses through DFS and FID later this year.

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