ioneer

Annual Report
2019

ioneer Ltd

ABN 76 098 564 606

ioneer – set to deliver a major lithium-boron mine in the USA

Contents

AGM

The ioneer Annual General Meeting will be held at 10am on Friday, 8 November 2019, at the Boardroom registry offices, level 12, 225 George Street, Sydney NSW 2000.

Highlights

100%-owned Rhyolite Ridge

Lithium-Boron Project in Nevada, USA

30-year plus mine life

- 20,200 tonnes lithium carbonate forecast annual production
- 173,000 tonnes boric acid forecast annual production

A strategic asset

as the US looks to diversify and secure its supply of battery metals

154mt lithium-boron Mineral Resource

- 1.3mt lithium carbonate
- 12.4mt boric acid

5-fold increase

in total USA production from Rhyolite Ridge

- Dual revenue project producing lithium carbonate and boric acid end products at site
- PFS demonstrates potential for the Project to be the lowest cost lithium produced in the world
- Strategically located in a tier-one mining jurisdiction, close to key markets
- Advancing discussions with multiple potential offtake customers, and strategic and funding partners
- Approaching Definitive Feasibility Study (DFS) completion
- Potential to become a globally significant, producer of lithium and the largest producer in the USA
- Highly experienced board and management with the skills necessary to develop, build and operate a world-class lithium-boron mine
- ioneer team complemented by top-tier mining, engineering, processing and environmental partners in Fluor, Golder, Veolia, and SNC Lavalin.

Chairman's letter

> **The name 'ioneer' was selected as it combines two meaningful words 'ion' and 'pioneer'**

Dear Shareholders,

It is with pleasure that I present our Annual Report for 2019, the first under our new name.

The name 'ioneer' was selected as it combines two meaningful words 'ion' and 'pioneer' which are core elements of our mission to profitably and responsibly produce the materials needed for a sustainable future.

Our sole focus throughout the past year has been the development of our 100% owned Rhyolite Ridge Lithium-Boron Project in Nevada, USA. We have progressed along multiple fronts at once with a firm intent to develop our people and capacity to not only successfully design and engineer the project, but to demonstrate our ability to effectively and reliably construct, commission and cost effectively operate Rhyolite Ridge.

During the year, we identified and on-boarded a core management team capable of overseeing such a large project on a tight development timeline. We then selected our external partners, including Fluor Corporation for Engineering, Procurement and Construction Management, Veolia for evaporation and crystallisation, FLSmidth for material handling filtration, pumps, and centrifuges. In addition, SNC-Lavalin joined us for the sulphuric acid plant, Kappas Cassidy for leach and Kemetco Laboratories for the pilot plant. These partners are complemented by our mining, geological, and environmental partners, Golder, NewFields and EM Strategies. Critical in this partnering was the creation of a cohesive overall development plan and culture focused on delivering a comprehensive Definitive Feasibility Study (DFS).

At the same time, we have been navigating governmental approval processes, designing and operating a well conceived pilot plant, completing our drilling program and mine plan and developing internal systems and controls to support development. This activity has taken place in parallel with our efforts to educate potential customers and the capital markets about our Project. Here we have emphasised the critical importance of our world class boric acid asset which provides ioneer with a superior, and very low-cost, lithium project in a secure jurisdiction.

However, our Company does not operate in a vacuum. Strong headwinds are blowing in the lithium sector and global markets are rattled by geopolitical uncertainty. The fundamental challenge of properly reading near, medium and long-term supply and demand dynamics for lithium, makes for hard times for all lithium companies. Share prices across the industry have been negatively impacted this past year, ours being no exception. In the face of such near-term sentiment, it is critical to have a team that is unwavering in their focus on execution to make sure shareholder resources are utilised to drive value.

In addition, it is critical that a Project's economics are in the bottom part of the cost curve. This enables capital markets to calculate an operating resilience equation that works even in the most challenging market conditions. Fortunately, Rhyolite Ridge's co-production forecast puts our Company at the bottom of the cost curve, even if one assumes historically low boric acid prices.

Outcropping high-grade lithium-boron mineralisation.

Looking down towards Outcrop Hill.

Standing on top of Outcrop Hill.

For these reasons, coupled with the excellence of our development activities discussed above, we remain optimistic we can successfully raise the capital needed for construction from a range of sources in the months following the completion of the DFS.

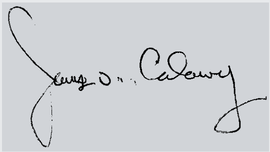
As a Company, we understand the vital importance of our people and the culture in which they operate. In this regard I am pleased to report that during and since the year-end, we have continued to strengthen our management team. We welcomed Ian Bucknell as Chief Financial Officer, Ken Coon as VP Human Resources and Yoshio Nagai as VP Commercial Sales & Marketing. Ian also stepped into the role of Company Secretary as we thanked our outgoing Company Secretary, Joanna Morbey.

In addition, we have been fortunate to attract high calibre experts to our broader team. This diverse team brings experts from the mining, finance and energy industries who are keen to contribute their talents towards a sustainable future where the environment and people are thriving. I'd like to take this opportunity to extend the Board's sincere thanks to each of them for the hard work and dedication they've shown during this challenging year.

I'd also like to thank you, our shareholders, for your ongoing support and for sharing our excitement about ioneer. The year ahead is full of significant challenges and value creating opportunity for the company. We will soon report the outcomes of our DFS which is critical to complete bankable offtake and strategic partnering agreements. From there we will have a firm footing to make our Final Investment Decision and to look forward to commencing production from this world class deposit.

Our Company is fortunate to have Rhyolite Ridge. This asset continues to impress the more we understand its nature. We remain committed and optimistic that this core asset will make a material contribution to the world's supply of low-cost lithium and boric acid and will provide a firm financial foundation from which ioneer can grow and prosper.

With appreciation to our valued shareholders,



James D. Calaway

Chairman
ioneer Ltd

Who we are at a glance

ioneer Ltd is successfully making the transition from explorer to producer. The Company's 100%-owned Rhyolite Ridge Lithium-Boron Project in Nevada, USA provides a substantial foundation for ioneer to become a responsible and profitable producer of the materials necessary for a sustainable future.

The Company has a highly experienced board and management with the necessary skills to develop, build and operate a world-class lithium-boron mine in the United States. The ioneer team is complemented by top-tier mining, engineering, processing and environmental partners including Fluor, Golder, Veolia, and SNC Lavalin.

Rhyolite Ridge is one of only two known large lithium-boron deposits globally. The 2018 PFS demonstrated the Project's scale, long life and potential to become a low-cost and globally significant producer of both lithium and boron products.

Rhyolite Ridge's lithium-boron mineralisation is different to the brine and pegmatite deposits which are the source of most lithium mined today. The unique mineralogy and physical properties of the Rhyolite Ridge ore allows for a flowsheet that combines commercially available processes and equipment to produce lithium and boron end-products at the mine site without the need for solar evaporation (brine) or high-temperature roasting (spodumene). Revenue generated from the operation will be split between lithium (60%) and boron (40%).

Lithium and boron are both used in a diverse range of everyday items and innovative technologies that are essential to modern life and emerging clean technologies including electric vehicles.

The Project is located in Nevada, one of the most attractive jurisdictions globally to invest in mineral exploration and mining and is considered a strategically important deposit as the USA works to secure and diversify its supply of battery metals and other critical metals that are essential to modern life and the future.

Advantages

1 LARGE DEPOSIT
Long mine life, expandable

2 SHALLOW, THICK & FLAT LYING
Open pit mining, low strip ratio

3 SOFT ORE AND WASTE ROCK
Low-cost mining and milling

4 AMENABLE TO VAT LEACHING
No roasting or new technology

5 HIGH RECOVERIES WITH LOW ACID CONSUMPTION
Low-cost processing

6 LITHIUM AND BORON PRODUCTS
Two revenue streams

Looking west across Rhyolite Ridge South Basin.

Investment highlights

- Nevada location – one of the world's most favourable and stable mining jurisdictions
- Home to the USA's burgeoning electric vehicle industry
- Well-developed infrastructure and skilled mining workforce
- 100% ownership – with no private royalties
- Management and technical team with proven track record in the development and delivery of lithium and boron mines
- Ideally positioned to supply the lithium and boron markets in the USA and Asia
- Long life, scalable project with a small environmental footprint

Tesla charging station in Tonopah, Nevada.

Operational report

Rhyolite Ridge



One of only **two** known **large lithium-boron** deposits globally

Only lithium deposit in the **world** known to be amenable to simple heap or vat leach processing

LITHIUM-BORON MINERAL RESOURCE CONTAINS:

- 1.3mt lithium carbonate
- 12.4mt boric acid

In the past 12 months Rhyolite Ridge has continued to demonstrate its potential to become a major, low-cost and long-term US source of lithium and a credible alternative to spodumene and brine deposits that dominate supply in the lithium market today.

The unique mineralogy and physical properties of the lithium-boron ore at Rhyolite Ridge allows for a flowsheet that combines commercially available processes and equipment to produce lithium and boron end-products at the mine site. Revenue generated from the operation will be split between lithium (60%) and boron (40%).

Over the past year, ioneer made significant progress towards developing the Company's 100%-owned Rhyolite Ridge Lithium-Boron Project (Project) by:

- Assembling a diverse team with expertise from mining, finance and energy industries;
- Delivering the Project's Pre-Feasibility Study (PFS);
- Significantly upgrading the resource through the 2018/19 drilling campaign;
- Commencing a Definitive Feasibility Study (DFS); and
- Appointing world-class partners to deliver key operational milestones over the medium term.

Pre-Feasibility Study

In October 2018, ioneer released the outcomes of a PFS which demonstrated that Rhyolite Ridge has the potential to be a low-cost lithium producer at US$1,796/tonne of lithium carbonate (with boric acid credit) with a long mine life of more than 30 years.

The PFS found that Rhyolite Ridge has the potential to produce 20,200 tonnes lithium carbonate and 173,000 tonnes boric acid per year with an after-tax Net Present Value (NPV) of US$1.8 billion and an Internal Rate of Return (IRR) of 27.7%.

Maiden Ore Reserve Estimate

In December 2018, the maiden Ore Reserve for the starter pit area defined in the PFS was estimated to contain:

- 15.8 million tonnes (mt) at 1,900 parts per million (ppm) lithium (equivalent to 1.0% lithium carbonate) and 12,200ppm boron (equivalent to 7.0% boric acid)
- 160,000 tonnes of lithium carbonate and 1.1mt of boric acid.

Mineral Resource Upgrade

An upgraded lithium-boron Mineral Resource was released in June 2019. The Mineral Resource was updated with data from ioneer's 2018-19 drilling program which was comprised of approximately 9,000m of drilling in 45 holes. Overall, the Resource is based on 24,060m of drilling in 108 holes.

The 2018-19 drilling program focussed on the area of the starter pit and an area immediately to the south. Lithium-boron grades are highest in the southwest portion of the deposit, where the starter pit is located. The lithium-boron mineralisation remains open to the south where additional drilling is considered likely to add further shallow tonnes to the Resource.

In June 2019, the total lithium-boron Mineral Resource was estimated (at a cut-off grade of 5,000ppm boron) to contain:

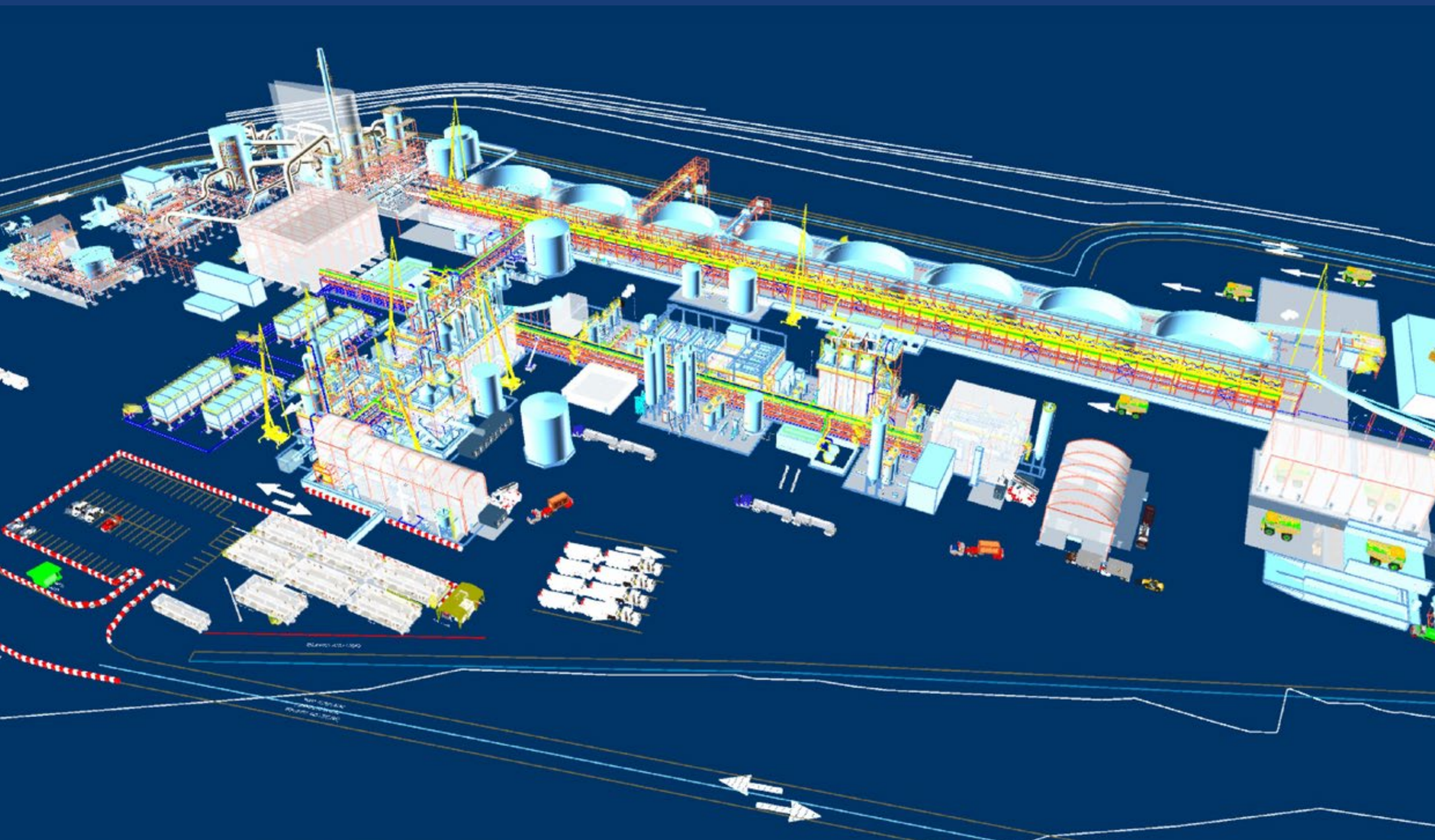
- 154.0mt at 1,650ppm lithium (equivalent to 0.9% lithium carbonate) and 14,100ppm boron (equivalent to 8.0% boric acid)
- 1.3mt of lithium carbonate and 12.4mt of boric acid.

This represents an increase of 200,000 tonnes of lithium carbonate and 3.8mt of boric acid compared to the previous lithium-boron Mineral Resource estimate.

The updated Mineral Resource includes a maiden Measured Resource of 41.0mt at 1,700ppm lithium and 14,400ppm boron; which contains a higher-grade Measured Resource of 27.5mt at 1,900ppm lithium and 17,800ppm boron for the Upper Zone.

Nevada is one of the most attractive jurisdictions globally to invest in mineral exploration and mining.

DFS schematic of Rhyolite Ridge processing plant



Operational report continued

The starter pit being developed as part of the Rhyolite Ridge DFS is likely to primarily mine the Upper Zone of the Measured Resource where the grades are significantly higher. This is expected to provide stronger cash flows in the early years of the Project compared to the PFS.

These improved cash flows will become evident upon completion of the updated mine plan and schedule currently being undertaken as part of the DFS.

The lithium-boron (searlesite) mineralisation is the focus of the DFS as it represents the highest value material. The low-clay and high-searlesite content of the lithium-boron mineralisation allows for the ore to be leached following a coarse (25mm) crush. The leaching is done in vats at atmospheric pressure and only slightly elevated temperature (60 degrees Celsius).

The deposit is large, tabular, and flat lying to gently dipping and outcrops over a strike length of at least 2.5km. The dimensions as defined by drilling are approximately 1,400m by 2,500m. The high-grade Upper Zone averages 20 metres in thickness over its known extent.

Definitive Feasibility Study

In November 2018, ioneer awarded Fluor the engineering and design contract to complete the DFS for the Project. Fluor's integrated project team is one of the most experienced in the mining and processing industry. Fluor will also provide engineering, procurement and construction management services as the project advances.

In April 2019, SNC-Lavalin was awarded the engineering and design contract for the sulphuric acid plant component of the DFS. The contract was awarded following a competitive process with SNC-Lavalin providing an updated budgetary cost estimate of approximately US$111 million for the supply and installation of the sulphuric acid plant, approximately US$60 million lower than the US$170 million estimated in the PFS completed in October 2018.

In June 2019, ioneer engaged world leading lithium processing technology group, Veolia Water Technologies Inc. (Veolia) to complete extensive testwork as part of the DFS. Veolia is the world's largest supplier of evaporator and crystalliser systems and is globally regarded for its processing expertise. Veolia successfully produced battery grade lithium hydroxide from Rhyolite Ridge lithium-boron ore using standard commercial processes. The bench-scale testwork undertaken by Veolia successfully validated the ioneer process and confirmed key flowsheet parameters, a key step in the DFS.

Pilot Plant

In June 2019 the Company commissioned the Rhyolite Ridge Pilot Plant. The Pilot Plant is located in Vancouver, Canada and is being operated, under the oversight of the ioneer process team, by Kemetco Research Inc, one of Canada's largest privately-owned contract research and development laboratories, specialising in extractive metallurgy, chemical processing and specialty chemical analysis.

The aim of the Pilot Plant is to:

- Optimise and finalise the processing flow sheet for the DFS;
- Collect the data required for detailed design engineering of the processing plant;
- Assess the quality of the final boric acid and lithium carbonate products;
- Generate sufficient product to support ioneer's offtake marketing efforts; and
- Serve as a demonstration plant for strategic and financing partner discussions.

The flowsheet combines commercially available processes and equipment that have been configured by the Company's engineering team to optimise the processing and recoveries from the unique lithium-boron mineralisation at Rhyolite Ridge.

Approximately twenty-eight tonnes of ore samples from outcrop and drill core have been processed in the Pilot Plant. Boric acid and lithium carbonate produced at the Pilot Plant is being provided to potential customers as part of ongoing offtake discussions.

Ongoing Strategic Partner & Offtake Discussions

ioneer and its financial advisor are in active negotiations with multiple strategic and offtake partners regarding development funding for the Project. Rhyolite Ridge remains uniquely positioned to become a major, low-cost supplier of lithium and boron products and is well placed to meet strong North American demand for lithium as the United States looks to develop a domestic battery supply chain. Rhyolite Ridge is also well placed to become the third major supplier of boron globally.

Sustainability

Drilling at Rhyolite Ridge South Basin in July 2018.

The Rhyolite Ridge Lithium-Boron Project provides a substantial foundation for ioneer to become a responsible and profitable producer of the materials necessary for a sustainable future.

Both lithium and boron have unique properties that are essential to modern life and are critical materials for many emerging clean technologies.

The declining cost of lithium-ion batteries is fundamental to the outlook for electric vehicles as they progressively replace internal combustion vehicles, a key contributor to a lower carbon future. Boron is essential to a wide variety of consumer and industrial products that use energy more efficiently such as permanent magnets used in electric vehicles and windmills, insulation products and as a micronutrient for crops.

Rhyolite Ridge is well placed to sustainably produce these critical materials as the Project has:

- A relatively small footprint due to no large evaporation ponds or tailings dams
- Low water usage as ore processing utilises mechanical evaporation in a closed circuit
- Leached ore residue that does not contain toxic materials or the potential to cause acid mine drainage
- Low emissions and no hazardous air pollutants
- Its own on-site energy production provided by the acid plant
- No competing land use such as agriculture or forestry
- Minimal impact on fauna

However, at ioneer we are not solely focused on our end products. We constantly evaluate how we operate. We have a deep respect for the local communities and environment within which we operate, and our pursuit of best practice means we are continually focused on improving the impact we have on the people and land we are responsible for.

Internally, we are committed to building a culture that reflects our values of being imaginative, caring, committed and responsible. We are proud of the progress we have made to date; however, recognise there are always ways to get better. Our relationship with the environment, our local community and the development, safety and support of our people are key areas we look to continually improve.

Sustainability highlights:

- **Transparent supply chain** - based in Nevada, USA
- **Proximity** to key parts of US lithium battery supply chain
- **Long-term sustainable project** - 30 year+ mine life
- **Simple, low-cost** mining process
- **Efficient use of land** - no competing land uses
- **High quality Board & Management** - relevant skill sets & experience

Rhyolite Ridge is ideally placed to be an ethical, reliable, major supplier of both lithium and boron.

Board of Directors

Mr. James D Calaway

Independent
Non-executive Chairman

BA (Econ), MA (PP&E)

Former: Non-exec Chairman of Orocobre

James Calaway has considerable experience and success in building young companies into successful commercial enterprises. He was the non-executive chairman of Orocobre Ltd for 8 years, helping lead the company from its earliest development to becoming a significant producer of lithium carbonate and a member of the ASX 300.

Mr. Bernard Rowe

Managing Director

BAppSc (Geology) (Hons)

Founding Managing Director of INR since IPO in 2007

Bernard Rowe is a geologist, manager and company director with more than 25 years' international experience in mineral exploration and mine development. His diverse mineral industry experience includes gold, copper, zinc, diamond, lithium and boron exploration in Australia, Europe, Africa, North America and South America.

Mr. Alan Davies

Independent
Non-executive Director

B.Bus (Accounting), LLB, LLM

Former: CEO Energy & Industrial Minerals, Rio Tinto

Alan Davies has 20 years of experience in running and leading mining businesses, most recently as chief executive, Energy & Minerals with Rio Tinto. He has significant experience in industrial minerals businesses including borates where he led the Rio Tinto Borax business and the Jadar lithium/boron deposit in Serbia.

Mr. Patrick Elliott

Independent
Non-executive Director

B.Comm, MBA Mineral Economics

Former: Head of corporate finance for Morgan Grenfell Australia Limited

Patrick Elliott is an experienced resources and industrial company director. In a career spanning over 45 years he has held senior executive positions with Consolidated Gold Fields Australia Limited and Morgan Grenfell Australia Limited.

Mr. John Hofmeister

Independent
Non-executive Director

BA (Political Science), MA (Political Science), PhD (Houston), D.Lit (Kansas State)

Former: President of Shell Oil Company (USA)

John Hofmeister was the president of Shell Oil Company (USA) from 2005 to 2008 and director of human resources. John also has held executive leadership positions in General Electric Company, Nortel Network Corporation and AlliedSignal (now Honeywell International Inc.).

Senior Executives

Mr. Ian Bucknell

Chief Financial Officer & Company Secretary

B.Bus (Accounting), FCPA, GAICD

Former: CFO & Company Secretary AWE Limited and Drillsearch Energy Limited

Ian Bucknell is responsible for the finance, investor relations, IT and company secretarial functions of the company. He has more than 20 years of international resource sector experience, most recently as chief financial officer and company secretary of AWE Limited.

Mr. Matt Weaver

Senior Vice President of Engineering and Operations

BS Mech Engineering, MBA

Former: Project Manager BHPB, Guinea Alumina Corp

Matt Weaver is responsible for all engineering and operational aspects of the Rhyolite Ridge Lithium-Boron Project in Nevada and for delivering the project through the Definitive Feasibility Study, project execution and into full commercial production. He has 30 years international mining experience, having worked for BHP, Rio Tinto and Newmont, and several junior mining companies.

Mr. Ken Coon

Vice President Human Resources

BS.Bus Administration (Human Resources)

Former: HR VP Shell Downstream Technologies and Entergy HR Director Nuclear Division

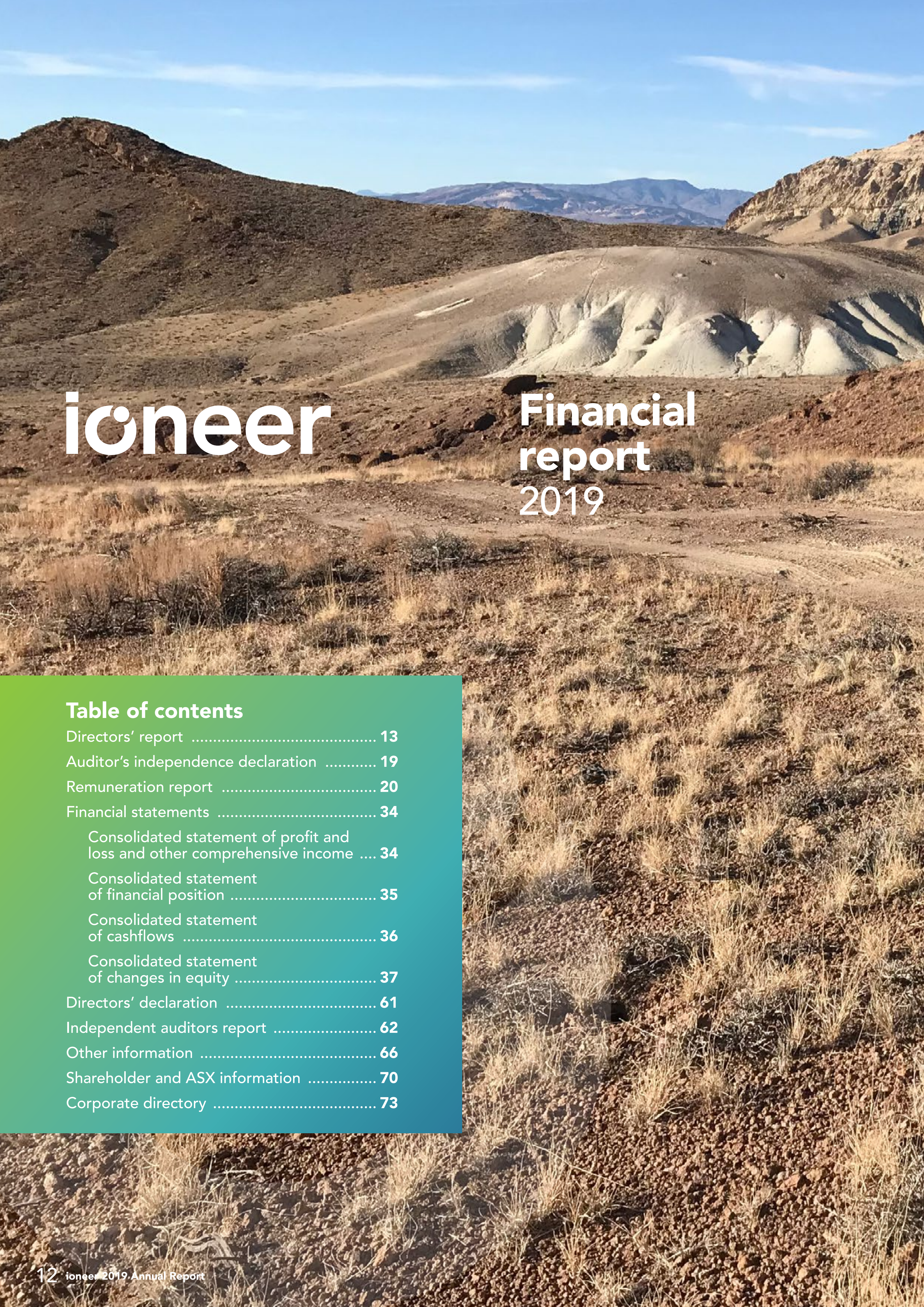
Ken Coon was appointed as an employee post the financial year and is responsible for the human resource function of the company. He has more than 30 years of human resources experience holding international and regional leadership roles with Royal Dutch Shell's downstream refining and chemicals organisation and Entergy, a US Gulf Coast utility company.

Mr. Yoshio Nagai

Vice President Commercial Sales & Marketing

Former: MD Fenic International Pte Ltd, Sales VP Rio Tinto

Yoshio Nagai was appointed as an employee post the financial year and is responsible for the sales and marketing function of the company. He has more than 20 years chemical and mining industry sales and marketing experience, most recently as Sales Vice President at the Rio Tinto Group accountable for borates, salt and talc products in Asia and the USA.



ioneer

Financial report 2019

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Directors' report

The directors of ioneer Ltd (previously known as Global Geoscience Limited) present their report together with the consolidated financial statements of ioneer Ltd ('ioneer' or the 'Company') and its controlled entities (collectively the Group) for the financial year ended 30 June 2019 and the Auditor's report thereon.

Operating and financial review

The operating and financial review forms part of the Directors' Report and has been prepared in accordance with section 299A of the Corporations Act 2001 (Cth). The information provided aims to assist users better understand the operations and financial position of the Group. To assist users, financial information included in this review contains non-IFRS financial information.

The principal activity of the Group continues to be the development of the Rhyolite Ridge Lithium-Boron Project (Project) in Nevada, United States of America.

Highlights of the financial year ended 30 June 2019

- PFS demonstrated Project potential to be lowest cost lithium production in the world.
- Rhyolite Ridge is located in Nevada, USA and is one of only two lithium-boron deposits globally.
- In June 2019 the Rhyolite Ridge lithium-boron Mineral Resource was increased by 27% to 154 million tonnes (mt), containing 1.3mt lithium carbonate and 12.4mt boric acid.
- The PFS anticipated mine life of the Project is 30+ years, with an estimated forecast annual production of 20,200 tonnes of lithium carbonate and 173,000 tonnes of boric acid.
- The pilot plant located in Vancouver, Canada confirmed the production flowsheet and produced:
    - Premium quality boric acid, and
    - High quality technical grade lithium carbonate.
- The pilot plant forms a key part of the Definitive Feasibility Study (DFS) for the Project which is expected to be delivered later in the calendar year.
- Discussions with multiple potential offtake customers, strategic partners and funders have been advanced and await sample product from the pilot plant and the delivery of the DFS.
- Development of our team and organisational capability:
- Internally, during and after the period we made a number of important hires including the key executive appointments of Ian Bucknell as CFO & company secretary, Ken Coon as VP human resources and Yoshio Nagai as VP commercial sales and marketing. Rhyolite Ridge Project is now uniquely positioned to become a major low-cost supplier of lithium and boron products to major markets in the USA and Asia.

Summary of performance and financial position

Year ended 30 June		Unit	30-Jun-19	30-Jun-18	% Change
Mineral Resource:	Measured and Indicated	mt	130.5	103.1	27%
	Inferred	mt	24.0	34.0	(29%)
Mineral Resource:	Total (1)	mt	154.0	137.1	12%
Total operating cash flows		A$'000	(4,923)	(2,232)	>100%
Investing cash flows		A$'000	(30,401)	(6,641)	>100%
Financing cash flows - equity		A$,000	563	82,005	>100%
Total cash used in the financial year		A$'000	(34,761)	73,132	>100%
Net cash		A$'000	48,604	80,539	(40%)
Capitalised exploration		A$,000	33,627	9,882	>100%
Net assets		A$,000	95,656	94,140	2%
Net loss after tax		A$,000	(941)	(2,494)	62%

(1) For further detail and Mineral Resources and Ore Reserves refer to Other information set out on page 66.

Directors' report continued

Business strategy

At the 2018 AGM, shareholders agreed to change the company name to ioneer Ltd to better reflect the company's transition and growth into an emerging lithium-boron supplier. The proposed name of ioneer Ltd more closely aligned the company's current and proposed activities. As part of this renaming process the Board also agreed a new:

- Purpose - we exist to enable a sustainable world for all.
- Mission - we responsibly and profitably provide the materials necessary for realising a sustainable planet.
- Vision - we see a world in which our global population, our environment and all future generations are thriving.
- Values - we are imaginative, caring, committed and responsible.

ioneer's business strategy is currently focused on developing the 100%-owned Rhyolite Ridge Lithium-Boron Project in Nevada, USA. We believe in an electrified future and the strategic imperative for the USA to develop a domestic battery materials supply chain. We actively promote the development of this battery materials supply chain and look to be a thought leader in this space.

Opportunities

The focus of the company is developing Rhyolite Ridge. After successfully delivering this Project, ioneer will pursue other growth initiatives from its existing portfolio (the current estimated resource is open to the north, south and east and does not include the north basin tenements) as well as new opportunities where they are value accretive and where balance sheet capacity exists to support future development.

Material business risks

The following material business risks have been identified as key issues that have the potential to impact the Company's performance:

- Execution of the Project, including meeting schedule, permitting and budget, could be subject to changes in industry and economic conditions.
- Offtake risk, including volume and price risks associated with the sale of technical grade lithium carbonate and boric acid, counterparty risk and contract terms. Pricing of lithium is likely to be largely subject to the rate of uptake in electric vehicles.
- Continuing access to debt and capital markets to fund the Project.
- Sovereign risk relating to the expected fiscal, tax and regulatory environment in jurisdictions that ioneer does business.
- Health, safety and environmental risks which are recognised by ioneer as being of critical importance in ensuring we continue to build and operate a sustainable business which and which remain a key priority for the business.
- Maintaining the company's social licence to operate by proactively engaging communities, regulators and other key stakeholders.

Directors qualification and experience

The following persons were directors of ioneer Limited during the whole of the financial year and up to the date of this report. Their qualifications and experience are:

Mr James D Calaway
Chairman
BA (Econ), MA (PP&E)

James was appointed a director in April 2017 and has served as Chairman since June 2017.

James was the Non-Executive Chairman of Orocobre Ltd for eight years until his retirement in July 2016. He led Orocobre from early development to become a significant producer of lithium carbonate and a member of the ASX 300.

James is currently Chairman Distributed Power Partners Inc, a Canadian international distributed power development company which is a leader in clustered distributed solar power development.

He has also been a chair of several other U.S. corporate boards including the Centre for Houston's Future, and the Houston Independent School District Foundation.

Mr Bernard Rowe
Managing Director
BAppSc (Geology) (Hons)

Bernard was appointed managing director in August 2007. He has more than 25 years' international experience in mineral exploration and mine development. His diverse mineral industry experience includes gold, copper, zinc, diamond, lithium and boron exploration in Australia, Europe, Africa, North America and South America.

He led the Company's listing on the ASX in 2007 with a focus on gold and copper exploration in Nevada and Peru.

In early 2016 Bernard visited a little-known lithium-boron deposit in southern Nevada – later to be renamed Rhyolite Ridge. He realised the potential opportunity and quickly secured a 12-month option over the Project to give the Company sufficient time to fully assess and evaluate the unique and poorly understood deposit.

Bernard is a member of the Australian Institute of Geoscientists, the Society of Economic Geologist and the Geological Society of Nevada.

Mr Alan Davies
Director
B.Bus (Accounting), LLB, LLM

Member of the Audit & Risk Committee

Member of the Nomination and Remuneration Committee

Alan joined the board as a non-executive director in May 2017.

He has expertise in running and leading mining businesses with Rio Tinto, most recently as chief executive, Energy & Minerals. Former roles include chief executive, Diamonds & Minerals and chief financial officer of Rio Tinto Iron Ore. Alan held management positions in Australia, London and the US for Rio Tinto's Iron Ore and Energy businesses, and has run and managed operations in Africa, Asia, Australia, Europe and North and South America. He is also a former director Rolls Royce Holdings plc.

He is currently the chief executive officer of the Moxico Resources PLC a Zambian copper and zinc explorer and developer. He is also Chairman of Trigem DMCC, a vertically integrated diamond and coloured stone provider.

Alan is a Fellow of the Institute of Chartered Accountants in Australia.

Mr Patrick Elliott
Director
B.Comm, UNSW
MBA Mineral Economics

Chair of the Audit & Risk Committee

Member of the Nomination and Remuneration Committee

Pat joined the board as a non-executive director in 2003.

He is an experienced resources and industrial company director. In a career spanning over 45 years he has held senior executive positions with Consolidated Gold Fields Australia Limited and Morgan Grenfell Australia Limited.

Pat is currently executive chairman of Argonaut Resources NL, Cap-XX Limited and Tamboran Resources Limited (an unlisted Australian oil and gas explorer). He is also a non-executive director of Kirrama Reources Limited (an unlisted explorer and developer of chromite and manganese projects in Madagascar).

Pat was executive chairman of Variscan Mines Limited until his retirement in September 2018.

Directors' report continued

Mr John Hofmeister **Director** BA (Political Science), MA (Political Science), PhD (Houston), D.Lit (Kansas State)	John joined the board as a non-executive director in May 2017. John was the president of Shell Oil Company (U.S.A.) from 2005 to 2008 and director of human resources. Mr. Hofmeister also has held executive leadership positions in General Electric Company, Nortel Network Corporation and AlliedSignal (now Honeywell International Inc.).
Chair of the Nomination and Remuneration Committee	He founded Citizens for Affordable Energy. He is also a key member of the United States Energy Security Council.
Member of the Audit & Risk Committee	John currently serves as non-executive director of Applus+ and was formerly a non-executive director of Hunting Plc London (United Kingdom).

Company secretary

Mr Ian Bucknell B.Bus (Accounting), FCPA, GAICD Chief Financial Officer and Company secretary	Ian joined ioneer in November 2018 as chief financial officer and became Company Secretary in April 2019 following the resignation of Joanna Morbey. Ian is responsible for the finance, investor relations, IT and company secretarial functions of the company. He has more than 20 years of international resource sector experience, most recently as chief financial officer and company secretary of AWE Limited and previously held the position of chief financial officer of Drillsearch Energy Limited.

Directors' interests in shares and options

Directors' interests in shares and options as at 30 June 2019 and at the date of this report are set out in the table below:

Director	Shares held As at 30 June 2019	Options held As at 30 June 2019	Shares held At report date	Options held At report date
JD Calaway	31,600,000	40,357,710	31,600,000	40,357,710
B Rowe	61,475,918	-	61,475,918	-
A Davies	2,365,898	857,710	2,750,152	857,710
P Elliott	19,446,722	357,710	19,446,722	357,710
J Hofmeister	1,461,231	857,710	1,461,231	857,710

Directors' meetings

Director's attendance at Directors meetings are shown in the following table:

	Board meetings		Audit and risk committee meetings		Remuneration committee meetings	
Directors	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended
JD Calaway	6	6	-	-	-	-
B Rowe	6	6	-	-	-	-
A Davies	6	6	3	3	2	2
P Elliott	6	6	3	2	2	2
J Hofmeister	6	6	3	3	2	2

Indemnification and insurance of directors and officers

Indemnification

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer of the Company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Insurance premiums

During the financial period the Company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

Remuneration report

The remuneration report set on pages 20 to 33 forms part of the Directors report for the year ended 30 June 2019.

Corporate governance statement

Details of the Company's corporate governance practices are included in the Corporate Governance Statement set out on the Company's website.

Dividends

No dividend has been proposed or paid since the start of the year.

Shares – issued and unissued

As at 30 June 2019 the Company has the following issued and unissued shares:

	30 June 2019 Number	30 June 2018 Number
Issued shares	1,474,983,509	1,469,497,083
Unissued shares:		
Options	47,430,840	58,100,000
Performance rights	1,391,786	1,459,276

Since the end of the financial year no additional shares, options or performance rights have been issued.

Environmental performance

The Group holds exploration licences issued by the relevant government authorities which specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with regulatory guidelines and standards. There have been no known breaches of the licence conditions.

Audit and non-audit services

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. There were no non-audit services provided during the current financial year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* forms part of this report and is set out on page 19.

Directors' report continued

Matters subsequent to the end of the financial period

Other than where stated at Note 9.5 to the Financial Statements, there were at the date of this report no matters or circumstances which have arisen since 30 June 2019 that have significantly affected or may significantly affect:

- the operations of the Company,
- the results of those operations, or
- the state of affairs of the Company.

Rounding off

The Group is of a kind referred to in ASIC Corporations (rounding in Financial / Directors' Report) Instrument 2016/191 and in accordance with that Class Order, amounts in the financial statements and directors' reports have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed at Sydney this 17th day of September 2019 in accordance with a resolution of the Directors.

James D Calaway
Chairman

Bernard Rowe
Managing Director

Auditor's independence declaration

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of ioneer Ltd

As lead auditor for the audit of ioneer Ltd for the financial year ended 30 June 2019, 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 audit; and

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

This declaration is in respect of ioneer Ltd and the entities it controlled during the financial year.

Ernst & Young

Ryan Fisk
Partner
Sydney
17 September 2019

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Remuneration report

For the year ended 30 June 2019

Message to shareholders

Dear Shareholder,

This letter will serve as an introduction to this year's remuneration report. During the past financial year considerable thought and a new professionalism were factored into our remuneration strategy, plans and practices with a view toward regularising our executive and non-executive director remuneration ahead of our anticipated growth while acknowledging the current performance of the business and existing competitive market considerations. Standard practices were established and adjustments made to bring current executives to competitive levels. As we look ahead, this re-positioning will serve us well as we progress through the next stages of our business growth, including progressing from Pre-FID to actual Final Investment Decision (FID). It will also serve us as we tackle Project construction, commissioning, and ramp-up to steady production revenue generation and profitable operations.

Our remuneration strategy and practice is to target Key Management Personnel (KMP) at approximately the median level for comparable businesses of a similar size when objectives are achieved. The standardisation of KMP contracts was completed during the financial year with updated contracts to be effective from 1 July 2019. This included bringing on board Ian Bucknell as Chief Financial Officer and Company Secretary on 15 November 2018. There were no other changes to KMP in the period.

Remuneration outcomes and changes

With the assistance of Willis Towers Watson (WTW), a recognised world leader in executive remuneration knowledge and practices, the Nomination and Remuneration Committee, aided by experienced human resource professionals with global backgrounds, Glenn Gilchrist and Ken Coon, updated and standardised our competitive remuneration policies and practices to median levels in our market. We made the following changes:

- To correct the Managing Director's fourth quartile pay position, his base salary was adjusted by 41% and the increase, in fairness, backdated to 1 November 2018. Additionally, a further increase of 17% is anticipated post FID to bring him to a competitive median salary position.
- The Senior VP Engineering & Operations is anticipated to receive an increase in base salary of 14% after FID to maintain his median salary competitiveness.
- Short term incentive (STI) annual bonus payments, provided performance criteria are met, have been regularised for the Managing Director, Chief Financial Officer and Senior VP Engineering & Operations at 75%, 50% and 50% of base salary, respectively.
- Long term incentive (LTI) annual equity grant awards were established for the same three persons at targets of 80%, 50% and 50% of base salary, with three year vesting and performance requirements.

The Nominations and Remuneration Committee and Board believe that these measures and new standardised employment agreements align our executive remuneration with competitive benchmarks and will support our transition and growth as a company. We have also changed our remuneration policy to establish annual performance criteria and standard review cycles.

With regard to non-executive director remuneration we have maintained the same ceiling for payments. Adjustments were introduced however for additional remuneration to Committee Chairs, which is standard market practice, as noted in the details of the report. In addition, recognition of the Chairman's increased support of the business to assist the company's move from pre-FID to FID, along with developing both strategic and financial partnering efforts, as noted elsewhere in this report, led to a temporary additional monthly stipend as described in the report.

We will continue to keep shareholders abreast of KMP and non-executive director remuneration policies and payments in as simple, clear and transparent manner as possible, recognising the importance of these matters to all shareholders and to our executives and directors. The Board is committed to fair, competitive, effective and responsible remuneration policies and practices and to fully communicating its decisions for review and voting approval by shareholders, who will judge our decisions and practices.

John Hofmeister
Chairman, Remuneration Committee

Key terms used in this report

Act	Corporations Act 2001 (Cth)	MD	Managing director
AGM	Annual General Meeting	NED	Non-executive director
ASX	Australian Securities Exchange	Option Plan	Share Option Plan
FID	Final Investment Decision	Rights	Share rights
INR	ioneer	Rights Plan	Performance Rights Plan
KMP	Key management personnel	STI	Short-term incentive
LTI	Long-term incentive		

Remuneration report continued

For the year ended 30 June 2019

1. Introduction

The directors of ioneer Ltd ("ioneer" or the "Company") present the Remuneration Report prepared in accordance with section 300A of the Corporations Act 2001 ("the Act") for the consolidated entity for the year ended 30 June 2019.

This Remuneration Report which forms part of the Directors Report outlines the remuneration strategy, framework and practices adopted by the consolidated entity in accordance with the requirements of the Act and its regulations. This information has been audited as required by section 308 (3C) of the Act.

This report details remuneration information pertaining to directors and executives who are the 'Key Management Personnel' ("KMP") of the consolidated entity. KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of ioneer.

The following non-executive directors ("NEDs") and executives have been identified as KMP for the purpose of this report:

Non-executive directors		Appointed
James D Calaway	Chairman	Appointed 5 April 2017
Alan Davies	Non-executive director	Appointed 23 May 2017
Patrick Elliott	Non-executive director	Appointed 30 April 2003
John Hofmeister	Non-executive director	Appointed 23 May 2017

Executive director and executives		
Bernard Rowe	Managing director	Appointed 23 August 2007
Ian Bucknell (1)	Chief financial officer and company secretary	Appointed 15 November 2018
Ken Coon	Vice president human resources	Appointed 1 July 2019
Yoshio Nagai	Vice president commercial sales and marketing	Appointed 1 August 2019
Matt Weaver	Senior vice president – engineering and operations	Appointed 28 November 2017
Joanna Morbey	Company secretary – former	Resigned 1 April 2019

(1) Mr Bucknell was appointed company secretary on 1 April 2019.

2. Remuneration governance

Remuneration governance is overseen by the Nomination & Remuneration Committee. The Committee is a committee of the Board established in accordance with the Company's constitution and authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities.

The ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" (ASX Recommendations) recommend that the Company has formal and rigorous processes for the appointment and reappointment of directors to the Board. The Committee was established to assist the Board by undertaking the roles and exercising the responsibilities set out in the Nomination & remuneration Committee Charter. A copy of this Charter is available on the Company's website.

The Committee aims to bring transparency, focus and independent judgment to these roles. The Committee will review and make recommendations to the Board on matters relevant to these roles and responsibilities, and as required to satisfy the Corporations Act, ASX Recommendations and ASX Listing Rule requirements relevant to these roles and responsibilities. The Committee currently comprises the following independent non-executive directors:

- John Hofmeister (Chairman);
- Patrick Elliott; and
- Alan Davies.

2.1. Role

The role of the Committee is defined in the Charter is to assist and advise the Board on:

Nomination

- succession planning generally;
- induction and continuing professional development programs for directors;
- the development and implementation of a process for evaluating the performance of the Board, its committees and directors;
- the process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- the appointment and re-election of directors; and
- succession planning for the Managing Director (or such person performing the function of a chief executive officer) and other senior executives,

with the objective of having a Board of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

Remuneration

Policies and practices are designed to:

- enable the Company to attract, retain and motivate directors, executives and employees who will create value for shareholders within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;
- be fair and appropriate having regard to the performance of the Company and the relevant director, executive or employee and the interests of shareholders; and
- comply with relevant legal requirements.

2.2. Responsibilities

Nomination

The Committee is responsible for:

- Board size: making recommendations regarding the size of the Board which would most encourage efficient decision making;
- Director competencies: making recommendations regarding the necessary and desirable competencies of directors;
- Skills matrix: developing a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership;
- Director recommendations: developing and reviewing the process for the selection, appointment and re-election of directors, and making recommendations to the Board by:
    - evaluating the balance of skills, experience, independence, knowledge and diversity of directors sitting on the Board;
    - in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment; and
    - undertaking appropriate checks before putting forward a candidate for appointment or election as a director;

- Providing information: providing security holders with material information in the Committee's possession relevant to a decision as to whether or not to elect or re-elect a director;
- Assessing performance: implementing a process to evaluate the performance of the chairperson, Board, Board committees, individual directors and senior executives and addressing issues that may arise from the review;
- Assessing time commitment: reviewing the time required to be committed by non-executive directors to properly fulfil their duties to the Company and whether non-executive directors are meeting these requirements;
- Assessing independence: assisting the Board in assessing the independence of each non-executive director;
- Succession plans: reviewing Board and senior executive succession plans and processes, including for the Managing Director and other senior executive positions and being conscious of each director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity; and;
- Governance matters: reviewing and making recommendations in relation to any corporate governance issues as requested by the Board from time to time.

Remuneration

General
The Committee is responsible for developing, reviewing and making recommendations to the Board on:

- Directors' fees: the Company's remuneration framework for directors, including, the process by which any pool of directors' fees approved by shareholders is allocated to directors;
- Senior executives: the remuneration packages to be awarded to senior executives;
- Bias: reviewing whether there are any gender or other inappropriate bias in remuneration for directors, senior executives or other employees;
- Policies: the Company's recruitment, retention and termination policies for the Managing Director and senior executives and any changes to those policies;
- Incentive schemes: incentive schemes, if appropriate, for the Managing Director and senior executives;
- Equity based: equity based remuneration plans, if appropriate, for senior executives and other employees; and
- Superannuation and retirement benefits: superannuation and retirement benefit arrangements for directors, senior executives and other employees.

Incentive schemes and equity based remuneration
For any incentive schemes or equity based plans which are adopted, the Committee is responsible for:

- Reviewing: reviewing their terms (including any eligibility criteria and performance hurdles);
- Administration: overseeing their administration (including compliance with applicable laws that restrict participants from hedging the economic risk of their security holdings) and disclosing its policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme;
- Shareholder approval: considering whether shareholder approval is required or desirable for the schemes or plans and for any changes to them; and
- Payments and awards: ensuring that payments and awards of equity are made in accordance with their terms and any shareholder approval.

2.3. Remuneration advisors

The Committee engaged the services of Willis Towers Watson (WTW), and two experienced HR consultants, Ken Coon and Glenn Gilchrist. Ken and Glenn have global HR experience with extensive backgrounds in the USA, where they are based and where Rhyolite Ridge is situated. WTW provided advice on competitive benchmarking and executive remuneration targets and structures for Australia and the USA. Ken and Glenn supported WTW's work activities and the Committee, acting as outsourced HR directors, to help the Company establish standardised remuneration programs applicable to all employees. In addition, Watson Mangioni and Mullin, Hoard & Brown LLP, were engaged to provide legal advice and work with Ken Coon and Glenn Gilchrist on senior executive contracts as well as several other human resource activities.

The Committee and its advisors are all satisfied that the advice provided by each individual party is free from bias from the KMP to whom the recommendations apply. The fees paid to the individual advisors for this work were as follows:

	Year ended 30 June 2019 $
Willis Watson Towers	27,500
Ken Coon (Abita Trails)	58,604
Glenn Gilchrist	49,604
Watson Mangioni	50,672
Mullin Hoard & Brown LLP	13,456
Total fees	199,837

3. Remuneration arrangements

3.1. Managing director and executives

ioneer's remuneration framework and executive reward strategy provides a mix of fixed and variable remuneration with a blend of short and long-term incentives. The key elements of the remuneration packages are as follows:

- **Fixed:** Annual base salary.
- **Variable short-term incentive:** annual cash bonus.
- **Variable Equity:** options and performance rights granted under shareholder approved equity incentive plans (refer 3.2, Equity Incentive Plans in this Remuneration Report).
- **Post-employment benefits:** superannuation contributions and similar retirement benefits savings for non-Australian executives.

The ioneer executive compensation strategy provides for fair, competitive remuneration that aligns potential rewards with the Company's objectives while being transparent to shareholders. Key remuneration elements are reviewed annually to determine appropriate awards based upon factors such as individual performance, Company results and competitive benchmark survey data. The following is a brief description of the approach for each element:

- Base salary is reviewed annually and adjusted based upon individual performance and competitive benchmarks that may be reviewed from time to time to ensure competitiveness.
- Annual (short-term) cash bonuses are reviewed annually with awards granted based upon individual performance and Company results. Bonus targets are benchmarked from time to time to ensure competitiveness. Bonuses may range from 0 to 200% of target. The Board reserves the right to grant bonuses larger than 200% for exceptional contributions to Company objectives.
- Equity (long-term) grants are reviewed annually with a portion of the grants being performance based and a portion restricted time based. The Board has a current practice of granting a ratio of 60% performance-based equity rights and 40% restricted time-based equity rights. Typically, equity grants awarded as part of the Company's annual review cycle will vest over a 3-year period. Vesting of performance-based grants are reviewed at the time of vesting with the size of the vested award to be based upon the degree to which pre-established objectives were achieved, and the overall value of the vested award determined by market share price. Performance based equity grants may range between 0 and 200% at time of vesting based upon achievement of pre-established business targets. Equity targets are benchmarked from time to time to ensure competitiveness.

3.2. Equity Incentive Plans

The Company has three share schemes in operation:

- The new Equity Incentive Plan;
- The Share Option Plan; and
- The Performance Rights Plan.

Under these plans ordinary shares have been granted to senior executives, employees as well as a number of consultants.

Equity Incentive Plan - New

A new Equity Incentive Plan was established following the AGM held on 31 October 2018. The purpose of the new Equity Incentive Plan ("the Plan") is to provide eligible persons the opportunity to participate in the growth and profits of the Company and to attract, motivate and retain their services to promote the Company's long-term success.

Under the terms of the Plan, the Board may at its discretion invite eligible persons to participate in a grant of awards. An award may be either an option or performance right, to acquire a share in the capital of the Company in accordance with the Plan rules.

Options and rights issued under the terms and condition of the new ioneer Equity Incentive plan are as follows:

Class	Key terms	Expiry Date
Options issued to NEDs	The options were issued at an exercise price equal to the VWAP for the Company's shares over the 10 trading days immediately before the date of the AGM. The options vest after 12 months and expire 60 months from the date of issue.	31 October 2023
Class D Performance Rights	The vesting condition is time based.	14 November 2019

Key features include:

- The Board may at its discretion make invitations to or grant awards to eligible persons.
- Award means an option or a performance right to acquire a share in the capital of the Company.
- Eligible persons include executive directors or executive officers of the Group, employees, contractors or consultants of the group or any other person.
- A participant may not sell or assign awards.
- Within 30 days after the vesting date in respect of a vested performance right, the Company must either allocate shares or procure payment to the participant of a cash amount equal to the market price of the shares which would have otherwise been allocated.
- At any time during the exercise period a participant may exercise any or all of their vested options by paying the exercise price.

Whilst there are a number of options and performance rights on issue under the terms and conditions of previous schemes, no further options or rights will be issued under these pre-existing schemes which are described below.

Share Option Plan

The Group established a Share Option Plan in 2010 (and reconfirmed it at the 2016 AGM) to assist in the attraction, retention and motivation of the KMP's as well as the retention of key consultants. Key features include:

- Full or part time employees or consultants of the Group are eligible to participate.
- Options issued pursuant to the plan will be issued free of charge.
- Options cannot be transferred and are not quoted on the ASX.
- Options expire 90 days after the participant resigns from the Company. The exercise price of the options, at grant date, shall be as the directors in their absolute discretion determine, provided the exercise price shall not be less than the weighted average of the last sale price of the Company's shares on ASX at the close of business on each of the 5 business days immediately preceding the date on which the directors resolve to grant the options.
- The directors may limit the total number of options which may be exercised under the plan in any year.

A summary of options on issue is set out in note 5.1 of the financial report.

Performance Rights Plan

In addition to the Share Option Plan discussed above, the Group established the Performance Rights Plan at the 2016 AGM to assist in the attraction, retention and motivation of the Company's directors, executives, employees and senior consultants. Key features include:

- The Board will determine the number of performance rights to be granted to eligible employees (or their nominees), the vesting conditions and expiry date of the performance rights in its sole discretion.
- The performance rights are not transferable unless the Board determines otherwise, or the transfer is required by law and provided that the transfer complies with the Corporations Act.
- Subject to the Corporations Act and the Listing Rules and restrictions on reducing the rights of a holder of performance rights, the Board will have the power to amend the performance rights plan as it sees fit.
- If a vesting condition of a performance right is not achieved by the milestone date, then the performance right will lapse.
- The performance rights will be granted for nil consideration. Upon exercise of the performance rights, shares will be issued on a one for one basis on the same terms as the Company's existing shares.

A summary of performance rights on issue is set out in note 5.1 of the financial report.

3.3. Service agreements

Managing director

Term	Open term agreement.
Effective Date	A new contract was established effective 1 July, 2019.
Remuneration	• Fixed remuneration (refer section 4.1 of this Remuneration Report). • At risk STI: 75% of Base salary. Actual awards may range from 0 to 200% contingent upon individual and company performance compared to established targets. The Board reserves the right to grant bonuses above 200% for truly exceptional contributions to the business. • At risk LTI: 80% of Base salary. • A portion of equity will be performance based while a portion will be restricted time based as determined by the Board. Current portions are 60% and 40% respectively. Performance based awards may range from 0 to 200% based upon achievement of pre-established targets.
Termination	• By executive: 6 months' notice. • By Company: 6 months' notice.

Executives

Term	Open term agreements.
Effective Date	New contracts were established effective 1 July, 2019.
Remuneration	• Fixed remuneration (refer section 4.1 of this Remuneration Report). • At risk STI: 50% of Base salary. Actual awards may range from 0 to 200% contingent upon individual and company performance compared to established targets. The Board reserves the right to grant bonuses above 200% for truly exceptional contributions to the business. • At risk LTI: 50% of Base salary. • A portion of equity will be performance based while a portion will be restricted time based as determined by the Board. Current portions are 60% and 40% respectively. Performance based awards may range from 0 to 200% based upon achievement of pre-established targets.
Termination	• By executive: 3 months' notice. • By Company: 6 months' notice.
Equity at hire Chief Financial Officer	• Participated immediately at 100% of base salary in Equity Incentive Plan, with restricted time based rights that vest in equal portions over 3 years from an agreed effective date of 14 November 2018 (date of hire). • Receives AUD$100,000 Company equity rights grant with restricted time based vesting 12 months after 14 November 2018.
Senior Vice President Engineering & Operations	• Participated immediately at 100% of base salary in Equity Incentive Plan, with restricted time based rights that vest in equal portions over 3 years from agreed effective date of 27 November 2017 (date of hire). Two remaining equity vesting tranches still exist.

Subsequent to 30 June the following executive appointments have been made:

- Ken Coon - Vice president human resources; was appointed 1 July 2019 and
- Yoshio Nagai - Commercial director, was appointed 1 August 2019.

Their contracts for employment are on similar terms to existing executives, with a fixed remuneration component as well as short and long-term incentives. In addition, time based equity at hire will be provided following 3 years of continuous service. Both these executives will be paid in US dollars.

4. Remuneration outcomes of Managing director and executives

4.1. Remuneration tables

Details of the nature and amount of each element of remuneration of the managing director and each of the named executives are as follows:

	Salary $	Cash Bonus (1) $	Non-monetary benefits $	Superannuation and employee benefits $	Performance rights $	Total $	Proportion of Remuneration that is performance based %	% of remuneration that consists of options/rights %
2019								
Bernard Rowe (2)	**362,000**	**175,500**	**-**	**40,613**	**-**	**578,113**	**30%**	**0%**
Ian Bucknell(3)	**224,053**	**55,000**	**3,080**	**21,285**	**62,466**	**365,884**	**15%**	**17%**
Matt Weaver (4)	**349,455**	**88,063**	**-**	**52,311**	**145,928**	**635,756**	**14%**	**23%**
Joanna Morbey (5)	**146,208**	**-**	**-**	**20,124**	**-**	**166,332**	**0%**	**0%**
	1,081,716	**318,563**	**3,080**	**134,333**	**208,394**	**1,746,085**	**18%**	**12%**
2018								
Bernard Rowe	285,000	142,500	-	27,075	117,837	572,412	25%	21%
Matt Weaver	208,294	97,414	-	18,897	100,325	424,930	23%	24%
Joanna Morbey	168,950	84,475	-	16,050	29,459	298,934	0%	10%
	662,244	**324,389**	**-**	**62,022**	**247,621**	**1,296,276**	**25%**	**19%**

(1) All 2019 cash bonuses were split between cash and equity 50/50, with a 20% premium provided for equity. The equity portion of the cash bonuses is excluded from the cash bonus above because they have not yet been issued.

(2) Bernard Rowe's base salary has been adjusted to $401,000 from 1 November 2018. In addition, Bernard Rowe will receive two 'make-up equity grants' in FY20 of $374,000 each for previous years when equity was not granted to maintain a competitive remuneration position in future years. The grants are restricted time-base vesting with one grant vesting in 1 year and the other vesting over 2 years. These additional grants will not impact FY19 remuneration as shown above.

(3) Ian Bucknell will receive an additional equity grant of $175,000 in FY20 as a retention element related to his commencement of employment. The grant is time-based vesting in 3 equal instalments over 3 years from time of hire. This additional grant will not impact FY19 remuneration as shown above.

(4) Matt Weaver will receive one 'make-up equity grants' of $143,000 in FY20 for a previous year when equity was not granted to maintain a competitive remuneration position in future years. The grant is restricted time-base vesting with vesting over 2 years. This additional grant will not impact FY19 remuneration as shown above.

(5) Joanna Morbey resigned from the company 1 April 2019.

4.2. Short-term performance benefits included in remuneration

The Company's approach to the granting and vesting of short-term performance benefits is set out above, in section 3, Remuneration arrangements.

Cash bonuses of $318,563 were accrued for the year ended 30 June 2019 and were paid after balance date (2018: $324,389).

4.3. Analysis of long-term performance benefits included in remuneration

The Company's approach to the granting of equity awards is set out above, in section 3, Remuneration arrangements.

The fair value of options and performance rights granted is determined using a Black Scholes Pricing Model which takes account of factors including the exercise price, the share price at time of grant, volatility of the underlying share price, the risk-free interest rate and the expected life of the option / performance right. The cost is amortised over the vesting period of the option / performance rights. This amortisation is recognised as an expense, resulting in an increase in directors and employee benefits expense for the relative financial year.

Options

There were nil options issued to the managing director and executives during the financial year ended 2019 (2018: nil).

Performance rights

The number and value of rights granted during the current and previous financial year to KMP is detailed below:

Year ended 30 June	Grant date	Number	Value	Fair value per right
2019				
Ian Bucknell (1) Class D	14/11/2018	418,936	100,000	0.239
Total	14/11/2018	418,936		
2018				
Matt Weaver (2) Class A	27/11/2017	486,426	109,446	0.225
Matt Weaver (2) Class B	27/11/2017	486,426	109,446	0.225
Matt Weaver (2) Class C	27/11/2017	486,426	109,446	0.225
Total		1,459,278		

(1) The performance rights were issued to Ian Bucknell at the commencement of his employment and were issued under the terms of the Equity Incentive Plan adopted at the Annual General Meeting of the Company on 31 October 2018 (Refer section 3.2 of this Remuneration Report).

(2) The performance rights were issued to Matt Weaver at the commencement of his employment and were issued under the terms of 2016 Performance Rights Plan (Refer Section 3.2 of this Remuneration Report).

5. Interests held by managing director and senior executives

Movement in interest in share capital

Ordinary shares	Balance at the start of the year	Acquired	Disposed	Other	Balance at the end of the year
2019					
Bernard Rowe	61,475,918	-	-		61,475,918
Joanna Morbey (1)	19,606,000	-	(250,000)	(19,356,000)	-
	81,081,918	-	(250,000)	(19,356,000)	61,475,918
2018					
Bernard Rowe	48,807,168	14,000,000	(1,331,250)		61,475,918
Joanna Morbey	15,957,250	3,648,750	-	-	19,606,000
	64,764,418	17,648,750	(1,331,250)	-	81,081,918

(1) Joanna Morbey resigned from the Company effective 1 April 2019.

Movement in performance rights

Year ended 30 June	Vesting Date	Balance at the start of the year	Number rights granted	Vested	Balance at the end of the year
2019 (3)					
Matt Weaver (1)	27/11/2018	486,426	-	(486,426)	-
Matt Weaver (1)	27/11/2019	486,426	-	-	486,426
Matt Weaver (1)	27/11/2020	486,426	-	-	486,426
Ian Bucknell (2)	14/11/2019	-	418,936	-	418,936
		1,459,278	418,936		1,391,788
2018					
Bernard Rowe	8/09/2017	6,000,000	-	(6,000,000)	-
Bernard Rowe	9/01/2018	6,000,000	-	(6,000,000)	-
Matt Weaver	27/11/2018	-	486,426	-	486,426
Matt Weaver	27/11/2019	-	486,426	-	486,426
Matt Weaver	27/11/2020	-	486,426	-	486,426
Joanna Morbey	8/09/2017	1,500,000	-	(1,500,000)	-
Joanna Morbey	9/01/2018	1,500,000	-	(1,500,000)	-
		15,000,000	1,459,278	(15,000,000)	1,459,278

(1) Issued under the 2016 Performance Rights Plan as described in section 3.2 of this Remuneration report.
(2) Issued under the new 2018 Equity Incentive Plan as described in section 3.2 of this Remuneration report.
(3) The table above excludes the additional FY20 grants disclosed under section 4.1 of this Remuneration report.

Movement in options

Year ended 30 June	Vesting Date	Expiry Date	Balance at beginning of financial year Number	Granted as remuneration Number	Exercised Number	Exercise price $	Amount paid $	Balance as at end of financial year Number
2019								
There are nil options on issue for the managing director or senior executives.								
2018								
Bernard Rowe (1)	13/10/13	30/12/17	1,000,000	-	(1,000,000)	0.047	47,000	-
Bernard Rowe (1)	17/04/14	30/12/17	1,000,000	-	(1,000,000)	0.070	70,000	-
Joanna Morbey (1)	17/04/14	30/12/17	500,000	-	(500,000)	0.070	35,000	-
Total			2,500,000	-	(2,500,000)		152,000	-

(1) All options on issue were issued under the 2010 Share Option Plan (reconfirmed at the 2016 AGM) as described in section 3.2 of this Remuneration report.

6. Remuneration outcomes of non-executive directors

Total remuneration for all non-executive directors, last voted upon by shareholders at the 2017 Annual General Meeting of the Company, is not to exceed $1,000,000 per annum, inclusive of superannuation.

This total pool enables the Company in the future, if required, to provide for:

- Adequate financial incentives, commensurate with the market to attract and retain suitably qualified and experienced directors to replace existing non-executive directors;
- Appropriate arrangements to be put in place to ensure a smooth transition on replacement of directors, including a period of overlap if required; and
- Increases in non-executive directors in the future should it be considered appropriate.

Total remuneration paid to non-executive directors in the financial year was $547,674 (2018: $454,187). This included $150,000 paid in the form of options. The board believes that providing remuneration to directors in the form of options in consideration for their services as directors more effectively aligns the interests of directors with those of shareholders, by giving directors an opportunity to share in the success of the company. In addition, given the pre-production stage of the Project, it conserves cash.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred as a consequence of their attendance at Board meetings and otherwise in the execution of their duties as directors. It was also agreed that the Chair of the Audit & Risk Committee and the Chair of the Nomination & Remuneration Committee be paid an additional $7,142 (USD5,000) per annum to reflect the additional time spent in managing the additional workload.

The Board has determined that there will be no increase in fees payable to non-executive directors for the financial year ending 30 June 2020 with the exception of James Calaway. Given the unique challenges associated with developing a project such as Rhyolite Ridge, Mr Calaway has been asked to devote substantial time and effort in applying his entrepreneurial capabilities in identifying and developing potential strategic investment partners, large-scale customers, and raising the Projects awareness among senior US government officials. His time and effort has exceeded any expectation anticipated as part of the terms of his appointment in April 2016. The Board acknowledges the increasing contributions made by Mr Calaway in his role as non-executive director and Chairman of the Company and in return for this increased engagement have agreed to the payment by the Company of a USD$25,000 per month fee commencing in August 2019. It is anticipated that the increased engagement of Mr Calaway will be an interim measure on a monthly basis. The increase to the non-executive Chair compensation paid to Mr Calaway has been reviewed and approved by the Nomination and Remuneration Committee and is within the remuneration limits approved by the shareholders for non-executive directors.

The board has determined to put to shareholders at the 2019 Annual General Meeting, that non-executive directors receive $45,000 in options of the Company in lieu of receipt of directors fees in cash.

Details of the nature and amount of each element of the remuneration of each of the non-executive directors of ioneer Ltd paid during the year ended 30 June 2019 are set out in the following table.

	Fees $	Non-monetary benefits $	Superannuation $	Options $	Performance rights $	Total $	% of remuneration that consists of options/rights %
2019							
James D Calaway	**213,837**	**-**	**-**	**30,000**	**-**	**243,837**	12%
Alan Davies	**71,279**	**-**	**-**	**30,000**	**-**	**101,279**	30%
Patrick Elliott	**71,279**	**-**	**-**	**30,000**	**-**	**101,279**	30%
John Hofmeister	**71,279**	**-**	**-**	**30,000**	**-**	**101,279**	30%
	427,674	**-**	**-**	**120,000**	**-**	**547,674**	**22%**
2018							
James D Calaway	226,269	-	-	-	-	226,269	0%
Alan Davies	66,153	-	-	-	-	66,153	0%
Patrick Elliott	66,153	-	-	-	29,459	95,612	31%
John Hofmeister	66,153	-	-	-	-	66,153	0%
	424,728	**-**	**-**	**-**	**29,459**	**454,187**	**6%**

7. Interests held by non-executive directors

Movement in equity

Ordinary shares	Balance at the start of the year	Acquired	Disposed	Other	Balance at the end of the year
2019					
James D Calaway	31,600,000	-	-	-	31,600,000
Alan Davies	1,997,298	368,600	-	-	2,365,898
Patrick Elliott	19,446,722	-	-	-	19,446,722
John Hofmeister	310,000	1,151,231	-	-	1,461,231
	53,354,020	1,519,831	-	-	54,873,851
2018					
James D Calaway	31,600,000	-	-	-	31,600,000
Alan Davies	-	1,997,298	-	-	1,997,298
Patrick Elliott	15,446,722	4,000,000	-	-	19,446,722
John Hofmeister	-	310,000	-	-	310,000
	47,046,722	6,307,298	-	-	53,354,020

Movement in performance rights

Year ended 30 June	Vesting Date	Balance at the start of the year	Number options granted	Vested	Balance at the end of the year
2019					
There are nil rights on issue for Non-executive directors.					
2018					
Patrick Elliott	8/09/2017	1,500,000	-	(1,500,000)	-
Patrick Elliott	9/01/2018	1,500,000	-	(1,500,000)	-
		1,500,000	-	(1,500,000)	-

Movement in options

Year ended 30 June 2019	Vesting Date	Expiry Date	Balance at beginning of financial year Number	Granted as remuneration (1) Number	Exercised Number	Exercise price $	Amount paid $	Balance as at end of financial year Number
James D Calaway	23/05/18	22/04/22	16,000,000	-	-	0.150	-	16,000,000
	23/05/19	22/04/22	12,000,000	-	-	0.200	-	12,000,000
	23/05/20	22/04/22	12,000,000	-	-	0.250	-	12,000,000
	31/10/19	31/10/23	-	357,710	-	0.242	-	357,710
Sub total			40,000,000	357,710	-		-	40,357,710
Alan Davies	23/05/18	23/05/22	200,000	-	-	0.200	-	200,000
	23/05/19	23/05/22	200,000	-	-	0.200	-	200,000
	23/05/20	23/05/22	100,000	-	-	0.200	-	100,000
	31/10/19	31/10/23	-	357,710	-	0.242	-	357,710
Sub total			500,000	357,710	-		-	857,710
Patrick Elliott	31/10/19	31/10/23	-	357,710	-	0.024	-	357,710
Sub total			-	357,710	-		-	357,710
John Hofmeister	23/05/18	23/05/22	200,000	-	-	0.200	-	200,000
	23/05/19	23/05/22	200,000	-	-	0.200	-	200,000
	23/05/20	23/05/22	100,000	-	-	0.200	-	100,000
	31/10/19	31/10/23	-	357,710	-	0.242	-	357,710
Sub total			500,000	357,710	-		-	857,710
Total			41,000,000	1,430,840	-		-	42,430,840
Year ended 30 June 2018								
James D Calaway	13/04/17	13/04/22	16,000,000	-	-	0.150	-	16,000,000
	13/04/17	13/04/22	12,000,000	-	-	0.200	-	12,000,000
	13/04/17	13/04/22	12,000,000	-	-	0.250	-	12,000,000
Sub total			40,000,000	-			-	40,000,000
Alan Davies	23/05/18	23/05/22	200,000	-	-	0.020	-	200,000
	23/05/19	23/05/22	200,000	-	-	0.020	-	200,000
	23/05/20	23/05/22	100,000	-	-	0.020	-	100,000
Sub total			500,000	-	-		-	500,000
Patrick Elliott	17/04/14	30/12/17	1,000,000	-	(1,000,000)	0.070	70,000	-
Sub total			1,000,000	-	(1,000,000)		70,000	-
John Hofmeister	23/05/18	23/05/22	200,000	-	-	0.020	-	200,000
	23/05/19	23/05/22	200,000	-	-	0.020	-	200,000
	23/05/20	23/05/22	100,000	-	-	0.020	-	100,000
Sub total			500,000	-	-		-	500,000
Total			42,000,000	-	(1,000,000)		70,000	41,000,000

(1) These options were issued under the Equity Incentive Plan established at the 2018 AGM. All other options were issued under the previous Share Option Plan which was initially established in 2010 and reconfirmed at the 2016 AGM. Refer to section 3.2 of this remuneration report for further details.

Consolidated statement of profit and loss and other comprehensive income

For the year ended 30 June 2019

	Note	2019 A$'000	2018 A$'000
Exploration expenditure written off	4.4	(177)	(119)
Employee benefits expensed	7.1	(1,956)	(1,375)
Other expenses	2.2	(3,227)	(2,012)
Results from operating activities		(5,360)	(3,506)
Finance income	2.3	4,426	1,015
Finance costs	2.3	(7)	(3)
Net finance income		4,419	1,012
Loss before tax		(941)	(2,494)
Income tax expense	3.1	-	-
Loss for the year		(941)	(2,494)
Loss attributable to members of the company		(941)	(2,494)

Items that may be reclassified subsequently to profit and loss		
Foreign currency translation difference on foreign operations	1,566	-
Other comprehensive income (net of tax)	1,566	-
Total comprehensive profit / (loss) for the year	626	(2,494)
Total comprehensive income / (loss) attributable to the owners of the company	626	(2,494)

Earnings per share		2019 Cents	2018 Cents
Basic loss per ordinary share	2.4	(0.06)	(0.18)
Diluted loss per ordinary share	2.4	(0.06)	(0.18)

The consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2019

	Note	2019 A$'000	2018 A$'000
Current assets			
Cash assets	4.1	48,604	80,539
Receivables	4.2	319	107
Total current assets		48,923	80,646
Non-current assets			
Receivables	4.2	211	-
Plant and equipment	4.3	41	5
Exploration and evaluation expenditure	4.4	49,366	14,915
Total non-current assets		49,619	14,920
Total assets		98,541	95,566
Current liabilities			
Payables	4.5	2,718	1,367
Provisions	4.6	167	59
Total current liabilities		2,886	1,425
Total liabilities		2,886	1,425
Net assets		95,656	94,140
Equity			
Contributed equity	5.1	113,013	112,451
Reserves	5.2	10,277	8,383
Accumulated losses		(27,635)	(26,693)
Total equity		95,656	94,140

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2019

	Note	2019 A$'000	2018 A$'000
Cash flows from operating activities			
Payment to suppliers and employees		(4,923)	(2,232)
Net cash flows used in operating activities	4.1	(4,923)	(2,232)
Cash flows from investing activities			
Expenditure on mining exploration	4.4	(32,063)	(7,034)
Purchase of equipment	4.3	(48)	(3)
Interest received		1,710	396
Net cash flows used in investing activities		(30,401)	(6,641)
Cash flows from financing activities			
Proceeds from the issue of shares	5.1	-	83,428
Proceeds from exercise of options	5.1	688	2,969
Equity raising expenses	5.1	(125)	(4,392)
Net cash flows received from financing activities		563	82,005
Net increase (decrease) in cash held		(34,761)	73,132
Cash assets 1 July 2018		80,539	7,406
Effect of exchange rate fluctuations on balances of cash held in USD		2,826	-
Closing cash carried forward	4.1	48,604	80,539

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2019

	Note	Issued capital	Foreign currency translation reserve	Equity compensation reserve	Accumulated losses	Total equity
		A$'000	A$'000	A$'000	A$'000	A$'000
As at 1 July 2017		29,859	-	6,595	(24,199)	12,254
Loss for the year ended 30 June 2018		-	-	-	(2,494)	(2,494)
Issue of share capital	5.1	88,397	-	-	-	88,397
Share-based payments	5.2					
Unlisted options issued		(1,413)	-	1,413	-	-
Performance rights issued		-	-	375	-	375
Share issue costs	5.1	(4,392)	-	-	-	(4,392)
As at 30 June 2018		112,451	-	8,383	(26,693)	94,140

	Note	Issued capital	Foreign currency translation reserve	Equity compensation reserve	Accumulated losses	Total equity
As at 1 July 2018		112,451	-	8,383	(26,693)	94,140
Loss for the year ended 30 June 2019		-	-	-	(941)	(941)
Other comprehensive income						
Foreign currency translation differences on foreign operations		-	1,566	-	-	1,566
Total other comprehensive income		-	1,566	-	-	1,566
Total comprehensive income for the year		-	1,566	-	(941)	626
Issue of share capital	5.1	688	-	-	-	688
Share- based payments	5.2	-	-	328	-	328
Share issue costs	5.1	(125)	-	-	-	(125)
As at 30 June 2019		113,014	1,566	8,711	(27,634)	95,657

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements

Section 1. Basis of preparation

1.1. Reporting entity

The financial report of ioneer Ltd (previously known as Global Geoscience Limited) for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 17 September 2019.

ioneer Ltd is a for profit company limited by shares and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange under the ticker code "INR" (previously "GSC"). The registered office of the Company is suite 5.03, 140 Arthur Street, North Sydney, NSW 2060 Australia.

The Company is principally engaged in the development of the Rhyolite Ridge Lithium-Boron deposit in the state of Nevada, United States of America. Further information about the nature of the Groups operations and activities is provided in the directors' report. Information on the group structure is set out in Section 8 of this report and information on other related party disclosures of the Group is provided in Section 9.

1.2. What's new in this report

Rounding

The group is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors Reports) Instrument 2016/191, and as such for the first time, amounts presented in the financial and directors report for year ended 30 June 2019 have been rounded to the nearest $1,000 (where rounding is permitted), unless otherwise stated.

Change in presentation of this financial report

To assist the usability of this financial report, the accompanying notes to the financial statements have been streamlined and grouped into the following sections:

1. Basis of preparation
2. Financial performance
3. Taxation
4. Invested and working capital
5. Capital structure
6. Financial instruments
7. Employee benefits
8. Group structure
9. Other disclosures.

In addition, items within the prior year consolidated statement profit and other comprehensive income have been reclassified to conform to current year disclosure.

1.3. Basis of preparation

- The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.
- These financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ('IASB'), including new or amended accounting standards effective for reporting periods beginning 1 July 2018
- Unless otherwise stated, the accounting policies disclosed have been consistently applied.
- The financial report has been prepared on a historical cost basis.
- The financial statements have been presented in Australian dollars which is the parent entity's functional currency.
- The financial statements have been prepared on the going concern basis which assumes the company and consolidated entity will have sufficient cash to pay its debts as and when they become payable for a period of at least 12 months from the date the financial report was authorised for issue.
- As noted above, amounts in the financial statements and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

1.4. Basis of consolidation

Controlled entities

Controlled entities are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its operations. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date that control ceases. With the exception of 2 subsidiary entities incorporated by the Company during the year, and the wind up of two Australian entities subsequent the financial year end there has been no change in the control of any subsidiaries during the financial period. All subsidiaries are 100% owned by the Company (2018: 100%).

Transactions eliminated on consolidation

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

Accounting polices

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

1.5. Critical accounting estimates and judgements

The preparation of these financial statements in conformity with Australian Accounting Standards has required management to make judgements, estimates and assumptions which impact the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical knowledge and various other factors that are believed to be reasonable in the circumstance. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed regularly and revisions to accounting estimates are reviewed in the period in which the estimate is revised. The most significant estimates and assumptions which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to:

Reserve estimates

Reserves are estimates of the amount of product that can be economically and legally extracted, processed and sold from the Groups properties under current and foreseeable economic conditions. The group determines and reports reserves under the standards incorporated in the Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, 2012 edition (the JORC code).

The determination of ore reserves includes estimates and assumptions about a range of geological, technical and economic factors including quantities, grades, production techniques, recovery rates, commodity prices and exchange rates. Change in ore reserve impact the assessment of recoverability of exploration and evaluation assets.

Estimating the quantity and /or grade of reserves requires the size, shape and depth of ore to be determined by analysing geological data. This process may require complex and difficult judgements to interpret the data. Additional information about the groups Reserves and Resources is set out on page 66.

Exploration and evaluation assets

The Group's policy for exploration and evaluation expenditure is set out in note 4.4. The application of this policy requires certain judgements, estimates and assumptions as to the future events and circumstances, in particular the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available. If, after capitalisation of expenditure under the policy, it is concluded that the capitalised expenditure will not be recovered by future exploitation or sale, then the relevant amount will be written off in the income statement. Changes in assumptions may result in a material adjustment to the carrying amount of exploration or evaluation assets.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity investments at the date on which they are granted. Additional information is set out in note 7.3, Share-based payments.

Notes to and forming part of the financial statements continued

1.6. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates.

Effective 1 July 2018, the Company changed the functional currency from Australian Dollars (AUD) to United States Dollars (USD) for two subsidiary entities:

- Ioneer USA Corporation (previously known as Paradigm Minerals USA Corporation); and
- Ioneer Minerals Corporation (previously known as Paradigm Minerals Arizona Corporation).

The change was necessitated by the ongoing high USD projected cash expenditure and expected future inflows for the Rhyolite Ridge Lithium-Boron Project. Accordingly, USD best reflects the economic environment in which these entities operate. This change was accounted for prospectively from 1 July 2018.

The consolidated financial statements continue to be presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the end of the reporting period are translated at the year-end exchange rate. Exchange differences arising on the translation of monetary items are recognised in the income statement.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates at the dates the fair value was determine.

Presentation of foreign exchange gains and losses in the income statement

The Group presents its foreign exchange gains and losses within net financing income /expense in the income statement.

1.7. Comparatives

Where applicable, comparative figures have been adjusted to conform to any changes in presentation for the current financial year.

Section 2. Financial performance

2.1. Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Operating Decision maker (COD) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Managing Director is considered to be the COD and is empowered by the Board to allocate resources and assess the performance of the Group.

Segment results that are reported to the COD maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Description of segments

The Company operates predominantly as a mineral exploration and development company. The operating segments are based on the reports reviewed by the Managing Director for assessing performance and determining the allocation of resources and strategic decision making within the Group.

North America	Represents activity in the US, primarily in relation to Rhyolite Ridge.
Australia	Represents head office expenditure, exchange gains and losses and corporate assets (predominantly cash).

Segment information provided to the COD maker:

Segment information	North America		Australia		Total	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Exploration expenditure - non core	(177)	(119)	-	-	(177)	(119)
Reportable segment profit / (loss)	(177)	(119)	-	-	(177)	(119)
Other expense	(562)	(313)	(4,620)	(2,531)	(5,183)	(2,844)
Net financing (expense) / income	(6)	1	4,424	468	4,419	469
Net loss before income tax	(745)	(432)	(196)	(2,062)	(941)	(2,494)
Segment assets						
Exploration assets	49,366	14,915	-	-	49,366	14,915
Other assets	891	388	48,284	80,262	49,175	80,650
Total assets	50,257	15,303	48,284	80,262	98,541	95,566
Segment liabilities						
Payables	2,007	967	711	399	2,718	1,367
Provisions	95	-	72	59	167	59
Total current liabilities	2,102	967	784	458	2,886	1,425
Total liabilities	2,102	967	784	458	2,886	1,425
Net assets	48,156	14,336	47,500	79,804	95,656	94,140

Major customers

The Company has no customers and nil revenues (2018: nil).

Notes to and forming part of the financial statements continued

2.2. Other expenses

	30 June 2019 $'000	30 June 2018 $'000
General and administrative expenses	461	251
Consulting and professional costs	1,487	692
Corporate overhead	1,268	1,068
Depreciation and amortisation	11	1
	3,227	2,012

2.3. Net finance income

Interest income	1,660	469
Net foreign exchange gain	2,766	546
Finance income	4,426	1,015
Bank charges	(7)	(3)
Finance expense	(7)	(3)
Net finance income	4,419	1,012

Interest income is recorded at the effective interest rate applicable to the financial instrument. Interest is recognised as it accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

2.4. Earnings per share

	30 June 2019 $'000	30 June 2018 $'000
Earnings used in calculating earnings per share		
Basic and diluted profit / (loss)	(941)	(2,494)
Weighted average number of ordinary shares used as the denominator	Number	Number
Issued ordinary shares - opening balance	1,469,497,083	1,128,253,647
Effect of shares issued	2,361,488	247,816,139
Weighted average number of ordinary shares	1,471,858,571	1,376,069,786
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares at 30 June for basic EPS	1,471,858,571	1,376,069,786
Effect of dilution from options and rights on issue	48,822,626	59,559,275
Weighted average number of ordinary shares adjusted for effect of dilution	1,520,681,197	1,435,629,061

	Cents	Cents
Basic loss per share attributable to the ordinary equity holders of the company	(0.06)	(0.18)
Diluted loss per share attributable to the ordinary equity holders of the company	(0.06)	(0.18)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The impact the potential ordinary shares is treated as dilutive only when their conversion to ordinary shares would decrease EPS.

Notes to and forming part of the financial statements continued

Section 3. Taxation

	30 June 2019 $'000	30 June 2018 $'000
Tax expense comprises:		
Income tax		
Current tax benefit / (expense)	-	-
Tax expense related to movements in deferred tax balances	-	-
Total tax (expense) / benefit	-	-
Numerical reconciliation between tax (expense) / benefit and pre-tax net result:		
Loss before tax	(941)	(2,494)
Prima facie taxation benefit at 30% (2018: 27.5%)	(282)	(686)
Decrease / (increase) in income tax benefit due to:		
Non-deductible expenses	85	109
Foreign exchange and other translation adjustments	(869)	(150)
Additional tax deductible expenditure	(46)	-
Un-recognised tax losses relating to current year	1,112	727
Income tax (expense) / benefit	-	-

No provision for income tax is considered necessary in respect of the Company for the year ended 30 June 2019. No recognition has been given to any future income tax benefit which may arise from operating losses not claimed for tax purposes. The Group has estimated tax loss positions across the group as follows:

	Jurisdiction		
	Australia Revenue AUD$'000	USA Revenue US$'000	Canada Revenue CAD$'000
Non-recognised tax losses - revenue			
Balance at the beginning of the period	7,568	3,793	484
Movement during the period	2,663	739	6
Balance at the end of the period	10,231	4,532	490
	Capital AUD$'000	Capital US$'000	Capital CAD$'000
Non-recognised tax losses - capital			
Balance at the beginning of the period	1,228	-	6,275
Movement during the period	(86)	-	-
Balance at the end of the period	1,142	-	6,275
Total revenue and capital losses not recognised	11,373	4,532	6,765

These amounts will only be obtained if:

- the Company and Controlled Entities derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised,
- the Company and Controlled Entities continue to comply with the conditions for deductibility imposed by the law, and
- no changes in tax legislation adversely affect the Company and Controlled Entities in realising the benefit from the deductions for the losses, i.e. current tax legislation permits carried forward tax losses to be carried forward indefinitely.

ioneer Ltd is not part of an Australian tax-consolidated group. Current and deferred tax amounts (if any) are measured as a stand-alone tax payer. There are no tax funding arrangements or tax sharing agreements in place.

The group has additional tax value embedded in the Rhyolite Ridge exploration asset. Future deductibility is expected against anticipated assessable income from the Project once in production.

Section 4. Invested and working capital

4.1. Cash assets

	30 June 2019 $'000	30 June 2018 $'000
Cash at bank	2,338	487
Short term deposits	46,265	80,052
Total cash assets	**48,604**	80,539
Cash flow reconciliation		
Reconciliation of net cash outflow from operating activities to operating loss after tax		
Loss for the period	(941)	(2,494)
Adjustments to reconcile profit to net cash flows:		
Depreciation	11	1
Exploration expenditure written-off	177	119
Share-based payments	182	275
Net foreign exchange differences - unrealised	(2,827)	-
Interest income	(1,660)	(396)
Change in assets and liabilities during the financial year:		
Increase in trade and other receivables	(413)	(70)
Increase / (decrease) in accounts payable	548	332
Net cash used in operating activities	**(4,923)**	(2,232)

Cash assets in the consolidated statement of financial position comprise cash at bank and deposits with an average maturity of three months or less.

4.2. Receivables

Current		
Interest receivable	26	76
Other debtors	293	30
Total current trade and other receivables	**319**	107
Non-current		
Other receivables	211	-
Total non-current trade and other receivables	**211**	-
Total current and non-current trade and other receivables	**529**	107

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment. Impairment losses are recognised in the profit and loss.

Notes to and forming part of the financial statements continued

4.3. Plant and equipment

	30 June 2019 $'000	30 June 2018 $'000
Plant and equipment - at cost	54	65
Less accumulated depreciation	(13)	(60)
Total plant and equipment	41	5
Reconciliation of the movement		
Opening balance	5	3
Additions	47	3
Depreciation expense	(11)	(1)
Foreign exchange translation difference	1	-
Closing balance	41	5

Tangible plant and equipment assets are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the useful life of the asset being 4 years.

An item of plant and equipment is derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

4.4. Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation assets in respect of the area of interest are tested for impairment and transferred to the cost of development. To date, no development decision has been made.

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation costs carried forward whether the above carry forward criteria are met. No indicator of impairment has been identified as at 30 June 2019.

When the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount the accumulated costs in respect of areas of interest are written off in the Statement of profit and loss and other comprehensive income.

Exploration and evaluation expenditure	49,366	14,915
Reconciliation of movement		
Opening balance	14,915	5,033
Additions - Rhyolite Ridge	33,627	9,882
Exploration expenditure - non core	177	119
Exploration expenditure - written off	(177)	(119)
Foreign exchange translation difference	824	-
Carrying amount at the end of the financial year	49,366	14,915

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy described above. The ultimate recoupment of exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced. All exploration and evaluation costs carried forward relate to the Rhyolite Ridge Lithium–Boron Project in Nevada, USA. Exploration and evaluation expenditure on all other tenements owned by the Company has been fully impaired.

4.5. Payables

	30 June 2019 $'000	30 June 2018 $'000
Trade creditors and other payables	2,232	1,134
Accrued expenses	486	233
Total payables	2,718	1,367

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs.

After initial measurement, financial liabilities are subsequently measured at amortised cost. Due to their short-term nature they are measured at amortised cost and are not discounted.

The amounts are unsecured and are non-interest bearing generally on 30-60 day terms. The carrying amounts approximate fair value.

4.6. Provisions

Employee entitlements

Current		
Provision for employee benefits	167	59
Total provisions	167	59

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Notes to and forming part of the financial statements continued

Section 5. Capital structure

5.1. Share capital

Ordinary shares

	30 June 2019 $'000	30 June 2018 $'000
1,474,983,509 (2018:1,469,497,083) ordinary shares, fully paid	**113,013**	112,451

Reconciliation of movement:	Year ended 30 June 2019 Number	Year ended 30 June 2018 Number	Year ended 30 June 2019 $'000	Year ended 30 June 2018 $'000
Balance at the beginning of the financial year	**1,469,497,083**	1,128,253,647	**112,451**	29,858
Ordinary shares	-	280,311,996	-	83,428
Ordinary shares non-cash	-	11,031,440	-	2,000
Exercise of unlisted options	**5,000,000**	21,900,000	**688**	2,969
Performance rights vested	**486,426**	28,000,000	-	-
Share issue costs	-	-	**(125)**	(5,804)
Balance at the end of the financial period	**1,474,983,509**	**1,469,497,083**	**113,013**	**112,451**

Ordinary shares are classified as equity. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. They have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Incremental costs directly attributable to the issue of new shares, options or rights are shown in equity as a deduction from the proceeds.

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group is not subject to any externally imposed capital requirements.

During the year ended 30 June 2019 the Company issued:

- 5,000,000 shares as a consequence of unlisted options being exercised under the Share Option plan ($687,500).
- 486,426 shares as a consequence of Rights vesting under the Performance Rights Plan.

During the year ended 30 June 2018 the Company issued:

- 21,900,000 shares as a consequence of unlisted options being exercised under the Share Option Plan ($2,969,000).
- 28,000,000 shares as a consequence of Rights vesting under the Performance Rights Plan.
- 280,311,996 shares as a consequence of the following share placements:
  - 6th October 2017: 150,000,000 shares at $0.20 ($30,000,000)
  - 22nd June 2018: 130,311,996 shares at $0.41 ($53,427,918).
- 11,031,440 shares were issued 21st July 2017 as part of Rhyolite Ridge asset acquisition ($2,000,000).

Share schemes

The Company has three share schemes in operation:

- The Share Option Plan;
- The Performance Rights Plan; and
- The new Equity Incentive Plan.

Under these plans ordinary shares have been granted to senior executives, employees and a number of consultants. Further details about the operation of these plans are set out in note 7.3, Shared-based payments. The Equity Incentive Plan is capable of issuing both options and performance rights. The pre-existing Share Option Plan and the Performance Rights Plan will be phased out as existing options and rights are issued or expire. The movement in options and performance rights issued under these plans is set out in the following tables.

Share options

Movement in options on issue for the year ended 30 June 2019

	Issue date	Vesting date	Expiry	FV per options at grant date $	Exercise price $	Opening balance	Issued	Exercised	Expired	Closing balance
Advisors	31-Jan-17	31-Jan-17	31-Jan-19	0.038	0.125	2,500,000	-	(2,500,000)	-	-
Advisors	31-Jan-17	31-Jan-17	31-Jan-19	0.033	0.150	2,500,000	-	(2,500,000)	-	-
Advisors	31-Jan-17	31-Jan-17	31-Jan-19	0.029	0.175	2,500,000	-	-	(2,500,000)	-
Advisors	31-Jan-17	31-Jan-17	31-Jan-19	0.026	0.200	2,500,000	-	-	(2,500,000)	-
Advisors	31-Jan-17	31-Jan-17	30-Jan-19	0.033	0.150	1,100,000	-	-	(1,100,000)	-
Advisors	31-Jan-17	31-Jan-17	30-Jan-19	0.026	0.020	1,000,000	-	-	(1,000,000)	-
NED's(1)	13-Apr-17	13-Apr-17	13-Apr-22	0.122	0.150	16,000,000	-	-	-	16,000,000
NED's(1)	13-Apr-17	13-Apr-17	13-Apr-22	0.113	0.200	12,000,000	-	-	-	12,000,000
NED's(1)	13-Apr-17	13-Apr-17	13-Apr-22	0.106	0.250	12,000,000	-	-	-	12,000,000
NED's(1)	13-Apr-17	23-May-18	23-May-22	0.063	0.200	400,000	-	-	-	400,000
NED's(1)	13-Apr-17	23-May-19	23-May-22	0.088	0.200	400,000	-	-	-	400,000
NED's(1)	13-Apr-17	23-May-20	23-May-22	0.105	0.200	200,000	-	-	-	200,000
Advisors	09-Jan-18	09-Jan-18	09-Jan-20	0.304	0.125	1,250,000	-	-	-	1,250,000
Advisors	09-Jan-18	09-Jan-18	09-Jan-20	0.289	0.150	1,250,000	-	-	-	1,250,000
Advisors	09-Jan-18	09-Jan-18	09-Jan-20	0.275	0.175	1,250,000	-	-	-	1,250,000
Advisors	09-Jan-18	09-Jan-18	09-Jan-20	0.263	0.200	1,250,000	-	-	-	1,250,000
NED's(1), (2)	07-Nov-18	31-Oct-19	31-Oct-23	0.126	0.242	-	1,430,840	-	-	1,430,840
Movement for the year ended 30 June 2019						58,100,000	1,430,840	(5,000,000)	(7,100,000)	47,430,840

Movement in options on issue for the year ended 30 June 2018

	Issue date	Vesting date	Expiry	FV per options at grant date $	Exercise price $	Opening balance	Issued	Exercised	Expired	Closing balance
Other(3)	18-Oct-13	18-Oct-13	30-Dec-17	0.0153	0.0470	2,000,000	-	(2,000,000)	-	-
Other(3)	17-Apr-14	17-Apr-14	30-Dec-17	0.0153	0.0700	4,500,000	-	(4,500,000)	-	-
NED's(1)	13-Apr-17	13-Apr-17	13-Apr-22	0.1216	0.1500	16,000,000	-	-	-	16,000,000
NED's(1)	13-Apr-17	13-Apr-17	13-Apr-22	0.1131	0.2000	12,000,000	-	-	-	12,000,000
NED's(1)	13-Apr-17	13-Apr-17	13-Apr-22	0.1061	0.2500	12,000,000	-	-	-	12,000,000
NED's(1)	23-May-17	23-May-18	23-May-22	0.0628	0.2000	400,000	-	-	-	400,000
NED's(1)	23-May-17	23-May-19	23-May-22	0.0875	0.2000	400,000	-	-	-	400,000
NED's(1)	23-May-17	23-May-20	23-May-22	0.1049	0.2000	200,000	-	-	-	200,000
Advisors	2-Sep-16	2-Sep-16	2-Sep-18	0.0202	0.1000	5,000,000	-	(5,000,000)	-	-
Advisors	2-Sep-16	2-Sep-16	2-Sep-18	0.0104	0.2000	10,000,000	-	(10,000,000)	-	-
Advisors	31-Jan-17	31-Jan-17	30-Jan-19	0.0375	0.1250	2,500,000	-	-	-	2,500,000
Advisors	31-Jan-17	31-Jan-17	30-Jan-19	0.0328	0.1500	2,500,000	-	-	-	2,500,000
Advisors	31-Jan-17	31-Jan-17	30-Jan-19	0.0290	0.1750	2,500,000	-	-	-	2,500,000
Advisors	31-Jan-17	31-Jan-17	30-Jan-19	0.0258	0.2000	2,500,000	-	-	-	2,500,000
Advisors	09-Jan-18	09-Jan-18	09-Jan-20	0.3035	0.1250	-	1,250,000	-	-	1,250,000
Advisors	09-Jan-18	09-Jan-18	09-Jan-20	0.2887	0.1500	-	1,250,000	-	-	1,250,000
Advisors	09-Jan-18	09-Jan-18	09-Jan-20	0.2751	0.1750	-	1,250,000	-	-	1,250,000
Advisors	09-Jan-18	09-Jan-18	09-Jan-20	0.2627	0.2000	-	1,250,000	-	-	1,250,000
Advisors	31-Jan-17	31-Jan-17	30-Jan-19	0.0328	0.1500	1,500,000	-	(400,000)	-	1,100,000
Advisors	31-Jan-17	31-Jan-17	30-Jan-19	0.0258	0.0200	1,000,000	-	-	-	1,000,000
Movement for the year ended 30 June 2018						75,000,000	5,000,000	(21,900,000)	-	58,100,000

(1) NED's refers to Non-executive directors.
(2) During the current financial year each non-executive director was granted 357,710 options under the new Equity Incentive Plan in lieu of director fees. For further details refer to the remuneration report.
(3) Other refers to options held by various KMP, other employees or ex-employees.

Notes to and forming part of the financial statements continued

Performance rights

Movement in performance rights on issue for the year ended 30 June 2019

	Issue date	Vesting date	Expiry date	FV per Right at grant date $	Vesting price[4] $	Opening balance Number	Issued Number	Exercised Number	Closing balance Number
Class A[1]	27-Nov-17	27-Nov-18	27-Nov-18	0.225	nil	486,426	-	(486,426)	-
Class B[1]	27-Nov-17	27-Nov-19	27-Nov-19	0.225	nil	486,425	-	-	486,425
Class C[1]	27-Nov-17	27-Nov-20	27-Nov-20	0.225	nil	486,425	-	-	486,425
Class D [2]	14-Nov-18	14-Nov-19	14-Nov-19	0.239	nil	-	418,936	-	418,936
Movement for the year ended 30 June 2019						1,459,276	418,936	(486,426)	1,391,786

Movement in performance rights on issue for the year ended 30 June 2018

	Issue date	Vesting date	Expiry date	FV per Right at grant date $	Vesting price[4] $	Opening balance Number	Issued Number	Exercised Number	Closing balance Number
Class B[3]	08-Sep-17	09-Aug-17	27-Feb-19	0.125	0.020	14,000,000	-	(14,000,000)	-
Class C[3]	09-Jan-18	09-Jan-18	27-Feb-19	0.125	0.250	14,000,000	-	(14,000,000)	-
Class A[1]	27-Nov-17	27-Nov-18	27-Nov-18	0.225	nil	-	486,425		486,425
Class B[1]	27-Nov-17	27-Nov-19	27-Nov-19	0.225	nil	-	486,425		486,425

(1) The Class A, B & C Performance Rights issued on 27 November 2017 are service based performance rights and vest over time. The vesting price is nil. These Performance Rights were issued under the terms of the 2016 Performance Rights Plan.
(2) The Class D Performance Rights were issued on 14 November 2018 are service based performance rights and vest over time. The vesting price is nil. These Performance Rights were issued under the terms of the Equity Incentive Plan established at the 2018 Annual General Meeting.
(3) The Class B & C Performance rights issued on 8th September 2017 and 9 January 2018 respectively were performance based and were exercised during the year ended 30 June 2018.
(4) Performance rights currently on issue are service based and will vest when executive service hurdles are met. Performance rights previously on issue were performance related.

For further details regarding the Equity Incentive Plan (2018), the Option Plan and Performance Rights Plan refer to note 7.3.

5.2. Reserves

	30 June 2019 $'000	30 June 2018 $'000
Equity compensation reserve		
Balance at the beginning of period	8,383	6,595
Share-based payments expense:		
Share-based payments	328	1,788
Balance at the end of the financial period	8,711	8,383
Foreign currency translation reserve		
Balance at the beginning of period	-	-
Foreign currency translation differences for foreign operations	1,566	-
Balance at the end of the financial period	1,566	-
Total reserves	10,277	8,383

The equity compensation reserve is used to recognise the value of equity settled share-based payments provided to employees, directors and consultants. The fair value of such compensation is measured using the Black and Scholes option pricing model. The fair value of instruments granted is recognised as an expense or capitalised if appropriate over the vesting period with a corresponding increase in equity.

The foreign currency translation reserve comprises all foreign exchange differences arising from the following:

- The translation of the financial statements of foreign operations where the functional currency is different to the functional currency of the parent entity; and
- Exchange differences arise on the translation of monetary items which form part of the net investment in the foreign operation.

Section 6. Financial instruments

6.1. Classification and measurement

The carrying values of financial assets and liabilities of the Group approximate their fair value.

The Group measures and recognises in the statement of financial position on a recurring basis certain assets and liabilities at fair value in accordance with AASB 13 Fair value measurement. The fair value must be estimated for recognition and measurement or for disclosure purposes in accordance with the following hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3: Inputs for the asset or liabilities which are not based on observable market data (unobservable inputs).

The Group has no financial assets where the carrying amount exceeds net fair values at balance date. The Group's receivables at balance date are detailed in Section 4 of this report.

6.2. Financial risk management

Framework

The Group is involved in activities that expose it to a variety of financial risks including:

a) Credit risk
b) Liquidity risk
c) Capital management risk
d) Market risk related to commodity pricing, interest rates and currency fluctuations.

The Board of Directors has overall responsibility for the establishment and oversight of the financial risk management framework of the Group. Management is responsible for monitoring the financial risks.

The objective of the financial risk management strategy is to minimise the impact of volatility in financial markets on the financial performance, cash flows and shareholder returns. This requires the identification and analysis of relevant financial risks and possible impact on the achievement of the Group's objectives.

The Group does not undertake any hedging activities.

a) Credit risk

Credit risk is the risk of sustaining a financial loss as a result of the default by a counterparty to make full and timely payments on transactions which have been executed, after allowing for set-offs which are legally enforceable.

Credit risk arises from investments in cash and cash equivalents with banks and credit exposure to customers and/or suppliers. Receivables and cash and cash equivalents represent the Group's maximum exposure to credit risk.

There are no trade receivables past due or impaired at the end of the reporting period (2018: Nil).

Notes to and forming part of the financial statements continued

b) Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient liquidity to meet its financial obligations as they fall due.

The Group manages liquidity risk by continually monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Short and long-term cash flow projections are prepared periodically and submitted to the Board.

Contractual cash flows	Note	Less than 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000	Total $'000
Consolidated - 2019						
Payables	4.5	2,718	-	-	-	2,718
Provisions	4.6	167	-	-	-	167
Consolidated - 2018						
Payables	4.5	1,367	-	-	-	1,367
Provisions	4.6	59	-	-	-	59

c) Capital management risk

The overriding objective of the Group's capital management strategy is to increase shareholder returns whilst maintaining the flexibility to pursue the strategic initiatives within a prudent capital structure.

The primary objective of the capital management policy is to ensure the Group maintains a strong credit rating and appropriate capital ratios to support the development of the Company's assets.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. During the previous financial year the company undertook two capital raises through the issue of new shares. The Board believe that these capital raises secures the Company's financial position until the 'decision to mine' stage of the Rhyolite Ridge Lithium-Boron Project.

d) Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency exposures, primarily with respect to United States dollars.

The Company operates bank accounts in US Dollars. Over 93% of the Company's cash reserves are held in US Dollars. The Directors are satisfied that the future operations of the company will be in the USA so it is prudent to hold cash reserves in US dollars to avoid any unnecessary currency exposure.

	Average rate for the year ended 30 June 2019	Spot rate at the end of the reporting period 2019
Exchange rates applied during the year:		
AUD / USD	0.716	0.702

Financial instruments denominated in United States dollars	2019 A$'000	2018 A$'000
Financial assets		
Cash	45,335	45,325
Trade and other receivables	91	-
Financial liabilities		
Trade and other payables	2,007	967

An increase in AUD:USD foreign exchange rates of 10% will result in a $5,037,000 (30 June 2018: $5,036,000) increase in current year loss and decrease in US dollar currency bank balances. In addition, there would be an $11,000 (30 June 2018: nil) decrease in US dollar receivables with nil impact on current year loss because the impact is taken to foreign currency translation reserve.

A decrease in AUD:USD foreign exchange rates of 10% will result in a $4,121,000 (30 June 2018: $4,120,000) decrease in current year loss and an increase in US dollar currency bank balances. In addition, there would be a $13,000 (30 June 2018: nil) increase in US dollar receivables with nil impact on current year loss because the impact is taken to foreign currency translation reserve.

In addition an increase in AUD:USD foreign exchange rates of 10% will result in a $233,000 (30 June 2018: $107,000) increase in payables and provisions. A decrease in AUD:USD foreign exchange rates of 10% will result in a $191,000 (30 June 2018: $88,000) decrease in payables and provisions. There would be nil impact on current year loss because the difference is taken to foreign currency translation reserve.

Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of reasonable possible changes in the market interest rates arise in relation to the Company's bank balances.

The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

An increase of interest rates of 1% will result in a $46,000 (30 June 2018 $138,000) decrease in the current year loss and an increase in interest income related to cash deposits. A decrease of interest rates of 1% will result in a $38,000 (30 June 2018 $138,000) increase in current year loss and decrease in interest income related to cash deposits.

Commodity price risk

The Company is exposed to future commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Company does not hedge its exposures.

Notes to and forming part of the financial statements continued

Section 7. Employee benefits and KMP disclosures

7.1. Employee benefits expensed

	30 June 2019 $'000	30 June 2018 $'000
Director fees	428	425
Employee benefits expense	1,346	676
Share-based payments	182	275
Total employee benefit expense	**1,956**	1,375

7.2. Key management personnel disclosure

Key management personnel (KMP) comprised the following:

Short-term employee	1,831	1,411
Post-employment benefits	134	62
Share-based payments	328	277
Total payments to KMP	**2,294**	1,750

Transactions with directors and KMP

With the exception of the disclosures within this note, no director or executive has entered into any material contracts with the Group since the end of the previous financial year and there were no material contracts involving directors' or executive interests existing at year end.

The Company has entered into Indemnity deeds to indemnify executives of the Company against certain liabilities incurred in the course of performing their duties.

7.3. Share-based payments

Share-based compensation is provided to employees via rights or options to acquire shares in the Company. As described in note 5.1, Share capital, the Company has three share schemes in operation. Under these plans, options or performance rights which may be converted into ordinary shares have been granted to senior executives, employees and a number of consultants.

The cost of these equity-settled transactions is determined by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Black and Scholes option pricing model. The cumulative expense recognised for equity-settled transactions at each reporting date reflects:

i. the extent to which the vesting period has expired, and
ii. the number of awards that, in the opinion of the directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at balance date. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Each plan is described in more detail below.

Equity Incentive Plan – established at the 2018 AGM

A new Equity Incentive Plan was established following the AGM held on 31 October 2018. The purpose of the new Equity Incentive Plan ("the Plan") is to provide eligible persons the opportunity to participate in the growth and profits of the Company and to attract, motivate and retain their services to promote the Company's long-term success.

Under the terms of the Plan, the Board may at its discretion invite eligible persons to participate in a grant of awards. An award may be either an option or performance right, to acquire a share in the capital of the Company in accordance with the Plan rules.

Options and rights issued under the terms and condition of the new ioneer Equity Incentive Plan are as follows:

Class	Key terms	Expiry Date
Options issued to NEDs	The options were issued at an exercise price equal to the VWAP for the Company's shares over the 10 trading days immediately before the date of the AGM. The options vest after 12 months and expire 60 months from the date of issue.	31 October 2023
Class D Performance Rights	The vesting condition is time based.	14 November 2019

Key features include:

- The Board may at its discretion make invitations to or grant awards to eligible persons.
- Award means an option or a performance right to acquire a Share in the capital of the Company.
- Eligible Persons include executive directors or executive officers of the Group, employees, contractors or consultants of the group or any other person.
- A participant may not sell or assign awards.
- Within 30 days after the vesting date in respect of a vested performance right, the Company must either allocate shares or procure payment to the participant of a cash amount equal to the market price of the shares which would have otherwise been allocated.
- At any time during the exercise period a participant may exercise any or all of their vested options by paying the exercise price.

Whilst there are a number of options and performance rights remaining on issue under the terms and conditions of previous schemes, no further options or rights will be issued under these pre-existing schemes which are described below.

Notes to and forming part of the financial statements continued

Share Option Plan

The Group established a Share Option Plan in 2010 (and reconfirmed it at the 2016 AGM) to assist in the attraction, retention and motivation of KMP and in the retention of key consultants. Key features include:

- Full or part time employees or consultants of the Group are eligible to participate.
- Options issued pursuant to the plan will be issued free of charge.
- Options cannot be transferred and are not quoted on the ASX.
- Options expire if not exercised 90 days after a participant resigns from the Company.
- The exercise price of the options, at grant date, shall be as the directors in their absolute discretion determine, provided the exercise price shall not be less than the weighted average of the last sale price of the Company's shares on ASX at the close of business on each of the 5 business days immediately preceding the date on which the directors resolve to grant the options.
- The directors may limit the total number of options which may be exercised under the plan in any year.

A summary of options on issue is set out in note 5.1.

Performance Rights Plan

In addition to the Share Option Plan discussed above, the Group established the Performance Rights Plan at the 2016 AGM to assist in the attraction, retention and motivation of the Company's directors, executives, employees and senior consultants. Key features include:

- The Board will determine the number of performance rights to be granted to eligible employees (or their nominees), the vesting conditions and expiry date of the performance rights in its sole discretion.
- The performance rights are not transferable unless the Board determines otherwise, or the transfer is required by law and provided that the transfer complies with the Corporations Act.
- Subject to the Corporations Act and the Listing Rules and restrictions on reducing the rights of a holder of performance rights, the Board will have the power to amend the Performance Rights Plan as it sees fit.
- If a vesting condition of a performance right is not achieved by the milestone date, then the performance right will lapse.
- The performance rights will be granted for nil consideration. Upon exercise of the rights, shares will be issued on a one for one basis on the same terms as the Company's existing Shares.

A summary of performance rights on issue is set out in note 5.1.

Section 8. Group structure

8.1. Parent entity disclosures

	30 June 2019 $'000	30 June 2018 $'000
Result for the parent entity		
Loss for the period	(240)	(11,470)
Total comprehensive loss for the period	(240)	(11,470)
Financial position of the parent entity		
Current assets	107,001	80,258
Non-current assets	118	3
Total Assets	107,119	80,261
Current liabilities	784	458
Total liabilities	784	458
Net assets	106,335	79,803
Contributed equity	113,013	112,451
Reserves	8,711	8,383
Accumulated losses	(15,389)	(41,031)
Total equity	106,335	79,803

Parent entity contingencies and disclosures

Commitments of the Company as at reporting date are disclosed in note 9.1 to the financial statements.

Parent entity guarantees in respect of debts of its subsidiaries

No guarantees have been entered into by the Company in relation to the debts of its subsidiaries.

8.2. Controlled entities

Controlled entities of ioneer Ltd	Note	Country of incorporation	2019 ownership interest	2018 ownership interest
Banlona Pty Ltd	1	Australia	100	100
Paradigm Nevada Pty Ltd	1	Australia	100	100
Paradigm Geoscience (North America) Pty Ltd	1	Australia	100	100
PGPL Minerals Middle America Pty Limited		Canada	100	100
PGPL Minerals South America Pty Limited		Canada	100	100
PGPL Minerals USA Pty Limited		Canada	100	100
PGPL Diamonds Pty Limited		Canada	100	100
Paradigm Canadian Diamonds Pty Limited		Canada	100	100
ioneer holdings USA Inc.	2	USA	100	-
ioneer holdings Nevada Inc.	2	USA	100	-
ioneer USA Corporation	3	USA	100	100
ioneer Minerals Corporation	4	USA	100	100
Gerlach Gold LLC		USA	100	100
Paradigm AZ LLC		USA	100	100

(1) Deregistration completed 31 July 2019
(2) Incorporated during the year.
(3) Changed name during the year from Paradigm Minerals USA Corporation to ioneer USA Corporation.
(4) Changed name during the year from Paradigm Minerals Arizona Corporation to ioneer Minerals Corporation.

Notes to and forming part of the financial statements continued

Section 9. Other disclosures

9.1. Capital and other commitments

	30 June 2019 $'000	30 June 2018 $'000
Payable within one year		
Water rights	113	41
Non-cancellable lease commitments	192	223
Exploration and evaluation expenditure commitments	204	-
	509	264
Payable after one year but not later than five years		
Water rights	148	41
Non-cancellable lease commitments	216	230
Exploration and evaluation expenditure commitments	408	-
	771	271
Total commitments	1,280	536

Water rights

The Company has secured water rights via exclusive options to enter long-term leases. In addition, there is an option to purchase these water rights and associated land at any time at the Company's sole election, this is a discretionary purchase and is excluded from the commitments disclosed above.

Non-cancellable lease commitments

Included within non-cancellable lease commitments is office space rental as well as the lease of a neighbouring property to the Rhyolite Ridge Lithium-Boron Project. The Company has entered an option agreement to purchase this property. The cost of this discretionary purchase is excluded from the commitments disclosed above.

Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various mines departments and comply with the underlying option agreements, the Company will be required to pay annual claim maintenance fees. It is likely that the granting of new licenses and changes in license areas at renewal or expiry will change the expenditure commitment to the Company from time to time.

9.2. Contingent liabilities

Settlement of Rhyolite Ridge

The Company entered an option agreement to purchase Rhyolite Ridge from Boundary Peak Minerals LLC on 3 June 2016. The Company has made 4 progress payments to Boundary Peak under the agreement. A final payment will fall due following Board making a 'decision to mine' the Rhyolite Ridge property. Once this decision is made, the Company is required under the terms of the contract to either:

- Pay Boundary Peak LLC USD3 million, or
- Issue shares (or a mix of both shares and cash) to Boundary Peak LLC, to the equivalent of USD3 million at a fixed exchange rate of USD $0.75 = AUD$1.00.

At the date of this report the decision to mine has not yet been made by the Company.

There are no other known contingent liabilities as at 30 June 2019.

9.3. Auditors remuneration

	30 June 2019 $	30 June 2018 $
Audit services		
Ernst & Young		
Audit and review of financial statements	44,300	37,080

9.4. Related Party disclosures

Non-key management personnel disclosures

The Group has a related party relationship with its controlled entities (Note 8.2). The Company and its controlled entities engage in a variety of related party transactions in the ordinary course of business. These transactions are conducted on normal terms and conditions.

Key management personnel disclosures

For all related party transactions with key management personnel, refer to note 7.2, Key management personnel disclosures.

9.5. Events after reporting date

Subsequent to the end of the final year, the Board has made two executive appointments; Ken Coon and Yoshio Nagai, further details related to their appointment are set out in the Remuneration report.

Other than as outlined above, there has not been in the period since 30 June 2019 and up to the date of this report any other item, transaction or event of a material and unusual nature likely in the opinion of directors, to substantially affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Notes to and forming part of the financial statements continued

9.6. New and amended accounting standards and interpretations

The following standards and interpretations which became effective and were applied for the first time during the year ended 30 June 2019 were assessed to have no material impact on the Groups consolidated financial; statements and disclosures:

AASB9 Financial instruments	The revision in AASB9 includes changes to classification and measurement of financial assets, including a new expected credit loss model for calculating impairment and a new general hedge accounting model.
AASB15 Revenue from Contracts with Customers	The new standard requires revenue recognition to align with the transfer of goods or services in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Revenue is recognised by application of a five step analysis of transactions to determine whether, how much and when revenue is recognised. Since ioneer is an exploration entity it has no revenue as such this standard is not relevant.
AASB2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	The amendments clarify several aspects: • Cash settled share-based payments should be measured using the same approach as for equity settled share-based payments, ie the modified grant date method • Classification of share-based payments settled net of tax withholdings; & • Accounting for modification of a share-based payment from cash-settled to equity-settled.

Several other standard amendments and interpretations were applicable for the first time from 1July 2018, but were not relevant to the Group and does not impact the Group's consolidated financial statements.

In addition, there are a number of other recently released standards and interpretations which are not yet effective and have not been applied which are listed below.

AASB 16 Leases	AASB 16 Leases is not mandatory for the 30 June 2019 reporting period and has not been early adopted. This standard will be adopted from 1 July 2019. This standard was issued in February 2016 and will result in the majority of leases being recognised on the balance sheet due to the removal of the classification for the lessee of leases as either operating leases or finance leases. All leases will effectively be treated as finance leases. Work is underway to assess the impact of this new standard and has been focussed on those areas where the impact will be the greatest. Set out below is a summary of work performed and assessed impact. • Data gathering and analysis: contracts have been collated and reviewed to assess if they contain a lease. A number of short term contracts are covered by the exception for short-term and low-value leases and some commitments do not qualify as leases under AASB16. • Modelling of transition options: Analysis to date suggests there is no material difference in the transition methodologies. Accordingly, the group intends to apply the modified retrospective approach with no impact on retained earnings, where the right of use asset is valued at a value equal to the lease liability adjusted for prepaid or accrued lease payments on balance sheet as at 1 July 2019. • Financial reporting: Preliminary review results indicate that under the requirements of AASB16, a lease asset and liability would be recorded on balance sheet of approximately $240,000 as at 1 July 2019. The group will implement the new standard with an effective date of 1 July 2019.
AASB 2018-7 Amendments to accounting standards – Definition of material	Clarifies the definition of 'material' and its application across AASB Standards and other pronouncements. The principle amendments are to AASB101 Presentation of Financial Statements
AASB2019-1 Conceptual Framework	The Conceptual Framework for Financial Reporting is the foundation on which the IASB develops new accounting standards. The revised framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. The changes may affect the application of accounting standards in situations where no standard applies to a particular transaction or event.

Directors' declaration

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

(1) In the opinion of the Directors:

(a) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards and the Corporations Regulations 2001; and

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

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2019.

On behalf of the Board

James D Calaway
Chairman
Sydney, 17th September 2019

Independent auditor’s report

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Report to the Members of ioneer Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ioneer Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is 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 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of capitalised exploration and evaluation expenditure

Why significant	How our audit addressed the key audit matter
At 30 June 2019 the Group held capitalised exploration and evaluation assets of $49.4 million. The carrying value of exploration and evaluation expenditure is assessed for impairment when facts and circumstances indicate the capitalised exploration and evaluation expenditure may exceed its recoverable amount. The determination as to whether there are any indicators to require the Group's Rhyolite Ridge project to be assessed for impairment involves judgment, including whether: the Group has tenure; the Group's ability and intention to continue to evaluate and develop the Rhyolite Ridge project; and whether the results of the Group's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the project. Given the size of the balance and the judgmental nature of impairment indicator assessments associated with exploration and evaluation assets, we consider this a key audit matter.	We considered the Group's assessment as to whether there were impairment indicators present that required the capitalised exploration and evaluation assets to be tested for impairment as at 30 June 2019. In performing our procedures, we: ► Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing relevant documentation such as license agreements. ► Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included assessment of the Group's cash-flow forecast models and discussions with senior management and Directors as to the intentions and strategy of the Group. ► Assessed the Group's consideration of the existence of any indicators of impairment at 30 June 2019. ► Considered the adequacy of disclosures included within Note 4.4 of the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the Company's 2019 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of ioneer Ltd for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Ryan Fisk
Partner
Sydney
17 September 2019

Other information

Mineral Resources and Ore Reserves

Summarised below are the current Mineral Resources and Ore Reserves for the South Basin at ioneer's 100%-owned Rhyolite Ridge Lithium-Boron Project in Nevada, USA.

Following completion of the 2018-19 drilling program, ioneer released the lithium-boron (searlesite) Mineral Resource tabulated below.

June 2019 Lithium-Boron (Searlesite) Mineral Resource Estimate (5,000ppm Boron Cut-off)

Group	Classification	Tonnes mt	Li ppm	B ppm	Li_2CO_3 %	H_2BO_3 %	Contained tonnes Li_2CO_3 kt	H_2BO_3 kt
Upper Zone	Measured	27.0	1,900	18,000	1.0	10.3	270	2,770
	Indicated	42.0	1,750	17,150	0.9	9.8	400	4,140
B5 Unit	Inferred	13.0	1,950	14,800	1.0	8.5	140	1,110
	Total	**82.0**	**1,850**	**17,050**	**1.0**	**9.8**	**800**	**8,020**
Upper Zone	Measured	0.5	2,450	5,450	1.3	3.1	10	20
	Indicated	1.5	1,600	6,600	0.9	3.8	10	70
M5 Unit	Inferred	-	-	-	-	-	-	-
	Total	**2.0**	**1,800**	**6,350**	**1.0**	**3.6**	**20**	**80**
Total	Measured	27.5	1,900	17,800	1.0	10.2	280	2,790
Upper Zone	Indicated	44.0	1,750	16,750	9.0	9.6	410	4,210
	Inferred	13.0	1,950	14,800	1.0	8.5	140	1,110
	Total	**84.5**	**1,850**	**16,800**	**1.0**	**9.6**	**820**	**8,110**
Lower Zone	Measured	13.5	1,350	7,600	0.7	4.4	100	590
	Indicated	45.5	1,400	11,300	0.7	6.5	330	2,930
L6 Unit	Inferred	11.0	1,400	12,850	0.7	7.3	80	800
	Total	**69.5**	**1,400**	**10,800**	**0.7**	**6.2**	**510**	**4,310**
Total	Measured	41.0	1,700	14,400	0.9	8.2	370	3,380
All zones	Indicated	89.5	1,550	13,950	0.8	8.0	740	7,130
	Inferred	24.0	1,700	13,900	0.9	8.0	220	1,900
	Total (1)	**154.0**	**1,650**	**14,100**	**0.9**	**8.0**	**1,330**	**12,420**

(1) Totals may not add due to rounding. Mineral Resources reported on a dry in-situ basis.

Compared to the previous lithium-boron Mineral Resource estimate, the June 2019 estimate represents an increase of 0.2mt of lithium carbonate and 3.8mt of boric acid. Covering only the western side of the South Basin, the Mineral Resource has significant potential to expand with further drilling as it remains open to the north, south and east.

Lithium-boron (searlesite) mineralisation is the focus of the DFS as it represents the highest value material. The low-clay and high-searlesite content of the lithium-boron mineralisation allows for a low-cost, simple processing route due to being amenable to low-cost acid leaching.

The above June 2019 lithium-boron (searlesite) Mineral Resource estimate does not include:

- extensive lithium-only (clay) mineralisation which generally is deposited above and below the lithium-boron (searlesite) mineralisation in the South Basin at Rhyolite Ridge; and
- known lithium-boron mineralisation in the North Basin at Rhyolite Ridge.

The PFS released in October 2018 included a two-stage mine development – a starter pit covering the first seven years and an expanded pit covering a mine life of over 30 years.

The initial Ore Reserve within the area targeted for the PFS starter pit is estimated to be 15.8mt at 1,900ppm lithium (equivalent to 1.0% lithium carbonate) and 12,200ppm boron (equivalent to 7.0% boric acid), all in the Probable category.

The PFS also planned to stockpile lithium-only mineralisation which was included in the October 2018 Mineral Resource estimate tabulated below.

October 2018 Mineral Resource Estimate (1,050ppm Lithium Cut-off)

Total Resource including Lithium-Only Mineralisation and Lithium-Boron (Searlesite) Mineralisation

Group	Classification	Tonnes mt	Li ppm	B ppm	Li_2CO_3 %	H_2BO_3 %	K_2SO_4 %	Contained tonnes Li_2CO_3 kt	Boric Acid kt	Potassium kt
Upper Zone	Indicated	149.6	1,890	7,250	1.0	4.1	1.6	1,510	6,180	2,430
	Inferred	49.4	1,860	4,300	1.0	2.4	1.6	490	1,200	770
	Total	**199.1**	**1,880**	**6,520**	**1.0**	**3.7**	**1.6**	**2,000**	**7,380**	**3,210**
Lower Zone	Indicated	192.4	1,370	2,880	0.7	1.6	1.6	1,410	3,060	3,020
	Inferred	83.9	1,480	1,080	0.8	0.6	1.5	660	490	1,230
	Total	**276.3**	**1,410**	**2,340**	**0.7**	**1.3**	**1.5**	**2070**	**3,550**	**4,250**
Upper & Lower Zone	Indicated	342.0	1,600	4,800	0.9	2.7	1.6	2,910	9,240	5,450
	Inferred	133.4	1,600	2,300	0.9	1.3	1.5	1,150	1,690	2,000
	Grand Total (1)	**475.4**	**1,610**	**4,100**	**0.9**	**2.3**	**1.6**	**4,060**	**10,930**	**7,460**

(1) Totals may not add due to rounding. Mineral Resources are inclusive of Ore Reserves.

The lithium-boron (searlesite) portion of the October 2018 Mineral Resource is tabulated below.

October 2018 Lithium-Boron (Searlesite) Mineral Resource Estimate (1,050ppm Lithium & 5,000ppm Boron Cut-off)

Group	Classification	Tonnes mt	Li ppm	B ppm	Li_2CO_3 %	H_2BO_3 %	K_2SO_4 %	Contained tonnes Li_2CO_3 kt	Boric Acid kt	Potassium kt
Upper Zone	Indicated	71.9	1,840	14,110	1.0	8.1	2.0	700	5,800	1,420
	Inferred	14.7	1,970	12,150	1.0	6.9	2.0	150	1,020	300
	Total	**86.6**	**1,860**	**13,780**	**1.0**	**7.9**	**2.0**	**860**	**6,830**	**1,720**
Lower Zone	Indicated	32.2	1,430	9,750	0.8	5.4	1.7	240	1,730	530
	Inferred	2.6	1,620	6,690	0.9	3.3	1.8	20	90	50
	Total	**34.8**	**1,440**	**9,520**	**0.8**	**5.2**	**1.7**	**270**	**1,820**	**580**
Upper & Lower Zone	Indicated	104.1	1,700	12,800	0.9	7.2	1.9	950	7,540	1,950
	Inferred	17.3	1,900	11,300	1.0	6.4	2.0	180	1,110	340
	Grand Total (1)	**121.4**	**1,740**	**12,600**	**0.9**	**7.1**	**1.9**	**1,130**	**8,650**	**2,300**

(1) Totals may not add due to rounding. Mineral Resources are inclusive of Ore Reserves.

The Company intends to report updated Mineral Resource and Ore Reserve estimates as part of the DFS.

Other information continued

Glossary and Abbreviations

B	Boron
Carbonate minerals	Calcite and dolomite
DFS	Definitive Feasibility Study
H_3BO_3	Boric acid
GSC	Global Geoscience Limited
INR	Ioneer Ltd
K-feldspar	Potassium feldspar
km	Kilometre
kt	Kilotonne
K_2SO_4	Potassium sulphate
Li	Lithium
Li_2CO_3	Lithium carbonate
LCE	Lithium carbonate equivalent
mt	Million tonnes
PFS	Pre-Feasibility Study
Searlesite	Sodium borosilicate mineral
Sepiolite	Magnesium silicate

Schedule of tenements

As at 30 June 2019

Project	Country	Tenement ID	Tenement Name	Area (km2)	Interest at 30 June 2019
Rhyolite Ridge	USA	NMC1118666	NLB claims (160)	13	100%
Rhyolite Ridge	USA	NMC1117360	SLB claims (199)	16.5	100%
Rhyolite Ridge	USA	NMC1171536	SLM claims (122)	9.7	100%
Rhyolite Ridge	USA	NMC1179516	RR claims (65)	5.4	100%
Rhyolite Ridge (1)	USA	NMC 1129523	BH claims (81)	7	0%
SM	USA	NMC1166813	SM claims (96)	7.7	100%
GD	USA	NMC1166909	GD claims (13)	1.1	100%
CLD	USA	NMC1167799	CLD claims (65)	5.2	100%
New Morenci	USA	AMC393550	MP claims (2)	0.12	100%
Tokop	USA	NMC883619	TK claims (73)	4.82	100%
Tokop (1)	USA	NMC285234	Path Patents (11)	0.74	0%
Tokop (1)	USA	NMC814692	Path Unpatented (5)	0.4	0%
Bartlett (1)	USA	NMC938020	PEARL claims (8)	0.67	0%
Lone Mt (2)	USA	NMC913404	NAMMCO claims (71)	5.43	0%
Lone Mt	USA	NMC1071591	LMG claims (37)	2.8	100%
Lone Mt	USA	NMC1094601	SW claims (24)	2	100%
Towers Mt	USA	AMC426407	CK claims (32)	2.54	100%

(1) There is an option to purchase 100%
(2) Earning 100%

Shareholder and ASX information

Information relating to shareholders at 13 September 2019 (per ASX Listing Rule 4.10)

Issued capital

The Company has 1,474,983,509 fully paid shares on issue.

Options on issue including holders of more than 20%

The Company has on issue 47,430,840 options and 1,391,786 Performance rights.

There are no listed options or performance rights.

ASX listing

Listed on the Australian Securities Exchange
19 December 2007
ASX Code: INR (previously GSC)
ABN: 76 098 564 606

Voting rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares, which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

Top 20 shareholders as at 13 September 2019

Name	Shares	%
HSBC Custody Nominees (Australia) Limited	123,803,469	8.394%
Citicorp Nominees Pty Limited	113,694,073	7.708%
Holdrey Pty Ltd <Don Mathieson Family a/c>	66,800,000	4.529%
Mopti Pty Limited <The Rowe Family a/c>	54,591,402	3.701%
Ransdale Investments Pty Ltd <The Viking s/f a/c>	50,250,000	3.407%
HSBC Custody Nominees Australia Limited <GSCO - ECA>	35,546,028	2.410%
JP Morgan Nominees Australia Pty Limited	35,316,762	2.394%
Lithium Investors Americas LLC	31,600,000	2.142%
Vista Grove Investments Pty Ltd	31,034,498	2.104%
Mahsor Holdings Pty Ltd <Rosham Family s/f No2 a/c>	30,420,382	2.062%
Buttonwood Nominees Pty Ltd	30,190,022	2.047%
Deck Chair Holdings Pty Ltd	29,750,000	2.017%
KEA Holdings Pty Ltd <IOS Holding a/c>	27,491,219	1.864%
Kolley Pty Ltd <Lucas Family a/c>	23,120,000	1.567%
Mr Darien Charles Jagger <The balcony investment a/c>	21,625,000	1.466%
White Swan Nominees Pty Ltd	20,218,617	1.371%
Investment Holdings Pty Ltd <Investment holdings unit a/c>	20,000,000	1.356%
FNL Investments Pty Ltd <Superannuation Plan a/c>	19,900,000	1.349%
Brispot Nominees Pty Ltd <House Head Nominee a/c>	19,183,908	1.301%
Credit Suisse Securities (Europe) Ltd C/- CS Equities (Aust) Ltd	17,274,412	1.171%

Distribution of shareholders

	Holders	Total Units
1 - 1000	81	12,415
1,001 - 5,000	517	1,579,686
5,001 - 10,000	437	3,609,620
10,000 - 100,000	1,542	64,356,502
100,001 - over	702	1,405,425,286
	3,279	1,474,983,509

Unmarketable parcels

	Minimum parcel size	Holders
Minimum $500 parcel at $0.165 per unit	3,030	381

Substantial shareholders

There are no substantial shareholders registered as at 13 September 2019.

On-market buy-back

There is no current on-market buy-back.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Bernard Rowe, a Competent Person who is a Member of the Australian Institute of Geoscientists. Bernard Rowe is a shareholder, employee and Managing Director of ioneer Ltd. Mr Rowe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012). Bernard Rowe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

In respect of Mineral Resources referred to in this report and previously reported by the Company in accordance with JORC Code 2012, 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 "Rhyolite Ridge Mineral Resource Upgrade" dated 26 June 2019. Further information regarding the Mineral Resource estimate 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.

In respect of Ore Reserves referred to in this report and previously reported by the Company in accordance with JORC Code 2012, 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 "Rhyolite Ridge Drilling Update and Maiden Ore Reserve" dated 21 December 2018 and released on ASX. Further information regarding the Ore Reserve estimate 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.

The Company intends to report updated Mineral Resource and Ore Reserve estimates as part of the Definitive Feasibility Study currently in progress.

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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Corporate directory

Directors

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

Company Secretary

Ian Bucknell

Auditor

Ernst & Young
200 George Street
Sydney NSW 2000

Offices

Sydney (Registered office):

Suite 503, 140 Arthur Street
North Sydney NSW 2060
Australia
Telephone: +61 (2) 9922-5800
Facsimile: +61 (2) 9922-4004
Website: www.ioneer.com
e-mail: info@ioneer.com

Reno:

290 Gentry Way #1
Reno Nevada 89502
United States of America

Share Registrar

Boardroom Pty Limited
Grosvenor Place
Level 12, 225 George Street
SYDNEY NSW 2000
Telephone: 1300 737 760

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