

RHYOLITE RIDGE NEWSLETTER

AUGUST 2021

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PRESIDENT'S MESSAGE

Dear Readers,

It has been a very busy few months at Ioneer with several key announcements as we progress towards construction of the Rhyolite Ridge project. Firstly, we announced that the project has been issued both of the key state permits that are required -- Class II Air Quality, and Water Pollution Control Permit-- both from the Nevada Department of Environmental Protection.

We were also pleased that the Biden Administration completed its 100-day review on domestic supply chains which validates the importance of Rhyolite Ridge and its ability to provide family supporting jobs and a domestic source of materials needed for a lower-carbon future.

Another important milestone during the prior quarter was the first lithium customer (off-take) agreement with EcoPro Innovation. Material from Rhyolite Ridge will be used by EcoPro to make cathodes for batteries that will power EVs sold in the US by companies like Ford and Volkswagen.

Recently there was news regarding US Fish and Wildlife Service's 12-month finding that an investigation into an Endangered Species Act listing of Tiehm's buckwheat is "warranted" due to ongoing drought and herbivory like last summer's event. However, this finding does not take into account ongoing conservation measures to minimize and mitigate for impacts from climate change and potential mining activity. We remain committed to the protection of Tiehm's buckwheat irrespective of its listing status and will implement the highest standard of measures to ensure that the species is protected.

And per our announcement on July 26, we anticipate a number of milestones in the second half of 2021:

1. Announcement of a strategic partner
2. Completion of a secondary U.S. stock listing
3. Publication of the Notice of Intent, which begins the public scoping process for NEPA permitting process
4. Announcement of a second lithium off-take agreement

Finally, I'd like to thank all those from Fish Lake Valley who attended our most recent community meeting and were able to meet our newest loneers. I continue to regret my inability to travel to the Fish Lake Valley but you can count on me to return to Nevada as soon as possible.

Bernard Rowe
President

PERMITTING UPDATE

As of this publication, the Rhyolite Ridge project has obtained 2 of the 3 key permits required to begin construction.

1. On May 10 - the Nevada Department of Environmental Protection (NDEP) issued a Class II Air Quality Permit following a detailed review of the Project by the State of Nevada Division of Environmental Protection Bureau of Air Pollution Control. Rhyolite Ridge is the first project in the state of Nevada with a sulfuric acid plant to receive an air quality permit.

The Project's Acid Plant features MECS® /SNC Lavalin designed heat recovery technology, which means the plant will generate all of the electricity and heat needed for normal operations. This means the operation will be energy-independent and using co-generated zero-carbon power.

2. NDEP also issued a Water Pollution Control Permit for the Rhyolite Ridge project that became effective on July 16. The Rhyolite Ridge project is the only lithium development project to receive the dual permits from NDEP.
3. The third key permit is the Plan of Operation that must be approved by the federal Department of Interior (DOI). The Plan of Operations requires assessment under the National Environmental Policy Act (NEPA) process, which includes public consultation and preparation of an Environmental Impact Statement (EIS).

In March 2021, the Nevada State Bureau of Land Management (BLM) sought DOI approval to publish a NOI for the Rhyolite Ridge project. This timing coincided with a period of transition to the Biden administration in which no permit assessments or publication of permitting decisions were expected for an anticipated 60 days. Since the expiration of the 60-day period, there has been ongoing delay to the publication of Notices in the federal register, including for Rhyolite Ridge. Loneer is continuing to correspond with regulators regarding the publication timeframe and expects the NOI to be published during Q3 2021.

Once the NOI is published, the BLM will hold a series of public meetings to provide a description of the Project and allow for public comment. Comments are then collated and reviewed with potential changes and mitigants made to the Plan in response to comments. This process ultimately culminates in an EIS and a Record of Decision (ROD). From the publishing of a NOI through to the ROD can take up to

12 months.

Ultimately, once the Plan of Operation has been approved with a Record of Decision, construction of the Rhyolite Ridge Project can begin.

IT WILL BE IMPORTANT THAT THE VIEWS OF LOCAL RESIDENTS ARE INCLUDED

If you would like to be notified when there is an opportunity to share your views with federal regulators on the project, drop us a line at info@therhyoliteridgeproject.com

PROJECT TIMELINE – CURRENT EXPECTATIONS



Note: All dates and times are indicative and subject to change.

STRATEGIC PARTNER AND US LISTING UPDATE

In July we announced that previously discussed negotiations with a financial strategic partner are now at an advanced stage and we anticipate concluding and announcing a significant funding agreement in Q3 2021.

Loneer anticipates this process should deliver the majority of the required equity component needed to fund the project, which will lead to an acceleration of debt and trade finance discussions that have been positively progressing for many months.

Since announcing its intention to pursue a US listing in response to significant demand from US-based investors for lithium and battery minerals related investments, Loneer has now completed its initial evaluation of a secondary listing of its shares on a major US stock exchange. The secondary listing is likely to take place in the second half of CY2021, and is in line with Loneer's longer-term strategy of increasing exposure to US markets, including access to the deep US capital markets.

RHYOLITE RIDGE'S FIRST LITHIUM PURCHASE AGREEMENT

On June 30 we announced that we had signed a binding offtake supply agreement with EcoPro Innovation Co, currently the world's second largest Nickel-Cobalt-Aluminum Oxide (NCA) cathode materials manufacturer and major supplier for global battery manufacturers. These cathodes ultimately end up in EV's for manufacturers such as Ford, VW, BMW, Audi, Porsche and Hyundai.

EcoPro has also partnered with battery maker SK Innovation, which is currently building two battery "mega-factories" in the U.S. that collectively are projected to produce up to 310,000 electric vehicle batteries per year.

Under the agreement, Rhyolite Ridge will deliver up to 7,700 tons of high-grade lithium carbonate per year over a three-year term. This represents nearly a third (up to 34%) of annual lithium production from the Project. Ecopro will further upgrade the lithium carbonate into lithium hydroxide to meet its customers' specific requirements.



This marks a significant milestone for ioneer and will be a valuable partnership long-term as ioneer will provide Nevada-produced critical materials necessary for the production of technologies that reduce emissions - which is well aligned with EcoPro's and ioneer's shared focus on sustainability.

BIDEN ADMINISTRATION COMPLETES 100-DAY REVIEW OF DOMESTIC SUPPLY CHAINS

On June 9, the Biden administration completed its 100-day review of domestic supply chains, including critical minerals used in electric vehicles, batteries, and clean technologies. The report makes it clear that more secure and resilient supply chains are essential to our national security, economic security, and technological leadership.

Accordingly, the Department of Energy (DOE) will release a

National Blueprint for Lithium Batteries sometime later this year. This blueprint will codify the findings of the battery supply chain review in a 10-year, whole-of-government plan to urgently develop a domestic lithium battery supply chain that combats the climate crisis by creating good-paying clean energy jobs across America.

With the global lithium battery market expected to grow by a factor of five to ten (according to the report), "it is imperative that the United States invest immediately in scaling up a secure, diversified supply chain for high-capacity batteries here at home that supports good-paying, quality jobs."

The Rhyolite Ridge Lithium-Boron Project will help meet several objectives of the Administration as outlined in the report: creating hundreds of long-term jobs in Nevada, producing key components for technologies to combat climate change, and our ongoing commitment to environmental justice and stewardship.

MAJOR CONTRACT AWARDED TO FLSMIDTH

On July 13 we announced the awarding of a major engineering and equipment supply contract to Danish firm, FLSmidth, for the development of the project.

FLSmidth is a global leader in processing and operations equipment and has significant experience in providing technology, equipment, engineering and services expertise to the battery minerals sector.

FLSmidth will supply the majority of the Project's crushing and handling equipment, plus rotary lithium carbonate and boric acid dryers.

IONEER HIRES DIRECTOR OF MINING OPERATIONS

On June 14, Sasha Meyer joined ioneer as Director of Mining Operations and brings considerable Nevada mining experience, including stints at Pinson, Gold Bar and most recently Ruby Hill in Eureka.

Sasha has honed her professional capabilities in numerous roles including mine engineer, safety and environmental manager, mine and technical services manager as well as site general manager/vice president. Please help us in welcoming Sasha to the team!

TIEHM'S BUCKWHEAT - UPDATE

On June 4, the US Fish and Wildlife Service (FWS) as part of their 12-month finding regarding Tiehm's buckwheat, found

that based on the information currently available and due to severe drought conditions and herbivory (where animals are eating plants), that an investigation into an Endangered Species Act listing of the plant is “warranted.” FWS will now promptly publish a proposed rule to list Tiehm’s buckwheat by September 2021.

Ioneer fully supports and shares FWS’s commitment to protect and preserve Tiehm’s buckwheat. The latest finding was in line with our expectations, and we support the FWS’s deliberations on a final listing decision. This process will provide greater certainty around our schedule and diminishes the prospect of future litigation.

It is important to note that the 12-month finding is influenced by potential impacts to the plant from climate change, recent herbivory and mining activity – but does not consider conservation measures to minimize and mitigate for those impacts. Ioneer continues our work with the FWS, BLM and scientific experts on the development of a Candidate Conservation Agreement to further protect of the plant.

FWS is authorized by the ESA to issue an incidental take permit for activities it finds will not jeopardize continued existence of an ESA-listed species. Our protection and conservation efforts are being designed to meet that standard to maximize protections. The listing status does not affect the protections Ioneer is planning for Tiehm’s buckwheat. By the time FWS is ready to make a final listing decision, we expect the CCA to be in place and plant conservation measures to be underway.

Ioneer remains committed to the protection of Tiehm’s buckwheat irrespective of its listing status and will implement the highest standard of measures to ensure that the species is protected. We remain confident that the science strongly supports the coexistence of our vital lithium operation and Tiehm’s buckwheat.



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PAST AND UPCOMING COMMUNITY EVENTS

Ioneer was proud to support the return of the Fish Lake Valley 4th of July Celebration by sponsoring this year’s rodeo. We would like to thank the many volunteers that made the day a success, and congratulate to all of this year’s winners!



Congratulations to the 2021 ioneer Sustainable World Scholars: **Isabel Arias** (right) and **Carlos Guerrero** (not pictured)

We’d like to extend a big thank you to all those from the community that joined us for the Rhyolite Ridge Community Meeting at the Fish Lake Valley Community Center Park where we provided an update on the project and were able to introduce our several new Nevada hires.



Thank you to Patty Hudson and her team for providing the terrific food. We look forward to seeing you at our next event which will tentatively take place in January, 2022.



CREATING A BETTER NEVADA AND A BETTER WORLD.

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