



ION ENERGY

TSX-V: ION

OTCQB: IONGF

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# Mongolia's First Lithium Brine Explorer & Developer



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FEBRUARY 2021

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## Technical Disclosure

**The technical information in this presentation has been approved by Khurel Lamzav, P. Geo of the Company and a Qualified Person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects.**





# MONGOLIA'S EMERGING LEADER IN LITHIUM EXPLORATION & DEVELOPMENT

## CORPORATE OVERVIEW

Holds 100% interest in the **Baavhai Uul** and **Urgakh Naran** Lithium Brine Projects, with a combined area of **over 100,000 hectares (247,000 acres)** located in **Mongolia**.

We have the distinction of having the first lithium brine licence ever granted in Mongolia.

Exploration efforts underway.

### THE WORLD IS GOING ELECTRIC

- ION Energy is ready for the 3rd wave of the clean energy revolution & the increased Lithium demand

### STRATEGIC ADVANTAGE

- Fully-funded to continue aggressive growth strategy
- Strong in-country team
- Proven track record
- Superior geographic location



# ION Energy: Ready for Third Wave of World's Clean Energy Revolution

## LITHIUM: POWERING THE FUTURE

- "Global demand for lithium to increase eight-fold to 2030, as Electric Vehicle (EV) adoption increases and battery sector expands." - Bloomberg
- "Banks that manage one-third of all global capital (47 trillion USD) have committed to moving towards greener practices and divesting in fossil fuels." - Reuters

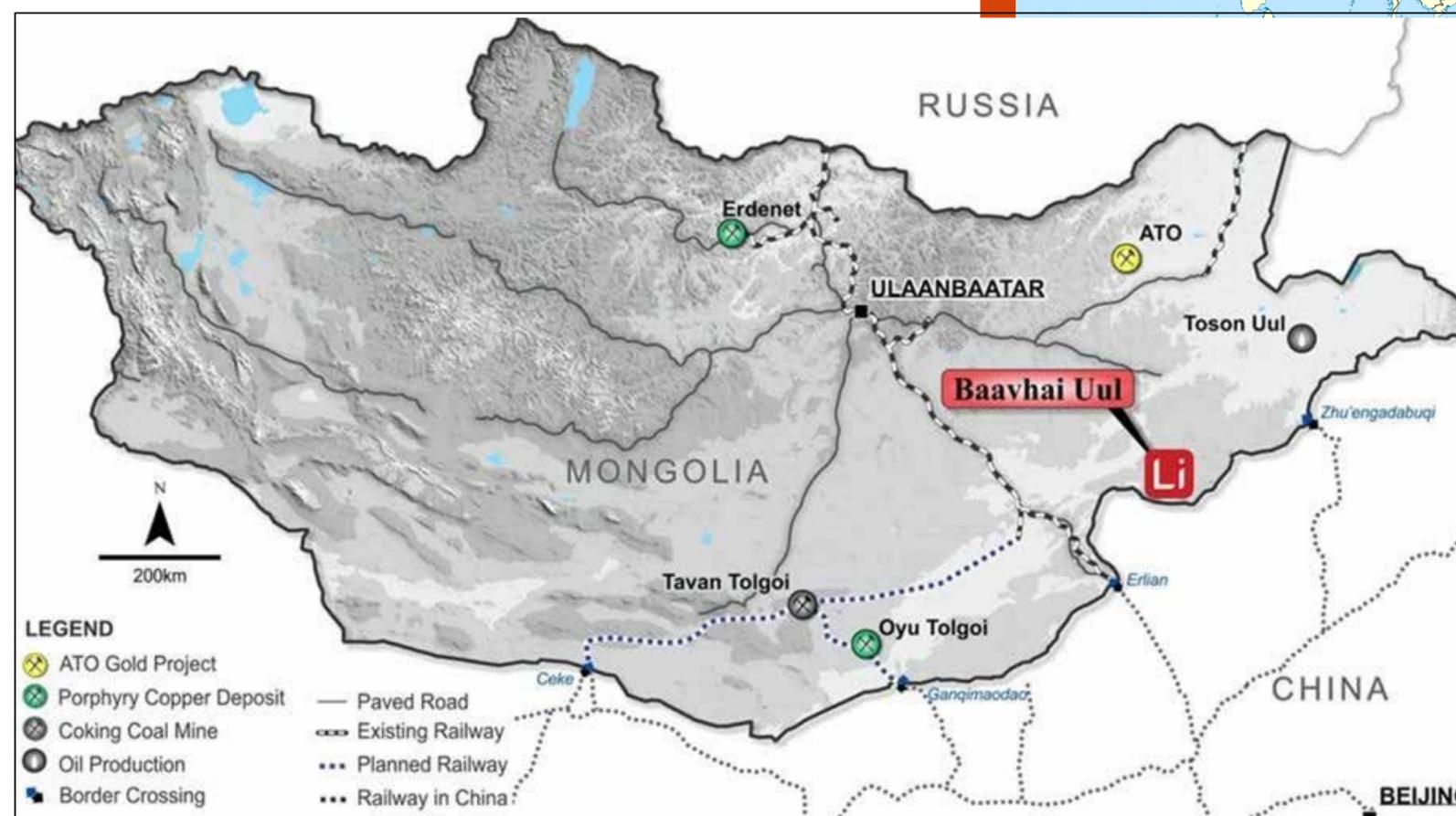


# ION ENERGY

THE **BAAVHAI UUL** LITHIUM BRINE PROJECT:  
**+81,000 HECTARE** (almost **200,000 acre**) HIGHLY-PROSPECTIVE SITE.

## EARLY RESULTS:

- All holes drilled contain significant levels of Lithium
- Average grade 426 ppm Lithium
- Maximum grade 811 ppm Lithium
- High evaporation and low precipitation endorheic basin, no outflow to external bodies of water

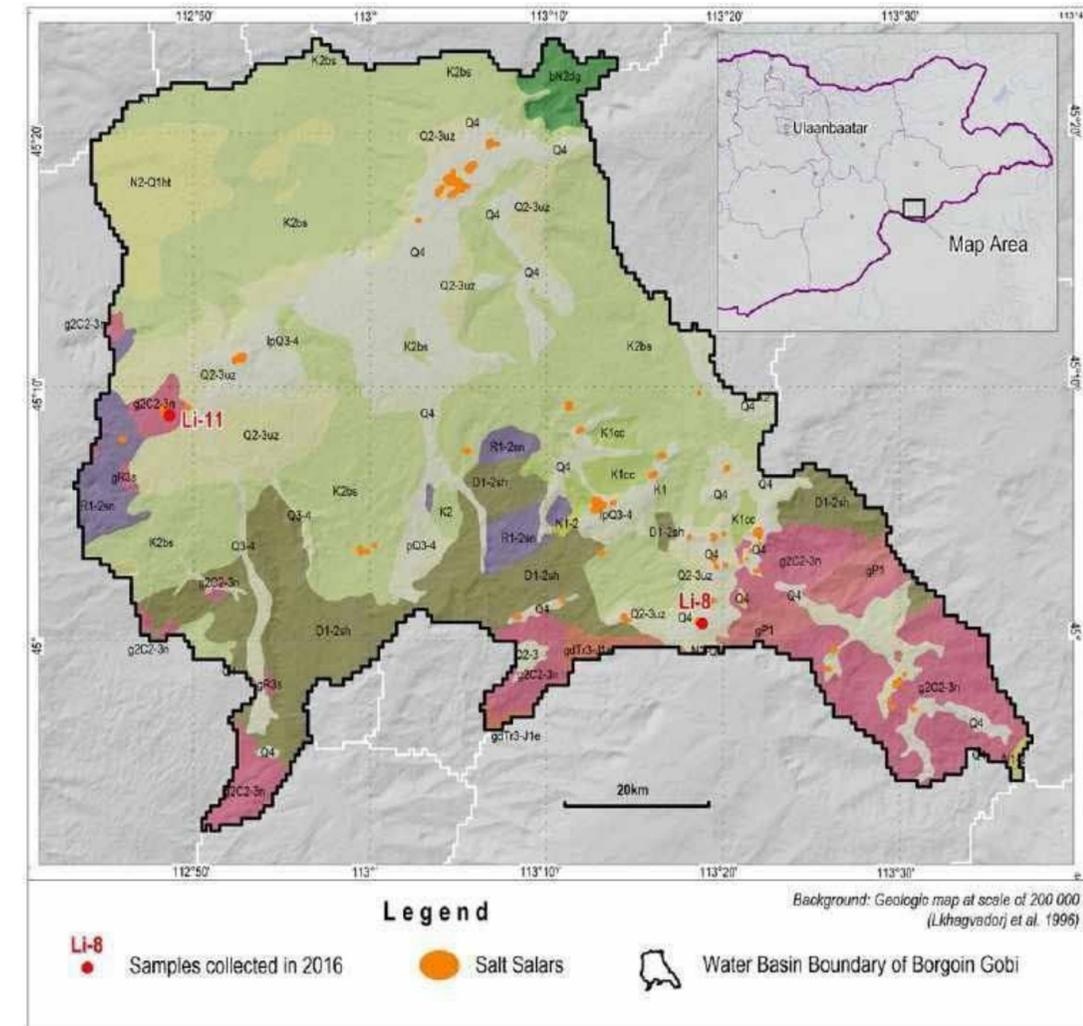


# ION Energy's BAAVHAI UUL PROJECT

## LARGEST EXPLORATION LICENCE EVER GRANTED IN MONGOLIA

### GEOLOGICAL PROFILE:

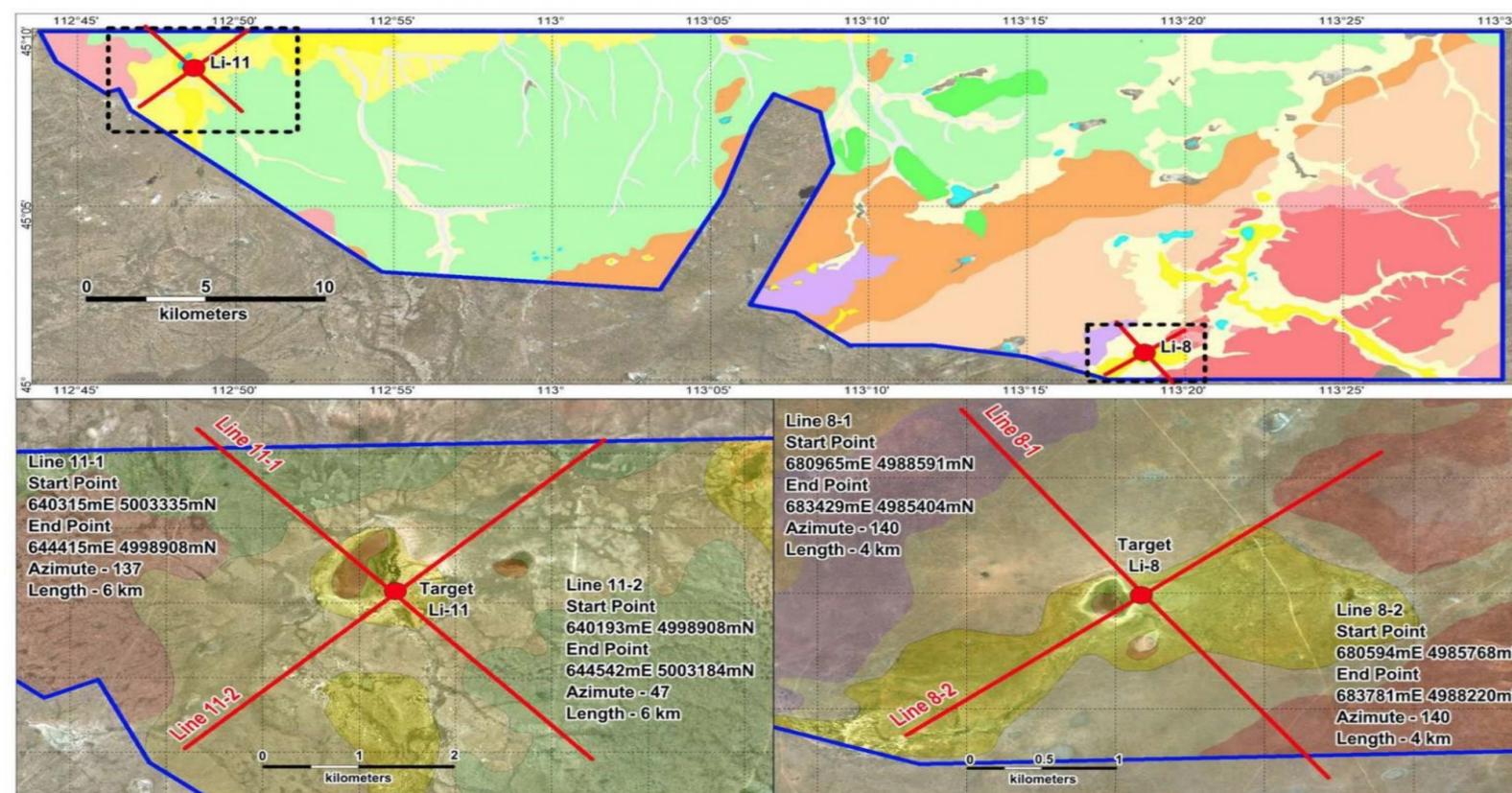
- Low potassium and magnesium ratios: favorable for large crystal formation at license altitude and temperature
- Aquifers 20m below surface: Cretaceous volcanic and sedimentary rocks are the most suitable aquifer for the enrichment of lithium (light green areas)
- Brine vs hard rock sources = lower production costs
- Gobi Desert: arid environment with high evaporation rates



# ION'S EXPLORATION PROGRAM:

## COMMENCED OCTOBER 2020

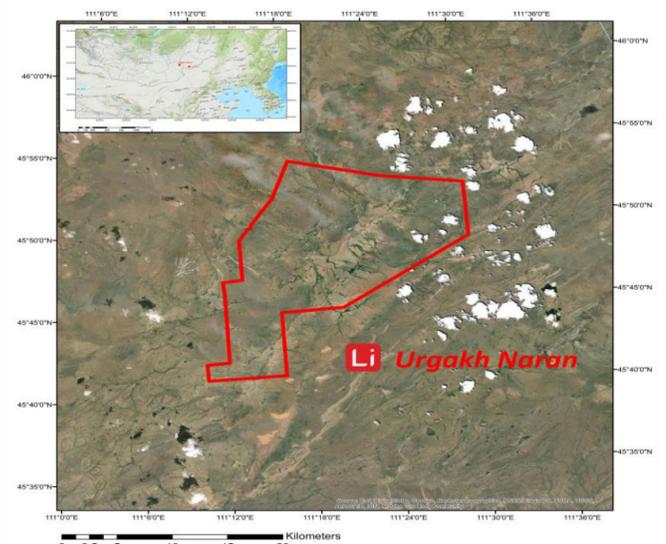
- Geophysics CSAMT - focus on targets L-11 (12 line-KM) and L-8 (8 line-KM), with soundings at 50m spacing.
- The CSAMT survey will start by identifying brine aquifers, followed by reflection seismic work to identify structure.
- Auger drilling to commence Q2 2021.





# URGAKH NARAN: *RISING SUN*

Solidifying our commitment to the world's Green Revolution, as Mongolia's leading lithium explorer & developer



The **Urgakh Naran** Lithium Brine Project covers an area of **almost 20,000 hectares (+49,000 acres)** of highly prospective lithium terrain, situated in the arid and infrastructure rich region of the South Gobi Desert.

## LITHIUM MINERALIZATION:

Previous work conducted at this project has included a substantial Hydro-chemical sampling program of identified shallow lithium in brines. Although early stage, this program was highly successful in identifying multiple targets for follow up exploration.



# ION's STRATEGIC ADVANTAGE:

## EXPERIENCED MANAGEMENT TEAM

### ■ ALI HAJI CEO, DIRECTOR

Director of Antler Hill Mining Ltd and Spirit Banner II Capital Corp. 13+ years international experience (asset management, risk analysis and program governance).

Advisor to ATMA Capital Markets Ltd and Steppe Gold TSX:STGO. BSc from University of Western Ontario.

### ■ MATTHEW WOOD CHAIRMAN OF THE BOARD

Chairman of Steppe Gold TSX:STGO, Founding Chairman of Avanco Resources (sold in March 2018 for AUD\$440M) and Hunnu Coal (sold for USD\$500M in 2012).

### ■ BATAA TUMUR-OCHIR DIRECTOR

A Mongolian Citizen that serves as CEO and Director of Steppe Gold TSX:STGO.

Mr. Tumor-Ochir is an advisor to the Ministry of Mining and Heavy Industry, holds a Bachelor's degree in business administration and graduate certificates in international business and marketing from Australia and Singapore.

### ■ ANEEL WARAICH DIRECTOR

EVP and Director of Steppe Gold TSX:STGO, Director of Antler Hill Mining Ltd, CEO of Spirit Banner Capital Corp, Founder of ATMA and ATMACORP with experience in investment banking at Dundee.

MBA from Goodman Institute of Investment Management at John Molson School of Business.

### ■ ENKHTUVSHIN KHISHIGSUREN DIRECTOR

Over 30 years of Mongolian mineral experience for multi-nationals. Credited for having discovered several prospective gold, molybdenum and copper deposits, including the Olon Ovoot multimillion ounce gold deposit.

### ■ JOHN McVICAR, CPA, CA CHIEF FINANCIAL OFFICER

A senior Finance executive with more than 30 years of experience in both industry and professional services. John most recently served as Partner, Advisory Services at EY for almost two decades, and in other senior Finance roles prior to that. He also holds the Chartered Professional Accountant designation.

# ION'S STRATEGIC ADVANTAGE:

## EXPERIENCED ADVISORY BOARD

### ■ PAUL FORNAZZARI

Mr. Fornazzari has been involved in the lithium industry since 2008 with the creation, as its initial Chairman, of Lithium Americas Corp. (currently in mine construction with its partner Ganfeng Lithium; \$970B market cap) and securing its initial strategic investments from Mitsubishi and Magna International, which helped launch this world class lithium brine asset. Subsequent thereto, Paul was a director of Neo Lithium Corp. (currently at the feasibility study stage). Paul has been involved in the resource industry for many years, gaining insight and experience in the company creation process through various directorships and as legal counsel. Currently, Paul is a partner at the law firm Fasken Martineau DuMoulin LLP, where he is head of Latin America for the Global Mining Group.

He holds a Masters of Law from Osgoode Hall Law School in Securities Law and a Bachelor of Law from the University of Windsor. Paul is a member of the TSX Venture Exchange's National Advisory Committee.

### ■ DON HAINS

Mr. Hains is President of Hains Engineering Company Limited and Principal of Hains Technology Associates. He is an industrial minerals exploration and economic geologist with more than 30 years of experience in exploration, development, use and analysis of industrial minerals properties and materials. He has a particular focus on critical and energy related minerals such as lithium. He has worked on projects throughout the world, including lithium and other industrial minerals projects in China and Mongolia.

His lithium experience encompasses all types of deposits, processing routes and stages of project development from exploration through to plant construction. He has written numerous NI 43-101 technical and due diligence reports on lithium projects in Canada, the United States, South America, Africa, Europe, the Middle East and Asia.

### ■ DR. KHASHBAT DASHTESEREN

Dr. Dashteseren is a geologist and scholar with an extensive amount of experience exploring various minerals in Mongolia and has served with the Urban Development for the Department of Urban Development and Investment in Mongolia. Dr. Dashteseren was also the Chief Geologist at Geolink LLC before moving on to hold the role of Chief Executive Officer. Following that, Dr. Dashteseren worked as an Exploration Manager for Resource Partners Group. He has also spent a considerable amount of time researching laboratory analysis methods for lithium at the Akita University in Japan.

Dr. Dashteseren holds a PhD in Lithium Mineralization from the Mongolian University of Science and Technology, Ulaanbaatar, and is a Professional Geologist accredited by the Mongolian Professional Institute of Geology and Mining as well as a Professional Engineer accredited by the Mongolian Ministry of Mineral Resources and Energy.

# ION's STRATEGIC ADVANTAGE:

## STRONG IN-COUNTRY TEAM WITH A PROVEN TRACK RECORD

- Management successfully operating in Mongolia for over a decade.
- A total of **100+** years of combined **mining** and **exploration** experience
- Delivering outcomes for investors.



Hunnu Coal  
A\$20m IPO  
2010



Hunnu Coal  
A\$500m Cash Sale  
2011



Steppe Gold  
C25m IPO  
2018

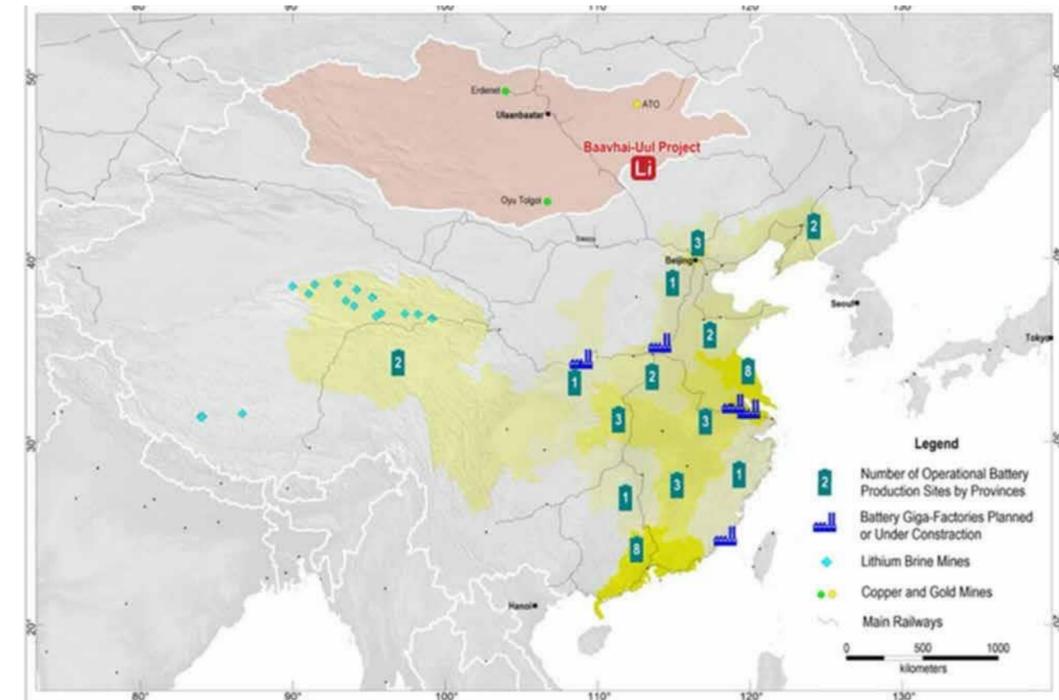


ION Energy  
C\$2.7m IPO  
2020

# ION'S STRATEGIC ADVANTAGE:

## STRONG GEOGRAPHICAL LOCATION

- Low cost and year-round operating environment
- Infrastructure rich location in Mongolia
- 30km by road to Mongolia-China border crossing
- Strong location advantage over South American producers: Mongolia set to become a major player in the lithium sector

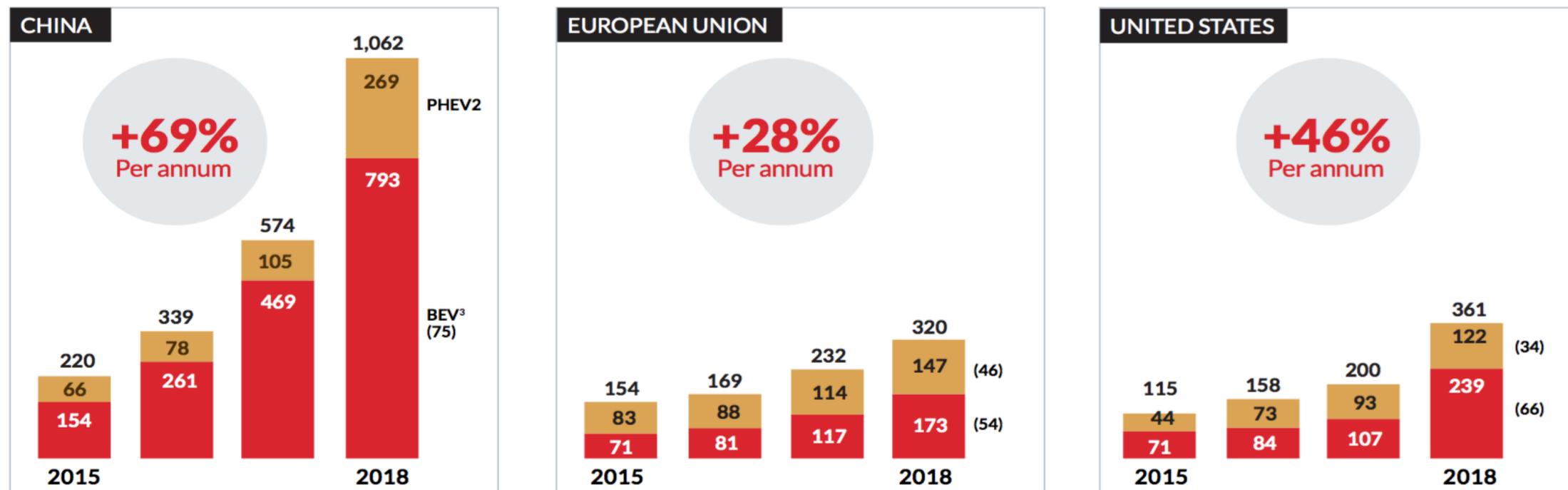


# Why ION Energy's Mongolian site is a Geographic Advantage

- **China** is the **world leader** in manufacturing lithium batteries, and continues to **outpace** the globe in **demand** for **EVs**
- **Korea, Taiwan** and **Japan's** large tech industries will continue to fuel **demand** for **lithium batteries**.
- China dominates megafactories: 89 of 123 of the world's megafactories in the pipeline are in China, with one megafactory being built per week" (Benchmark Mineral Intelligence – 2020)

## CHINA'S ELECTRIC-VECHICLE MARKET IS THREE TIMES THE SIZE OF THAT OF EUROPE OR THE UNITED STATES

Light EV Sales, by region, thousand units (% share of EV market)



# WHY MONGOLIA?

**Mongolia's mining industry contributes towards 20% of the nation's GDP & 80-90% of its export**

- Neighbour to two giant markets: China & Russia
- Low transportation costs to Chinese battery markets
- No historical exploration in battery metals

**Government prioritizes an investment-friendly environment:**

- Mongolia's People Party (MPP) won another resounding victory in 2020, with a majority four-year mandate
- Low corporate income tax and government royalty obligations
- Government anti-investment regulations revoked in 2014
- Proactive and effective nationwide approach to Covid-19, creating opportunities for businesses with in-country presence

**Untapped and unlimited potential for lithium:**

- No historical exploration in and new, under-explored frontiers for battery minerals
- Geologically well-endowed and high quality exploration land assets



# ION's STRATEGIC ADVANTAGE:

## AGGRESSIVE GROWTH STRATEGY

### • MAJOR MILESTONES ACHIEVED

**January 2019:** Licence granted to ION Energy by Mongolian government

**August 2020:** Completed qualifying transactions and ensured appropriate funding for exploration efforts

**August 2020:** Commenced trading on the TSX-V: ION

**September 2020:** Couloir Capital announces research coverage of further exploration efforts

**October 2020:** Exploration program commences

Stonegate Capital initiates research coverage

### • UPCOMING CATALYSTS

**January 2021:** Commenced trading on OTC QB

**Q1 2021:** New licence acquisition & early exploration results from Baavhai Uul

**Q1 2021:** Coverage being initiated by US based Equity Research Group

**Q2 2021:** Commence exploration on additional licence and mobilize Diamond Core Rig to Baavhai Uul

**Q3 2021:** Advanced results from Baavhai Uul exploration with early resource indication

**Q4 2021:** Advance talks with Strategics

### ION Energy Ltd – OTCQB: IONGF, TSXV: ION

BASIC COMMON SHARES OUTSTANDING	48,525,671
WARRANTS @ 40C (Exp. Aug 31, 2022)	9,063,329
OPTIONS @ 32c (Exp. Oct 21, 2025)	3,000,000
OPTIONS @ 55c (Exp Feb 3, 2022)	685,000
FULLY DILUTED SHARES OUTSTANDING	61,467,431
SHARE PRICE (Feb 16)	USD \$0.50 / CAD \$0.63
MARKET CAPITALIZATION (C\$)	USD \$24.7 M / CAD \$30 M

### ION ENERGY – OWNERSHIP

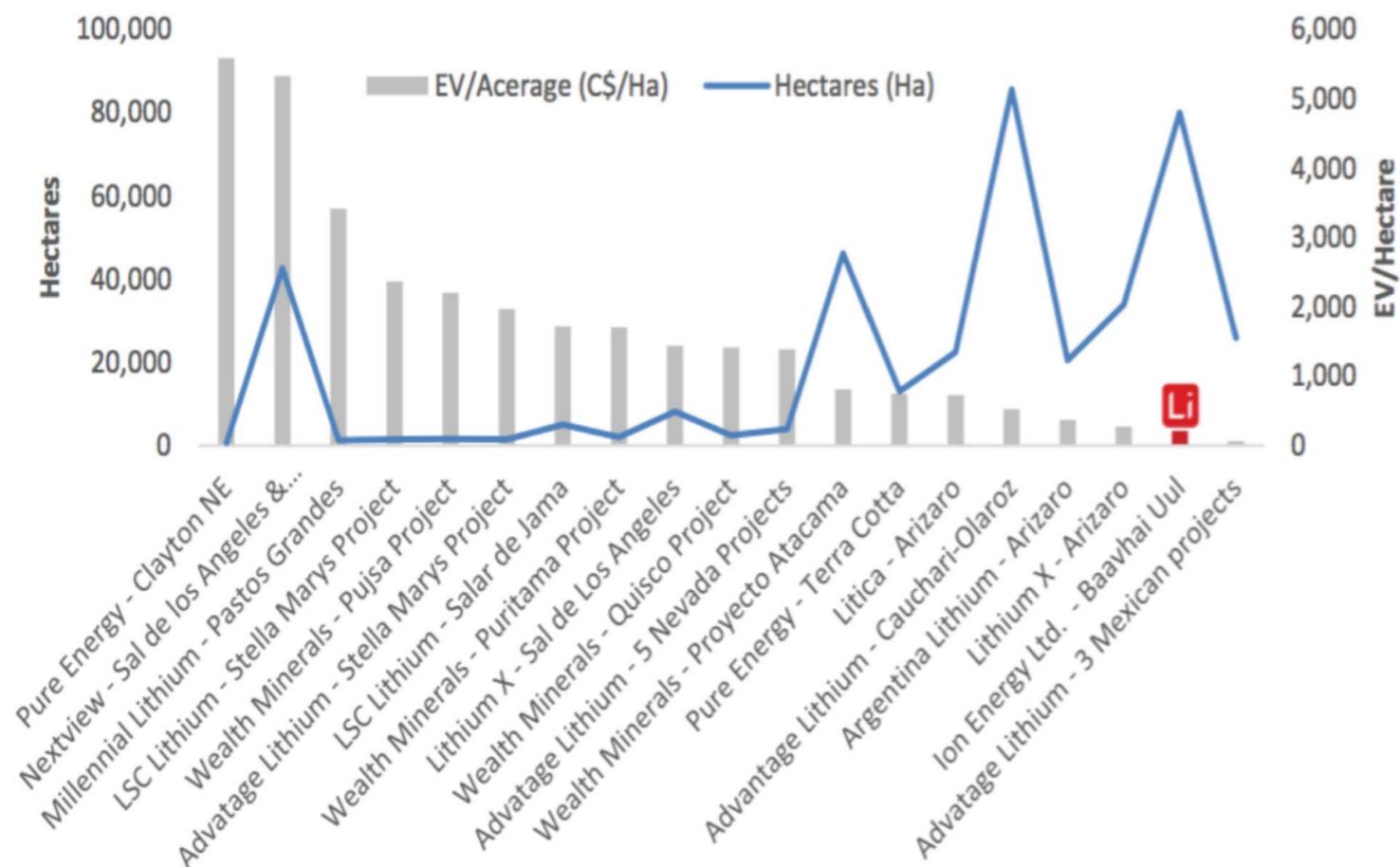
Management & Insider Ownership*	36%
Mongolian Investors	8%
Family Offices	6.8%
Spartan Funds	3%
Alphanorth Asset Management	2%
Maxit Capital	2%

\*Insiders and management are escrowed for 24 months/2 years (Aug 31, 2022)

# ION's STRATEGIC ADVANTAGE:

## COMPARABLES

### ION Energy vs. Peers



- Price target: \$0.88c – January 2021  
- **Couloir Capital**
- Price target: \$0.96c – January 2021  
- **FRC**
- Comparable companies and the implied valuations offer a wide range from C\$94 EV/Hectare to C\$3,868 EV/Hectare with a median of C\$646. This compares to ION Energy at C\$291 EV/Hectare.  
- **Stonegate Capital**

# ION Energy: Mongolia's Emerging Leader in LITHIUM Exploration and Development

## INVESTMENT SUMMARY:

- ✓ Commodity with high global demand
- ✓ Superior geographic location in Mongolia and promising early results
- ✓ Fully-funded to continue aggressive growth strategy
- ✓ Strong in-country team and proven track record
- ✓ Low cost production profile
- ✓ Well-positioned to create shareholder value



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