

Quarterly Activities Report for the period ending 31 December 2020

Highlights

- December quarter marked by advances in permitting, engineering and financing discussions
- Main federal permit application, the Plan of Operations and the State Air Quality and Water Pollution control permit applications progressing to plan
- Engineering work continuing with design increasing and engineering packages being prepared, issued for bid, negotiated and awarded
- Continuing development of protection and conservation plans for Tiehm's buckwheat
- Strategic Partnering, funding and offtake discussions maturing
- Upward revision in electric vehicle take-up and lithium demand has led to improved sentiment toward the lithium sector
- Retirement of Patrick Elliott as Non-Executive Director after 17 years of service to ioneer

Thursday, 28 January 2021 – Emerging American lithium–boron supplier, ioneer Ltd (ioneer or the Company) (ASX: INR), is pleased to report on its activities for the quarter ending 31 December 2020 and to provide an update on the development of its 100%-owned Rhyolite Ridge Lithium-Boron Project (Rhyolite Ridge or the Project) in Nevada, USA.

ioneer Managing Director, Bernard Rowe said:

"During the December quarter, ioneer made strong progress from both a corporate and project development perspective, including:

- *several key engineering packages were prepared, issued, are in negotiation or were signed;*
- *State and Federal permitting progressed along their regulatory processes;*
- *Discussions with strategic partners and funders advanced; and*
- *Lithium offtake discussions are at the final stages of negotiation.*

"ioneer dedicated significant effort in the quarter to initiatives designed to advance electrification in the United States – which Rhyolite Ridge is well positioned to support as the most advanced lithium development project in the US.

"We were pleased to see a clear shift in market sentiment back to the lithium sector and intend to build on this momentum, with our attention in the coming months remaining focused on furthering discussions with potential strategic partners. We continue to assess various financing structures, while advancing our sales and marketing plan particularly related to lithium hydroxide and lithium carbonate, finalising and awarding a number of vendor packages, and working closely with relevant government agencies to secure permitting."

Engineering and Vendor Packages

Work during the quarter focused on continuing to progress engineering from the DFS phase to the start of the full notice to proceed (FNTP) phase; also known as the engineering, procurement, and construction management (EPCM) phase. The key aim of ongoing activities is to be 'construction ready' to support construction mobilization following FNTP award.

To this end, activities during the quarter included:

- Completion of approximately 700 execution deliverables (~21%) excluding vendor engineering.
- Vendor engineering for the acid plant blower, steam system and air filter was received.
- MOU completed with Cashman Equipment for Caterpillar equipment. The value over the first 5 years of operation is approximately US\$100M.
- MOU completed with Dragonfly Energy outlining how the two Companies will work together to strengthen the domestic battery supply chain for next generation lithium technologies.
- Awarded contracts for the Rhyolite Ridge sulphuric acid plant steaming equipment to Optimus Industries LLC and the turbo compressor to Howden.

The table below shows other procurement activity.

	Count	Cost (US)
Purchase orders signed	4	~ \$16M
Bid received (Final negotiation ongoing)	3	~ \$25-29M
Major Packages under negotiation	2	~ \$80-90M
Issued for Bid	7	~ \$7-9M

The procurement activity has focused on long lead items and items required for initial construction. Currently about 25% of the procurement budget is in process.

ioneer is pleased to advise that the Project is being well received by suppliers. Our experience to date has included receiving competitive bids often lower than DFS estimates, suppliers actively contacting ioneer, interested in tendering for business and an active engagement in negotiations.

The Company looks forward to making more vendor award announcements in the coming months, with multiple agreements near completion.

State and Federal Permitting Process

During the quarter, the various Project permitting applications continued to progress to plan.

Plan of Operations

In August, ioneer announced that its Plan of Operations (Plan) had been deemed complete and accepted by the Bureau of Land Management (BLM), initiating the National Environmental Policy Act (NEPA) process. In accordance with that process, the Plan remains

under environmental review, the findings of which will inform the subsequent preparation of an Environmental Impact Statement (EIS) by Stantec. The Plan will be updated to reflect outcomes from the NEPA analysis before being finalised.

During the quarter, Ioneer completed submissions on the final Supplementary Environmental Reports (SER) after responding to BLM comments on draft SERs. The Company awaits BLM acceptance of all final SERs, then preparation of the Notice of Intent (NOI). The publishing of the NOI in the Federal Register is anticipated in the first quarter of 2021. The NEPA process culminates in the BLM's Record of Decision (ROD), representing the BLM's final decision on Ioneer's application for an approved Plan of Operations (Plan). An approved Plan will allow the Company to commence construction at the site.

Water Pollution Control & Air Quality

The Water Pollution Control and Air Quality Control Permits are two State permits required to allow the Company to commence construction at the site. The permits were submitted in May and April 2020 respectively. The next step is for draft permits to be issued for 30-day public review, after which final permits can be awarded.

Tiehm's buckwheat Preservation

During the quarter, Ioneer maintained its commitment to the preservation of Tiehm's buckwheat, including through its research partnership with the University of Nevada, Reno (UNR). In January 2021, the Company announced the results of a 13-month UNR study which sought to assess:

- the abundance and diversity of arthropods (insects and other groups) around the plant populations
- the importance of pollination for seed set
- how seedlings respond to soil variation
- test the viability of greenhouse propagation and seedling transplant into the wild
- count and monitor existing plants.

The report greatly advances existing knowledge of Tiehm's buckwheat and creates the foundation for future efforts to ensure long term protection, and uplift of the plant in its natural habitat at Rhyolite Ridge. Consistent with the Company's commitment to the environment and desire to ensure a sustainable buckwheat population at Rhyolite Ridge, Ioneer will expand the scope of its work and transition monitoring efforts to commercial research partners who are assisting in the development of protection and conservation efforts while also continuing to collaborate with academic researchers to determine the best ways to preserve this species for generations to come.

Importantly, it was the first study of its type to be completed for Tiehm's buckwheat and the first study of any kind on the plant in over 10 years.

During the December quarter, Ioneer continued to work with Nevada's Department of Conservation and Natural Resources, U.S. Bureau of Land Management and U.S. Fish and Wildlife Service (USFWS) as those agencies completed their investigations of the recent destruction of Tiehm's buckwheat. In December, USFWS announced that they had completed their investigation and reported that the evidence, including environmental DNA supported the conclusion that damage was caused by animals.

This unfortunate event continues to underline the importance of the significant and sustained preservation and conservation work that Ioneer and its partners are undertaking to ensure long-term viability of Tiehm's buckwheat in its natural habitat.

Strategic Partnering and funding

During the quarter, the Company remained engaged with potential industrial and financial strategic partners. The Company continues to note increased interest in the sector and the Project market participants as they focus more attention on the growing importance of security of lithium supply and growing US and European EV demand.

As reported last quarter, the Company is being deliberate in evaluating the increased number of alternative funding options. Goldman Sachs are assisting in this effort with tangible progress being achieved.

In conjunction with the funding workstream, we remain committed and on track to progress Project engineering to 'construction ready' status and completing the permitting, both necessary to reach FID and financial close.

Sales & Marketing

With boric acid volumes largely sold for the first five years of production and our Asian boric acid sales and distribution network established, the ioneer sales and marketing team pivoted this quarter to focus on selling lithium carbonate and lithium hydroxide volumes. Discussions progressed quickly and remain at an advanced state, with offtake announcements expected in the March quarter.

Upcoming Work Program

The work program over the coming months includes:

- Advancing State and Federal permitting process by obtaining the Notice of Intent (NOI) and moving the EIS into the public comment period.
- Continuing the engineering effort to move the Project to a construction ready status. This will include:
 - Releasing further engineering and vendor packages/contracts for bid
 - Completing civil design and advancing foundation engineering design
 - Advancing process engineering design.
- Completing negotiations for the first lithium offtake sales.
- Further advancing strategic partnering and financing process through continued technical and financial discussions.

Corporate Activities

During the quarter, ioneer announced the retirement of long serving and valued director, Patrick Elliott, for personal reasons. Mr Elliott served on the Board as a Non-Executive Director for 17 years. The Board noted Mr Elliott's services to the company over an extended period and wished him the very best in his retirement. The Company has begun a search process to replace Mr Elliott and intends to appoint a board member(s), whose diverse backgrounds, expertise, and extensive networks in the United States will significantly strengthen the depth and breadth of our Board.

In November, ioneer announced that it had joined a group of 25 companies to launch the Zero Emission Transportation Association (ZETA), an organisation dedicated to achieving

100% electric vehicle (EV) sales in the United States by 2030. ZETA is the first coalition of its kind in the US that brings together industry leaders, advocates and non-governmental organisations across the transportation, clean energy and technology sectors to drive policy changes that accelerate electric vehicle adoption.

Annual General Meeting

ioneer held its 2020 Annual General Meeting on 6 November 2020, in a company first via a virtual format. More than 25% of votes were cast against the resolution to adopt the Remuneration Report constituting a first strike for the purposes of the Corporations Act 2001 (Cth). All other resolutions were passed on a poll and without amendment.

Expenditure

Expenditure during the December quarter totalled:

- \$5.9 million on investing activities; and
- \$1.7 million on operation activities (net of interest received).

In addition, there was a \$1.5 million movement in exchange rates on cash held.

ioneer is well-capitalised, with total cash on hand as of 31 December 2020 of AUD\$19.8 million of which 72% is held in USD cash and cash equivalents.

Capital Structure

At the end of the quarter, ioneer had on issue:

- 1.69 billion ordinary shares
- 45.4 million options, and
- 30.4 million performance rights.

This ASX release has been authorised by ioneer Managing Director Bernard Rowe.

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About Rhyolite Ridge and ioneer

ioneer Ltd is the 100% owner of the Rhyolite Ridge Lithium-Boron Project located in Nevada, USA, the only known lithium-boron deposit in North America and one of only two known such deposits in the world. The Definitive Feasibility Study (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.

Rhyolite Ridge's unique mineralogy allow lithium and boron to be extracted in a low-cost and environmentally sustainable manner. The Project's commercial viability is made possible by having both lithium and boron revenue streams.

Recent Announcements

The table below lists announcements made by the Company during the quarter.

Date Released	Title
06/10/2020	Notice of Annual General Meeting/Proxy Form
28/10/2020	Ioneer signs partnership with Caterpillar
30/10/2020	September 2020 Quarterly Activities Report
30/10/2020	September 2020 Quarterly Cashflow Report
06/11/2020	Chairman's Address 2020 AGM
06/11/2020	2020 AGM Presentation
06/11/2020	Results of Meeting – 2020 AGM
16/11/2020	Appendix 3G
16/11/2020	Proposed issue of Securities - INR
16/11/2020	Appendix 2A – B Rowe
16/11/2020	Appendix 3G – B Rowe
16/11/2020	Change of Director's Interest Notice - Rowe
16/11/2020	Proposed issue of Securities - INR
16/11/2020	Change of Director's Interest Notice - Calaway
16/11/2020	Change of Director's Interest Notice - Babarczy
16/11/2020	Change of Director's Interest Notice - Davies
16/11/2020	Change of Director's Interest Notice - Elliott
16/11/2020	Change of Director's Interest Notice - Hofmeister
16/11/2020	Appendix 2A
18/11/2020	Ioneer joins ZETA
30/11/2020	Long Serving Director Patrick Elliott Retires from Ioneer
30/11/2020	Appendix 2A
30/11/2020	Appendix 3Z - Elliott
18/12/2020	Change of Director's Interest Notice - Rowe

Appendix 1 - Schedule of Tenements

Country	Project	Tenement ID	Tenement Name	Area (km ²)	Interest at beginning of quarter	Interest at end of quarter	Note
USA	Rhyolite Ridge	NMC1118666	NLB claims (160)	13	100%	100%	No change
USA	Rhyolite Ridge	NMC1117360	SLB claims (199)	16.5	100%	100%	No change
USA	Rhyolite Ridge	NMC1171536	SLM claims (122)	9.7	100%	100%	No change
USA	Rhyolite Ridge	NMC 1179516	RR claims (65)	5.4	100%	100%	No change
USA	Rhyolite Ridge	NMC 1129523	BH claims (81)	7	0%, option to purchase 100%	0%, option to purchase 100%	No change
USA	SM	NMC1166813	SM claims (96)	7.7	100%	100%	No change
USA	GD	NMC1166909	GD claims (13)	1.1	100%	100%	No change
USA	CLD	NMC1167799	CLD claims (65)	5.2	100%	100%	No change
USA	New Morenci	AMC393550	MP claims (2)	0.12	100%	100%	No change