ioneer

Financial Report

For the Half Year Ended 31 December 2018

ioneer Ltd

ABN 76 098 564 606

CORPORATE DIRECTORY

IONEER LTD

ABN 76 098 564 606

DIRECTORS

James D Calaway - *Chairman*
Bernard Rowe – *Managing Director*
Alan Davies– *Non-Executive Director*
Patrick JD Elliott – *Non-Executive Director*
John Hofmeister – *Non-Executive Director*

SENIOR MANAGEMENT

Matt Weaver – *Senior VP – Engineering and Operations*
Ian Bucknell – *Chief Financial Officer*

COMPANY SECRETARY

Joanna Morbey

REGISTERED AND PRINCIPAL OFFICE

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SHARE REGISTRY

Boardroom Pty Ltd
Level 12, 225 George Street
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Telephone: +61 2 9290 9600

AUDITORS

Ernst & Young
200 George Street
Sydney NSW 2000

STOCK EXCHANGE LISTING

Listed on Australian Securities Exchange Ltd
19th December 2007
ASX Code: INR

CONTENTS

DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2018.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

James D Calaway - Chairman
Bernard Rowe – Managing Director
Alan Davies – Non-Executive Director
Patrick JD Elliott – Non-Executive Director
John Hofmeister – Non-Executive Director

REVIEW AND RESULTS OF OPERATIONS

The net result of operations after applicable income tax expense for the half-year was a profit of $1,106,307, as a result of a foreign exchange gain of $2,768,538 (6 months to 31 December 2017 – loss $1,822,154).

OPERATIONAL REVIEW

ioneer Ltd (**ioneer** or the **Company**) is an Australian-based lithium-boron mine developer focussed on developing its 100%-owned Rhyolite Ridge Lithium-Boron Project (**Project**) located in southern Nevada, USA.

Rhyolite Ridge is one of the largest lithium and boron deposits in the world and has the potential to become a strategic, long-life and low-cost source of lithium and boron.

The Project is located close to existing infrastructure and is very well positioned to become a major US domestic producer capable of supplying a significant portion of future American lithium and boron demand.

Work during the half-year focused on:

- Delivering of the Pre-Feasibility Study (**PFS**) for the Project. The PFS demonstrated that Rhyolite Ridge will be a long-life project at the bottom of the cost curve:
  - Low-cost lithium producer at US$1,796/tonne of lithium carbonate (with boric acid credit)
  - Production from 2021 with >30-year mine life with opportunity to extend and expand
  - Producing 20,200 tonnes lithium carbonate and 173,000 tonnes boric acid per year
  - After-tax NPV of US$1.8 billion with IRR of 27.7%
- Appointing Fluor Corporation (**Fluor**) as the engineering and design firm to complete the Definitive Feasibility Study (**DFS**) for the Project
- Producing lithium carbonate and boric acid using the conventional process flowsheet developed for the PFS
- Completing a maiden Ore Reserve estimate and updated Mineral Resource estimate for Rhyolite Ridge
- Drilling at Rhyolite Ridge that intercepted shallow, high-grade lithium and boron which is expected to improve cash flow in the first few years of mining by increasing lithium and boron grades mined and lowering the strip ratio
- Changing the Company's name to reflect its transition and growth into an emerging lithium-boron supplier.

Company announcements listed below provide further information on work undertaken during the half year.

Date Released	Title
3 August 2018	Start-up Phase of Mining to Target Higher Lithium Grades to Increase Cashflow in Early Years
28 August 2018	Successful Production of Premium Quality Boric Acid
27 September 2018	Release Date for PFS Set for 23 October 2018
28 September 2018	Global Geoscience Ltd to become ioneer Ltd

23 October 2018	Updated Rhyolite Ridge Mineral Resource Statement
23 October 2018	Outstanding Results from Rhyolite Ridge Pre-Feasibility
6 November 2018	Change of Company Name to ioneer Ltd
21 November 2018	Fluor appointed to deliver ioneer’s Rhyolite Ridge Lithium-Boron Project
21 December 2018	Rhyolite Ridge Drilling Update and Maiden Ore Reserve

The PFS was based on an open pit mining operation with the ore being processed by vat acid leaching, evaporation and crystallisation to produce boric acid and lithium carbonate. The overall operation is enabled by an on-site sulfuric acid plant that will produce acid for leaching, steam for the evaporation and crystallisation circuit, and will generate approximately 47 megawatts of power.

The PFS envisages processing lithium-boron mineralisation with 79 million tonnes of ore processed over the life of mine being entirely sourced from the current Indicated Mineral Resource.

The Project’s forecast operating costs (net of boric acid credit) are expected to average US$1,796/tonne of lithium carbonate, which would make Rhyolite Ridge one of the world’s lowest cost producers of lithium.

The PFS involved a high-level assessment for throughput options ranging from 1.5 to 3.6 Mtpa and initial capital expenditure of US$421 to US$674 million. Processing throughput is effectively determined by the capacity of the sulphuric acid plant. Two cases were selected for detailed assessment and costing as part of the PFS:

1) 3,500 tonne per day (“**tpd**”) sulfuric acid plant with a nominal processing throughput of 2.7 Mtpa; and
2) 4,500tpd sulphuric acid plant with a nominal processing throughput of 3.6 Mtpa.

The 3,500 tpd sulphuric acid plant case was selected as the base case scenario for the PFS.

The PFS base-case initial capital expenditure was US$426 million including indirect costs and contingency plus $173 million for a lump sum turnkey sulphuric acid plant. This equates to a very competitive capital intensity of US$18,600/tpa lithium carbonate equivalent.

The Rhyolite Ridge DFS is planned to be completed by Fluor in Q3 2019.

FINANCIAL

The company recorded a net profit for the period of $1.1 million.

The net assets of ioneer increased to $96.3 million as at 31 December 2018, from $94.1 million at 30 June 2018, primarily due to the revaluing of the US Dollar denominated cash assets of the company.

Exploration and evaluation expenditure for the first half of FY2019 was $14.9 million (first half FY2018 $4.4 million) which reflects the increased work program for the period with a particular focus on the PFS for Rhyolite Ridge.

The Company continues to be funded to progress Rhyolite Ridge through the next stage of activity including building a pilot plant and completing the DFS.

Cash on hand at 31 December 2018 was $69.7 million.

AUDITOR’S INDEPENDENCE DECLARATION

The auditor’s independence declaration as required under Section 307C of the Corporations Act 2001 is attached to this report.

Signed at Sydney, 1st March 2019 in accordance with a resolution of the directors.

Bernard Rowe

Managing Director

COMPETENT PERSONS STATEMENT

In respect of production targets referred to in this report and previously disclosed, the Company confirms that it is not aware of any new information or data that materially affects the information included in the public report titled "Outstanding Results from Rhyolite Ridge Pre-Feasibility" dated 23 October 2018. Further information regarding the production estimates can be found in that report. All material assumptions and technical parameters underpinning the estimates in the report continue to apply and have not materially changed.

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Auditor's Independence Declaration to the Directors of ioneer Limited

As lead auditor for the review of the half-year financial report of ioneer Limited for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ioneer Limited and the entities it controlled during the financial period.

Ernst & Young

Ryan Fisk
Partner
1 March 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Half-year ended 31 December 2018

	Note	**Half Year 31 Dec 18**	Half Year 31 Dec 17
		$	$
OTHER INCOME	2.1	**925,455**	125,401
Administration expenses		**(270,972)**	(166,007)
Consultancy and professional costs		**(748,120)**	(401,176)
Corporate overhead expenses		**(715,509)**	(326,870)
Depreciation and amortisation expense		**(3,898)**	(448)
Director and executive fees		**(212,463)**	(222,880)
Employee benefits expenses		**(431,470)**	(257,583)
Exploration expenses written off		**(162,377)**	(50,000)
Share-based payments expense	2.2	**(42,877)**	(274,952)
Foreign exchange gains / (losses)		**2,768,538**	(247,639)
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		**1,106,307**	(1,822,154)
Income tax expense relating to ordinary activities		**-**	-
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO MEMBERS OF THE PARENT AFTER INCOME TAX EXPENSE		**1,106,307**	(1,822,154)
Other comprehensive income – items that may be reclassified to profit and loss in future periods			
Foreign currency translation differences		**1,076,282**	-
TOTAL COMPREHENSIVE PROFIT (LOSS) ATTRIBUTABLE TO MEMBERS OF IONEER LTD		**2,182,589**	(1,822,154)
Basic profit / (loss) per share		0.00149	(0.00162)
Diluted profit / (loss) per share		0.00143	-

The above consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2018

	Note	31 Dec 18	30 Jun 18
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	**69,771,247**	80,538,728
Receivables	4	**286,516**	107,217
TOTAL CURRENT ASSETS		**70,057,763**	80,645,945
NON-CURRENT ASSETS			
Plant and Equipment		**48,523**	4,552
Deferred exploration and evaluation expenditure	5	**29,828,682**	14,915,286
TOTAL NON-CURRENT ASSETS		**29,877,205**	14,919,838
TOTAL ASSETS		**99,934,968**	95,565,783
CURRENT LIABILITIES			
Payables		**3,593,817**	1,425,429
TOTAL CURRENT LIABILITIES		**3,593,817**	1,425,429
TOTAL LIABILITIES		**3,593,817**	1,425,429
NET ASSETS		**96,341,151**	94,140,354
EQUITY			
Issued capital	6	**112,325,858**	112,450,852
Reserves	7	**9,602,065**	8,382,581
Accumulated losses		**(25,586,772)**	(26,693,079)
TOTAL EQUITY		**96,341,151**	94,140,354

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

Half-year ended 31 December 2018

	Half Year 31 Dec 18 $	Half Year 31 Dec 17 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payment to suppliers and employees	**(2,709,691)**	(1,306,894)
Interest received	**875,646**	51,584
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	**(1,834,045)**	(1,255,310)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	**(47,869)**	(2,675)
Expenditure on mining exploration	**(12,605,393)**	(2,329,782)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	**(12,653,262)**	(2,332,457)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	**-**	30,000,000
Proceeds from the exercise of options	**-**	909,000
Equity raising expenses	**(124,994)**	(1,666,064)
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES	**(124,994)**	29,242,936
NET INCREASE / (DECREASE) IN CASH HELD	**(14,612,301)**	25,655,169
Effects of exchange rate movements on cash	**3,844,820**	(247,639)
Add opening cash brought forward	**80,538,728**	7,406,408
CLOSING CASH CARRIED FORWARD	**69,771,247**	32,813,938

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Half-year ended 31 December 2018

	Issued Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Share Based Payments Reserve $	Total Equity $
AT 1 JULY 2018	**112,450,852**	**(26,693,079)**	**-**	**8,382,581**	**94,140,354**
Profit/(loss) after income tax	**-**	**1,106,307**	**-**	**-**	**1,106,307**
Other comprehensive income	**-**	**-**	**1,076,282**	**-**	**1,076,282**
Total Comprehensive income	**-**	**1,106,307**	**1,076,282**	**-**	**2,182,589**
Less cost of capital	**(124,994)**	**-**	**-**	**-**	**(124,994)**
Performance rights expense	**-**	**-**	**-**	**113,202**	**113,202**
Unlisted options expense	**-**	**-**	**-**	**30,000**	**30,000**
AT 31 DECEMBER 2018	**112,325,858**	**(25,586,772)**	**1,076,282**	**8,525,783**	**96,341,151**

	Issued Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Share Based Payments Reserve $	Total Equity $
AT 1 JULY 2017	29,858,398	(24,198,995)	-	6,594,803	12,254,206
Profit/(loss) after income tax	-	(1,822,154)	-	-	(1,822,154)
Total Comprehensive income	-	(1,822,154)	-	-	(1,822,154)
Unlisted Options exercised	909,000	-	-	-	909,000
Ordinary share Placement	30,000,000	-	-	-	30,000,000
Issue of shares purchase of Rhyolite Ridge	2,000,000	-	-	-	2,000,000
Less cost of capital	(1,666,064)	-	-	-	(1,666,064)
Performance rights expense	-	-	-	274,952	274,952
AT 31 DECEMBER 2017	61,101,334	(26,021,149)	-	6,869,755	41,949,940

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

31 December 2018

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The half-year financial report should be read in conjunction with the annual financial report of ioneer Ltd as at 30 June 2018.

It is also recommended that the half-year financial report be considered together with any public announcements made by ioneer Ltd during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

These interim financial statements were authorised for issue on 1st March 2019.

(a) Statement of Compliance

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of ioneer Ltd (INR or the “Company”) and its subsidiaries (“the Group”) as at 31 December each year.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(c) Significant Accounting Policies

The half-year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2018, with the exception of the change in functional currency outlined below.

The new accounting standards that came into effect as at 1 July 2018 have been adopted by the Company.

AASB 9 *Financial Instruments* contains accounting requirements for financial instruments, replacing AASB 139 Financial Instruments: Recognition and Measurement. The standard contains requirements in the areas of classification and measurement, impairment, hedge accounting and derecognition. There was no material impact to the Company upon adopting AASB 9.

Accounting policy applied from 1 July 2018:

Financial assets:

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through OCI, or profit or loss) and those to be held at amortised cost. Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Group measures a financial asset at its fair value plus or less transaction costs.

Financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments.

All financial liabilities are recognised initially at fair value.

The Group’s financial liabilities include trade and other payables.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

AASB 15 *Revenue from Contracts with Customers* provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. As the Company does not earn any revenues from contracts with customers, adoption of AASB 15 had no impact to the Company.

The Company is in the process of reviewing the impact of AASB16 *Leases*,which is effective for periods beginning on or after 1 January 2019, but on initial assessment considers that there will be no material impact on the Financial Statements.

(d) Functional Currency

Effective 1 July 2018, the Company changed the functional currency from Australian Dollars (AUD) to United States Dollars (USD) for the entities ioneer USA Corporation and ioneer Minerals Corporation (previously known as Paradigm Minerals USA Corporation and Paradigm Minerals Arizona Corporation respectively). The change in functional currency has been accounted for prospectively from the date of change.

The increase in ongoing operations on the Rhyolite Ridge Lithium-Boron Project has meant that the majority of the entities' cash inflows and expenses are now incurred in USD. Accordingly, the entities determined that USD best reflects the economic environment in which they operate.

The presentational currency for the consolidated financial report remains in AUD.

2. OTHER INCOME / EXPENSES

2.1 OTHER INCOME	**Half Year 31 Dec 18 $**	Half Year 31 Dec 17 $
Other receipts	**-**	70
Interest income – other corporations	**925,455**	125,331
Total other income	**925,455**	125,401

2.2 SHARE-BASED PAYMENTS EXPENSE	**Half Year 31 Dec 18 $**	Half Year 31 Dec 17 $
In relation to expenses for:		
- contractors	**-**	98,197
- directors	**30,000**	147,296
- employees	**12,877**	29,459
Total share-based payment expense	**42,877**	274,952

3. CASH AND CASH EQUIVALENTS

	31 Dec 18 $	30 Jun 18 $
Bank operating account	**353,329**	486,857
Bank short term deposits	**69,417,918**	80,051,871
Total cash and cash equivalents	**69,771,247**	80,538,728

4. RECEIVABLES – CURRENT

	31 Dec 18 $	30 Jun 18 $
Prepaid Insurance	**67,150**	1,400
Receivable from the Australian Tax Office	**61,945**	26,008
Rental deposit	**2,337**	2,337
Interest receivable	**125,553**	75,851
Other receivables	**29,531**	1,622
Total receivables - current	**286,516**	107,217

5. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Half year 31 Dec 18 $	Year to 30 Jun 18 $
Costs brought forward	**14,915,286**	5,032,866
Costs incurred during the period		
- Cash outgoings – Rhyolite Ridge	**12,443,016**	6,914,973
- Cash outgoings – non-core exploration	**162,377**	118,908
	12,605,393	7,033,881
- Issue of shares to purchase assets (1)	**-**	2,000,000
- Share based payment remuneration	**100,328**	100,328
- Movement in accrued costs	**2,370,052**	867,119
Expenditure written off during the period	**(162,377)**	(118,908)
Total deferred exploration and evaluation expenditure	**29,828,682**	14,915,286

(1) These amounts relate to 11,031,440 shares issued to Boundary Peak Minerals for the purchase of the Rhyolite Ridge Lithium-Boron deposit. The number of shares issued was calculated by using the 30 trading day volume weighted average price for the Company's shares (15 days on either side of the relevant payment date) and on an exchange rate of A$1:USD$0.75.

6. ISSUED CAPITAL

	No of shares	$
Share capital		
Issued capital at 1 July 2017	1,128,253,647	29,858,398
Part Settlement – 21 July 2017 – Rhyolite Ridge	11,031,440	2,000,000
Performance Rights – Class B – 9 August 2017	14,000,000	-
Performance Rights – Class C – 9 January 2018	14,000,000	-
Placement – 6 October 2017	150,000,000	30,000,000
Placement – 22 June 2018	130,311,996	53,427,918
Exercise of unlisted options – 1 July to 30 June 2018	21,900,000	2,969,000
Less cost of capital raising	-	(5,804,464)
Issued capital at 30 June 2018	**1,469,497,083**	**112,450,852**
Performance Rights – Class D – 27 November 2018	486,426	-
Less cost of capital raising	-	(124,994)
Issued capital at 31 December 2018	**1,469,983,509**	**112,325,858**

7. RESERVES

	Half Year 31 Dec 18 $	6 months to 30 Jun 18 $
Balance at the beginning of the period	**8,382,581**	6,594,803
Share-based payments reserve		
Unlisted options issued during the period	**30,000**	1,412,500
Performance Rights expense	**113,202**	375,278
Balance at the end of the period	**8,525,783**	8,382,581
Foreign currency translation reserve		
Balance as at the beginning of the period	**-**	-
Foreign currency translation differences	**1,076,282**	-
Balance at the end of the period	**1,076,282**	-
Balance of reserves at the end of the period	**9,602,065**	8,382,581

8. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no change in any contingent liabilities or contingent assets.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (CONTINUED)

9. SEGMENT INFORMATION

The Group operates predominantly in the United States of America.
The Company's business is mineral exploration and evaluation.

	31 Dec 18 **$**	30 Jun 18 $
ASSETS		
North America	**30,134,127**	15,303,420
Australia	**69,800,841**	80,262,363
Total assets	**99,934,968**	95,565,783
LIABILITIES		
North America	**2,727,291**	967,383
Australia	**866,526**	458,046
Total liabilities	**3,593,817**	1,425,429

	Half Year **31 Dec 18** **$**	Year 30 Jun 18 $
Accounting Profit (Loss) Are allocated through the following geographical areas:		
North America	**(174,369)**	(431,716)
Australia	**1,280,676**	(2,062,368)
Net Profit (Loss) for the period	**1,106,307**	(2,494,084)
Income Has been earned in the following geographical areas:		
North America	**106**	568
Australia	**925,349**	468,406
Total income earned	**925,455**	468,974

10. SUBSEQUENT EVENTS

No event has occurred subsequent to the end of the period that would have a material effect on the company's financial statements at 31 December 2018.

11. FAIR VALUE MEASUREMENT

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The following outlines the Group's fair value hierarchy:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The carrying amounts of the Group's financial assets and liabilities are a reasonable approximation of their fair values. During the 6 months ended 31 December 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements. (31 December 2017: Nil)

The Consolidated Entity measures share-based payments at fair value at the grant date using the Binomial formula taking into account the terms and conditions upon which the instrument were granted.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of ioneer Ltd, I state that:

In the opinion of the directors:

a) the financial statements and notes of the Group:

   i) give a true and fair view of the Group's financial position as at 31 December 2018 and the performance for the half-year ended on that date; and

   ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Managing Director

Sydney, 1st March 2019

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Independent Auditor's Review Report to the Members of ioneer Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of ioneer Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Ryan Fisk
Partner
Sydney
1 March 2019

IONEER LTD

(Formerly Global Geoscience Ltd)

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(FORMERLY ASX:GSC)

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