

Quarterly Activities Report for the period ending 31 March 2021

Highlights

- A\$80 million fully underwritten institutional placement completed with strong demand from new and existing institutional investors, including large US and European investment groups
- Proceeds provide funding to accelerate the development of Rhyolite Ridge Lithium-Boron Project in Nevada
- Battery grade lithium hydroxide successfully produced from Rhyolite Ridge pilot plant feedstock with resultant product specifications provided to potential offtake partners
- Discussions progressing well on offtake agreements for various lithium products with first lithium offtake announcement expected in June quarter
- Strategic partnering and funding discussions advancing with short-listed parties
- US Bureau of Land Management (BLM) expected to publish Notice of Intent (NOI) in near term, with public scoping to begin immediately afterward
- Engineering work progressed with US\$114-122 million in major work packages under negotiation
- MOU signed with Caterpillar Inc. following completion of autonomous haul truck feasibility study
- Board strengthened with appointments of US-based Rose McKinney-James and Margaret R. Walker as Independent Non-Executive Directors
- ioneer anticipates being construction ready from an engineering and financing perspective in late 2021

Monday, 26 April 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 March 2021 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:

“The March quarter saw solid progress towards the advancement of the Rhyolite Ridge Project. Our strongly oversubscribed raising demonstrated belief in the quality of Rhyolite Ridge, and we thank new and existing investors for their support for the Company and the Project. Cornerstone investment was provided by BNP Paribas Energy Transition Fund, a European ESG-focused institution. Rhyolite Ridge remains the most advanced lithium project in North America and we are poised to take advantage of the ever-improving demand outlook for lithium and lithium products.

We were extremely pleased to meet another milestone in the quarter in the conversion of lithium carbonate to battery grade lithium hydroxide at our Rhyolite Ridge Pilot Plant. This is a higher premium product and will be an important

contributor to Rhyolite Ridge production and sales. It is the second largest chemical produced by the lithium industry and has the highest growth rate of all lithium products.

We are looking forward to finalising various offtake discussions and the completion of strategic funding discussions as we prepare to commence Project construction.

Finally, I'd like to again welcome our two new US-based directors, Rose McKinney-James and Margaret R. Walker, to our Board. Their skills and expertise in ESG and large-scale chemical plant construction will prove invaluable as we develop Rhyolite Ridge."

Capital Raising

In the quarter, we were pleased to complete an A\$80 million capital raising via a fully underwritten institutional placement ("Placement") to assist in accelerating construction of Rhyolite Ridge.

A total of 210,526,316 ordinary shares were issued under the Placement using the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1. at a fixed price of A\$0.38/share.

The Placement was strongly oversubscribed and was upsized by A\$20 million as a result of robust demand from both existing and new investors. BNP Paribas Energy Transition Fund provided cornerstone investment in the Placement.

Proceeds will be used to fund:

- Advancing detailed engineering (to ~60% completion) and vendor engineering to construction ready status.
- Environmental, research and consulting expenses.
- Discretionary substantive pre-construction activities.
- Working capital and general purposes.

Goldman Sachs and Ord Minnett acted as Joint Lead Managers, Bookrunners and Underwriters to the Placement. Loop Capital Markets LLC and Stifel GMP acted as Co-Managers.

ioneer would like to thank new and existing shareholders for their support for this raising and the Company.

Successful Lithium Hydroxide Production

During the quarter, iioneer's metallurgy and process engineering team announced the successful conversion of lithium carbonate produced at its pilot plant, into battery grade lithium hydroxide.

This represented a key milestone in iioneer's lithium hydroxide development path, demonstrating our ability to provide high purity technical grade lithium carbonate and battery grade lithium hydroxide to customers.

Capability to supply both lithium carbonate and lithium hydroxide creates a significant advantage, and revenue stream, for the Company, and iioneer is well positioned to meet

demand in North America and globally.

In the DFS study completed in April 2020, Rhyolite Ridge would produce ~20,600 tonnes per annum (tpa) of lithium carbonate for the first three years, before converting to the production of battery-grade lithium hydroxide in year four for the life of mine at 22,000 tpa LOM.

Sales & Marketing

In the quarter, ioneer continued to focus on selling lithium carbonate and lithium hydroxide volumes. Discussions remain at an advanced state, with offtake announcements expected in the June quarter. The Company has noted a strong uptick in interest around offtake, which is likely reflective of increasing lithium prices over the past six months. According to Benchmark Mineral Intelligence, battery grade lithium carbonate prices increased by 68% during the first two months of 2021 and has since continued this trend.

ioneer's strategy around lithium offtake includes:

- Diversified cathode battery manufacturers and industrial users
- Binding offtake agreements with several parties across the US, Asia and Europe
- Product: Lithium carbonate (technical grade) & lithium hydroxide (battery grade)
- Contract duration: three-year term or more from commencement of supply
- Quantity: ~5,000 tonnes per annum per offtake (~25% of production each)
- Pricing: USD per metric tonne with regular adjustments to market

Strategic Partnering and funding

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

State and Federal Permitting Process

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

Notice of Intent (NOI) Publication

ioneer is expecting the publication by the Bureau of Land Management (BLM) of the Notice of Intent (NOI) shortly, as part of its Environmental Impact Statement (EIS). ioneer expects the BLM's final Record of Decision (ROD), which allows the Company to commence construction, to be made in fourth quarter of 2021.

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 draft Water Pollution Control Permit was issued for its 30-day public review period. The draft Air Quality Control Permit is expected to be issued shortly. Final permits are expected to be issued in the second quarter of 2021.

Tiehm's buckwheat Preservation

During the quarter, Ioneer and its consultants, the U.S. Fish and Wildlife Service, and the Bureau of Land Management commenced development of a Candidate Conservation Agreement (CCA) to address threats to Tiehm's buckwheat (*Eriogonum tiehmii*), a special-status species that occurs within the Project area. The CCA is a formal agreement aimed at developing and applying specific conservation actions to remove and/or reduce threats to the species. Conservation actions will be implemented jointly during mine development and operation for the protection and benefit of the species.

In addition, Ioneer appointed the Conservation Fund to advise on Tiehm's buckwheat protection and conservation measures and strategies. The Conservation Fund is one of the largest non-profit environmental groups in the United States. It works with public, private and non-profit partners to protect America's legacy of land and water resources.

Engineering and Vendor Packages

Work during the quarter focused on further progressing 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 mobilisation following FNTP award.

Activities during the quarter included:

- Cumulative completion of approximately 1,000 execution deliverables (~30%) excluding vendor engineering.
- Vendor engineering for the acid plant blower, steam system and air filter was received.
- Awarded packages included the vat unloading system (Konecranes).

The table below shows other procurement activity.

	Count	Cost (US)
Purchase orders signed	9	~ \$27M
Bid received (Final negotiation ongoing)	2	~ \$16-19M
Major Packages under negotiation	4	~ \$114-122M
Issued for Bid	5	~ \$4-6M

Procurement activity has focused on long lead items and items required for initial construction¹. Currently about 30% of the procurement budget is in process.

Ioneer is pleased to advise that the Project has received a positive response from suppliers. We have received several competitive bids that are lower than DFS estimates. In addition, suppliers are actively contacting Ioneer, interested in tendering for business and engaging in negotiations.

¹ Contracts are subject to a Notice to Proceed (NTP) decision which will be taken as part of the Final Investment Decision (FID) for the Rhyolite Ridge Project.

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

MOU Signed with Caterpillar

In the quarter, we were pleased to sign a Memorandum of Understanding (MOU) with Caterpillar Inc. for the use of a Cat® Command Autonomous Hauling System (AHS) at the Rhyolite Ridge mine.

The MOU was signed after the completion of a joint automation study by Ioneer and Caterpillar investigating the potential benefits of early adoption of a Cat® Command AHS for improved operator safety, equipment utilisation and site productivity.

We have engaged in preliminary, non-binding negotiations regarding the terms of the proposed transaction and are moving to negotiating formal agreements in the coming months.

The partnership will operate through Cashman Equipment. The fleet and initial auxiliary equipment will all be equipped with Cat® MineStar™ Terrain, sold and supported by Intermountain Mining Technologies. This GPS system provides improved data for drilling, excavation, grading and dozing and should allow for better delineation of the overburden and ore for Rhyolite Ridge.

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 into the public consultation period of the NEPA process.
- Complete binding offtake agreement for lithium offtake sales.
- Further advancing strategic partnering and financing processes through continued technical and financial negotiations and due diligence.
- 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.

Corporate Activities

During the quarter, Ioneer was pleased to welcome the appointments of Rose McKinney-James and Margaret R. Walker as US-based Independent Non-Executive Directors to its Board.

Following the retirement of Pat Elliott, announced in November 2020, the Board undertook an extensive search process for his successor. This process enabled the Board to expand and strengthen its expertise as Ioneer prepares to commence construction of Rhyolite Ridge.

Rose McKinney-James is a Nevada-based expert in environmental business and technology policy, renewable and clean energy advocacy, and sustainable development. She directed the Department of Business and Industry, Nevada's largest state agency and was recognised for her innovation providing efficient and advanced services to the Nevada business

community. She was formerly CEO of solar and renewable energy company CSTRR. She has two decades of experience in director roles within public companies. She considered a leading voice in ESG and has been deeply engaged in every aspect of Board governance, making her an invaluable asset to Ioneer's Board as it prepares to become a major player in the domestic EV supply chain.

Texas-based Margaret Walker is a chemical engineer with significant experience working across the chemical, engineering and construction sectors. She spent 36 years at NYSE-listed Dow Chemical Co, including six years (2004-2010) as Vice President Engineering and Technology Centers. Her experience spanned operations, engineering, supply chain and business leadership.

Margaret serves on the boards of Methanex Corporation, and the board of Independent Project Analysis, Inc, a privately held firm that drives improvement in capital performance. She will be an invaluable asset to Ioneer as it prepares to build Rhyolite Ridge.

Expenditure

Expenditure during the March quarter totalled:

- \$6.2 million on investing activities; and
- \$1.3 million on operation activities (net of interest received).

Total cash on hand as of 31 March 2021 was A\$89.5 million of which 42% is held in USD cash and cash equivalents.

Capital Structure

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

- 1.9 billion ordinary shares
- 45.4 million options, and
- 31.1 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
21/01/2021	ioneer Successfully Produces Battery Grade Lithium Hydroxide
28/02/2021	December 2020 Quarterly Activities Report
28/02/2021	December 2020 Quarterly Cashflow Report
02/02/2021	Appendix 3G
02/02/2021	ioneer welcomes two new Non-Executive Directors to its Board
02/02/2021	Appendix 3X - Rose McKinney-James
02/02/2021	Appendix 3X - Margaret R. Walker
10/02/2021	New US Administration Transition and Rhyolite Ridge Update
16/02/2021	ioneer and Caterpillar sign memorandum of understanding
03/03/2021	Trading Halt
04/03/2021	Fully Underwritten Placement
04/03/2021	Equity Raising Presentation
04/03/2021	Proposed issue of Securities - INR
05/03/2021	ioneer Completes A\$80 Million Placement
05/03/2021	Update - Proposed issue of Securities - INR
09/03/2021	Appendix 2A
09/03/2021	Placement Cleansing Notice
10/03/2021	Half Yearly Report and Accounts

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