



Lithium Supply and Market: Past, Present and Future



American Exploration &
Mining Association
EST. 1895

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Reno, NV - December 7, 2017

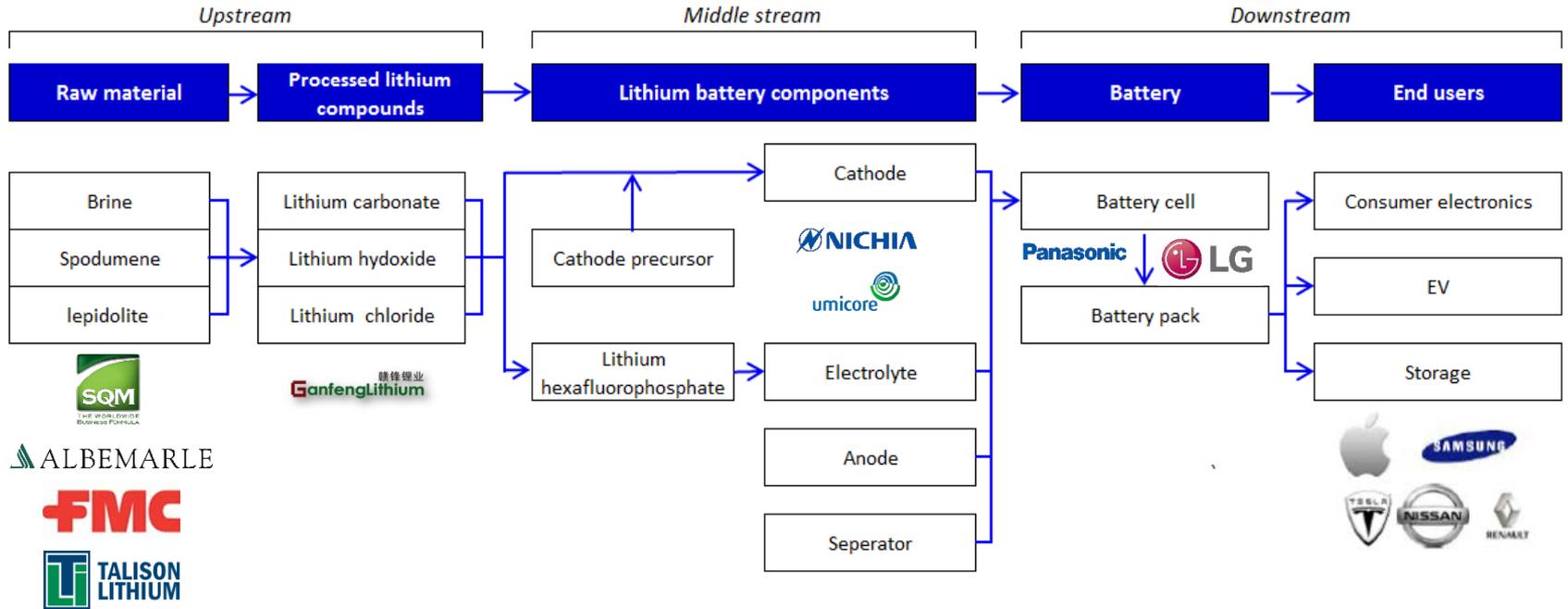
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Outline

- Why do we care about lithium?
- Lithium Pricing
- Lithium Supply
- Lithium Demand
- Market Balance
- Who will make it?
- What about Nevada?
- Take home message

Why do we care about Lithium?

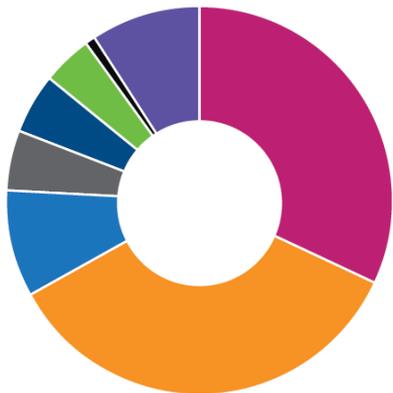
Lithium Industry Chain



Source: Modified from Deutsche Bank, 2016

Li Production

What for?

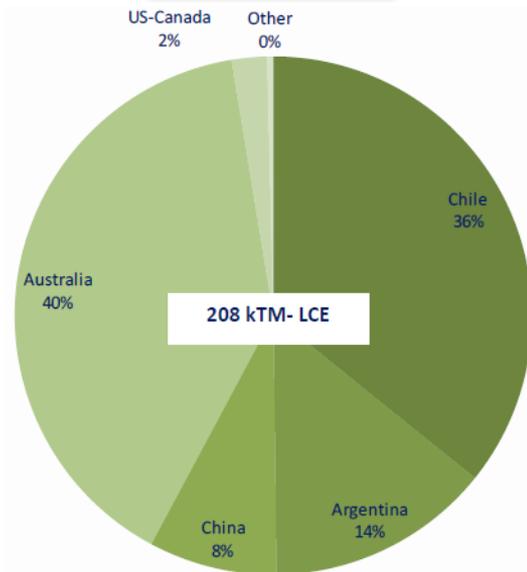


Ceramics and glass	32%
Batteries	35%
Lubricating greases	9%
Continuous casting	5%
Air treatment	5%
Polymers	4%
Primary aluminium	1%
Other uses	9%

Source: USGS

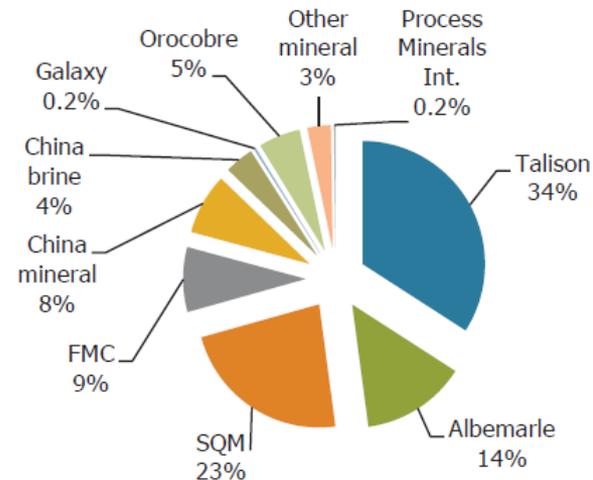
Source: IndMin, 2016, Roskill 2017

Where?



Who?

Lithium mine production



Geographical Distribution



Leyenda

● Extracción de litio desde salares
○ Extracción de mineral de litio

◆ Plantas de conversión de mineral
◇ Plantas químicas

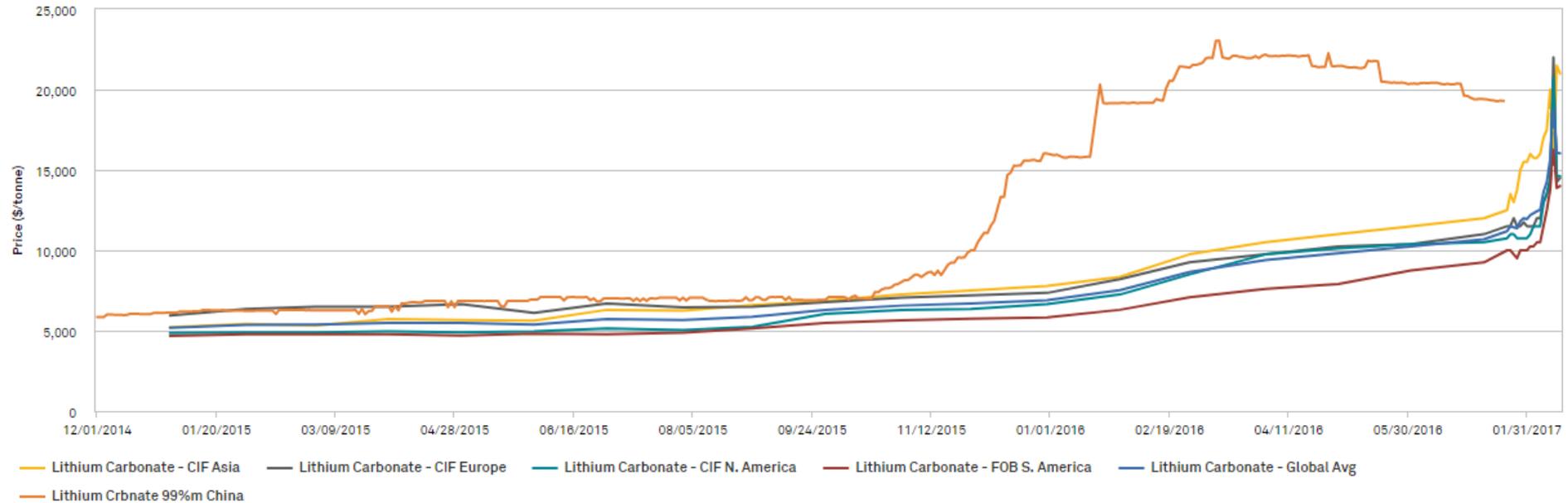
➔ Transporte de materia prima
(concentrado de mineral, productos básicos de litio o salmuera)

Source: COCHILCO, 2013

| Ok, but seriously why?

Lithium Pricing

Commodity Price

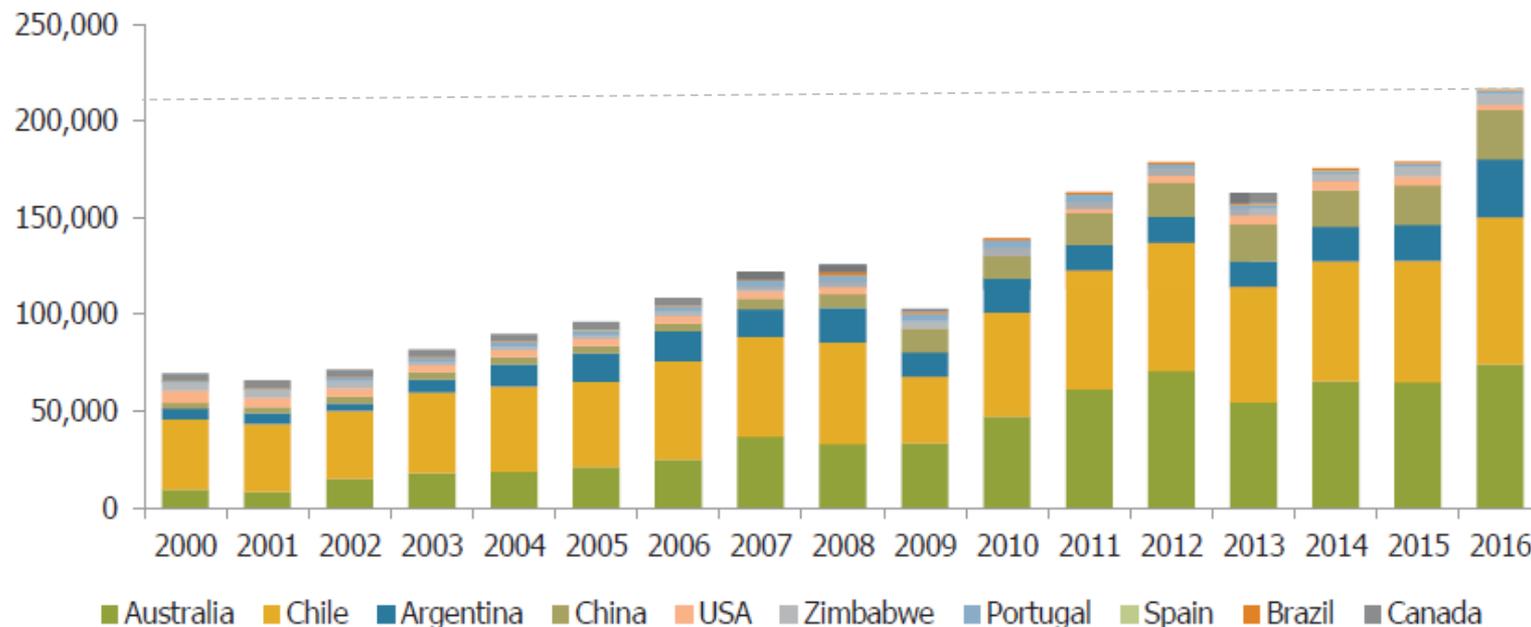


Source: S&P Global Intelligence – December 6, 2017



Supply

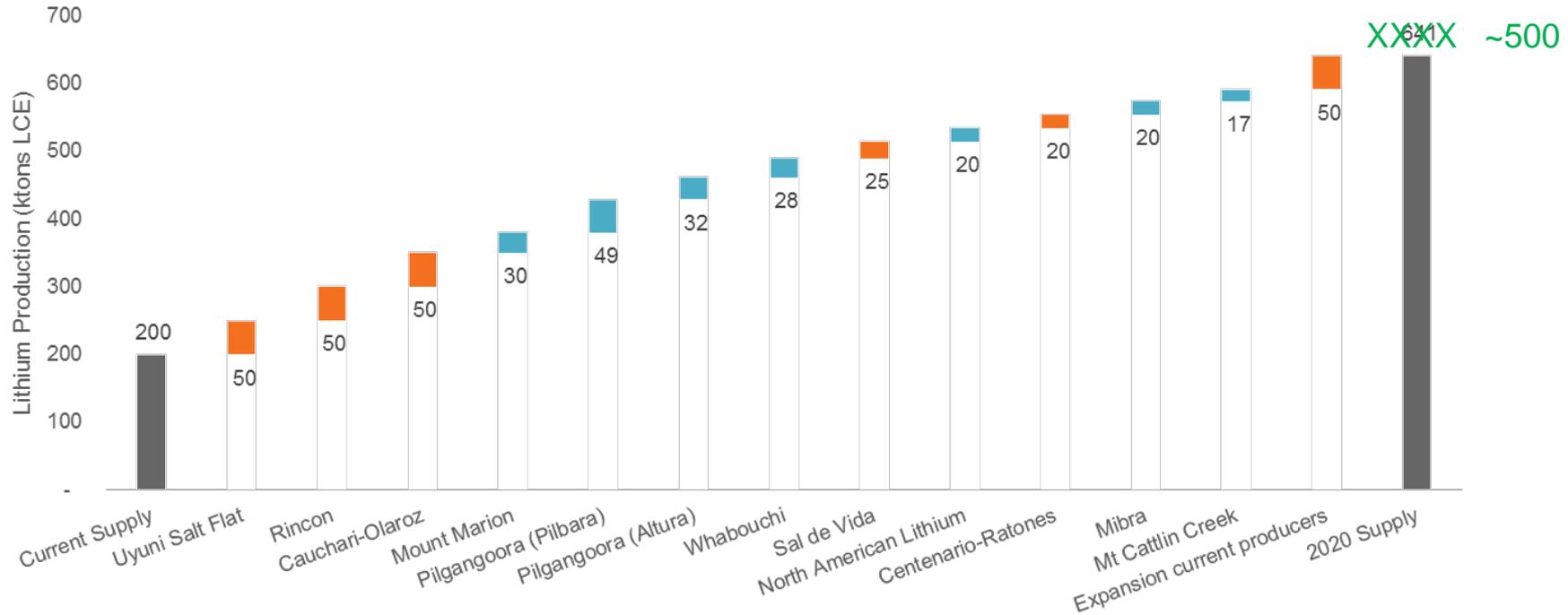
Lithium Supply: Past



Source: Roskill, 2017

Lithium Supply Forecast

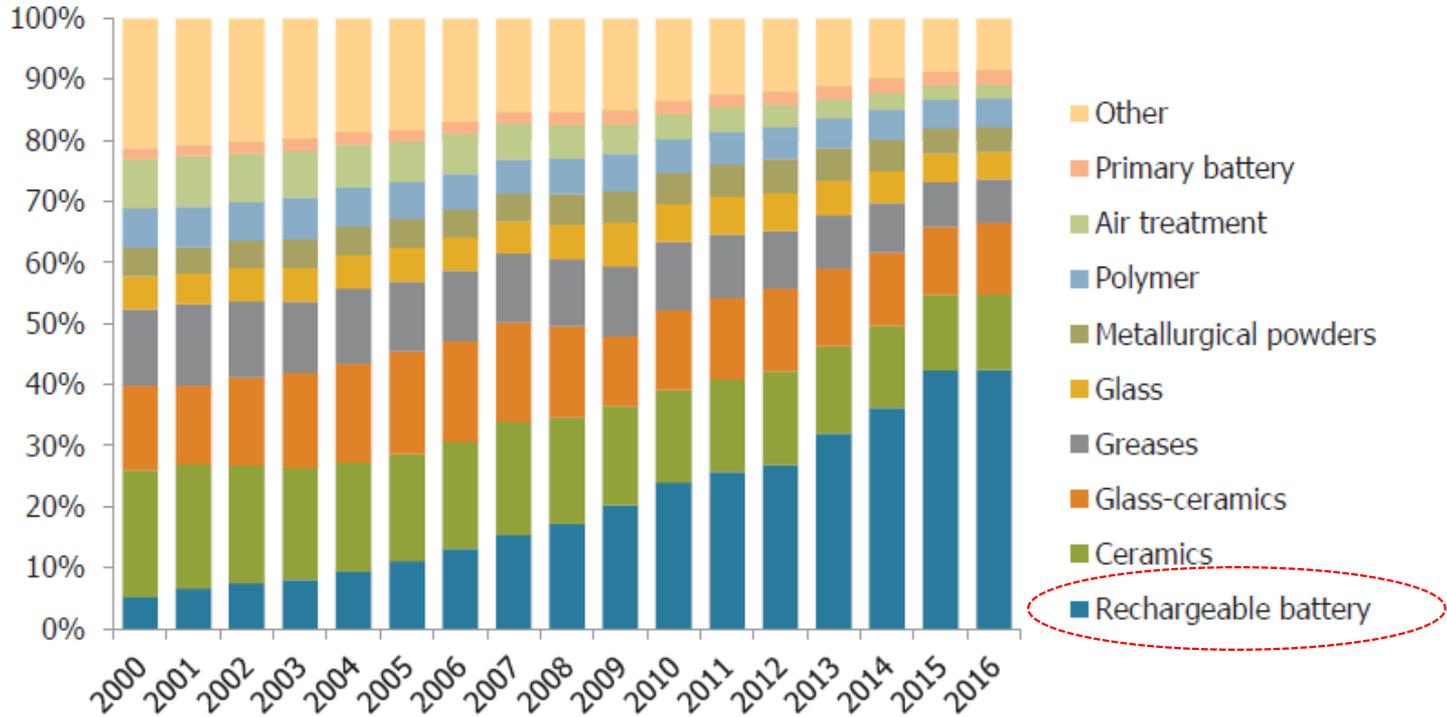
Lithium Supply Growth Forecast 2017-2020





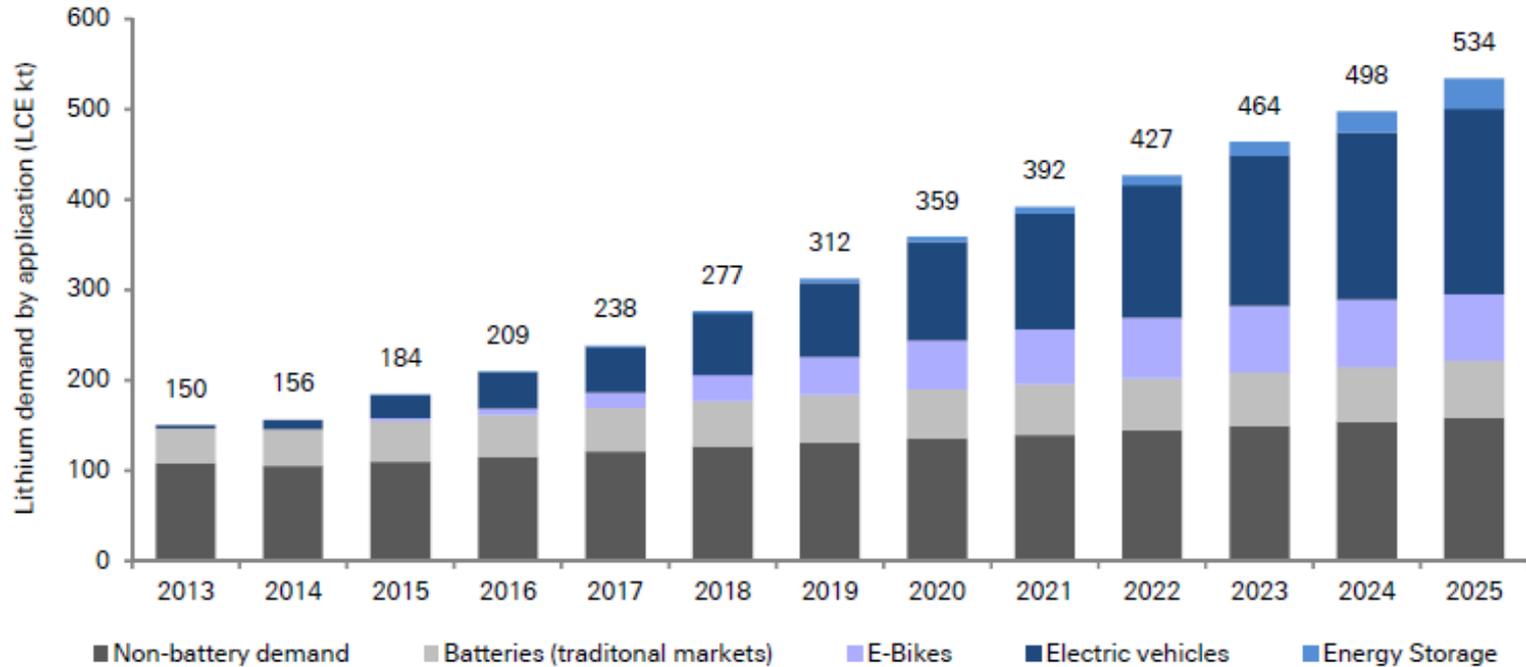
Demand

Lithium Demand Distribution



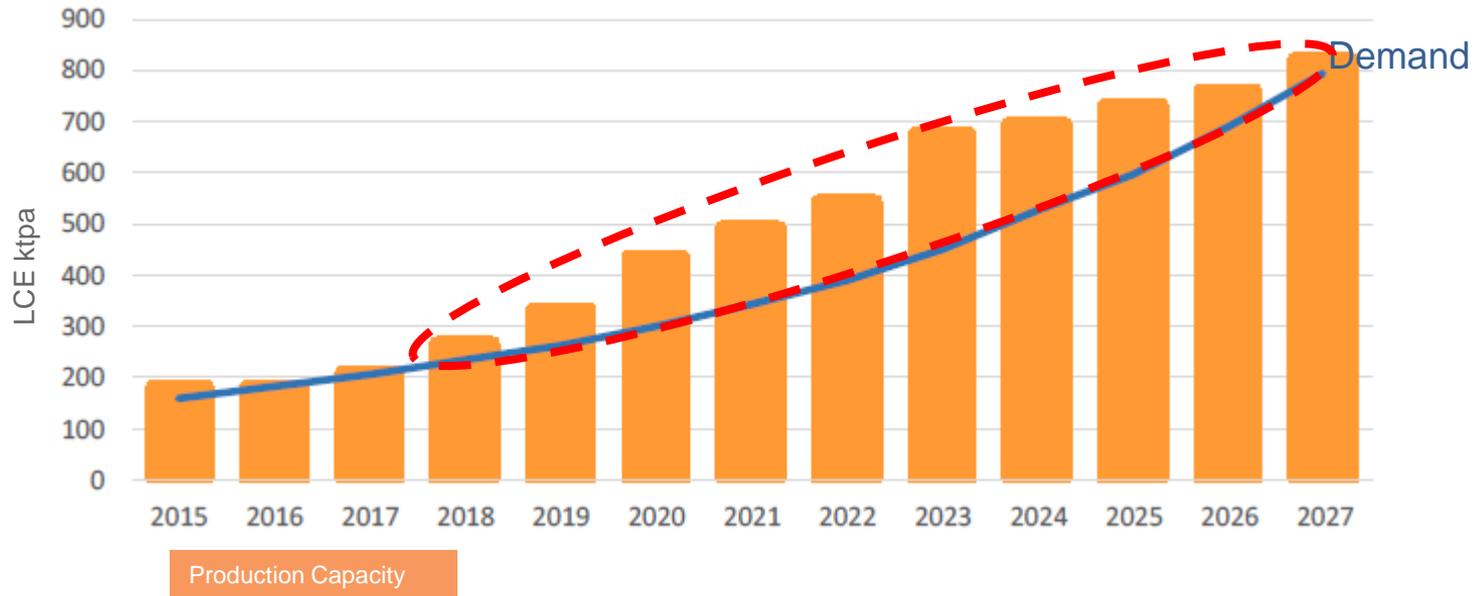
Source: Roskill, 2017

Lithium Demand



Source: Modified from Deutsche Bank, 2016

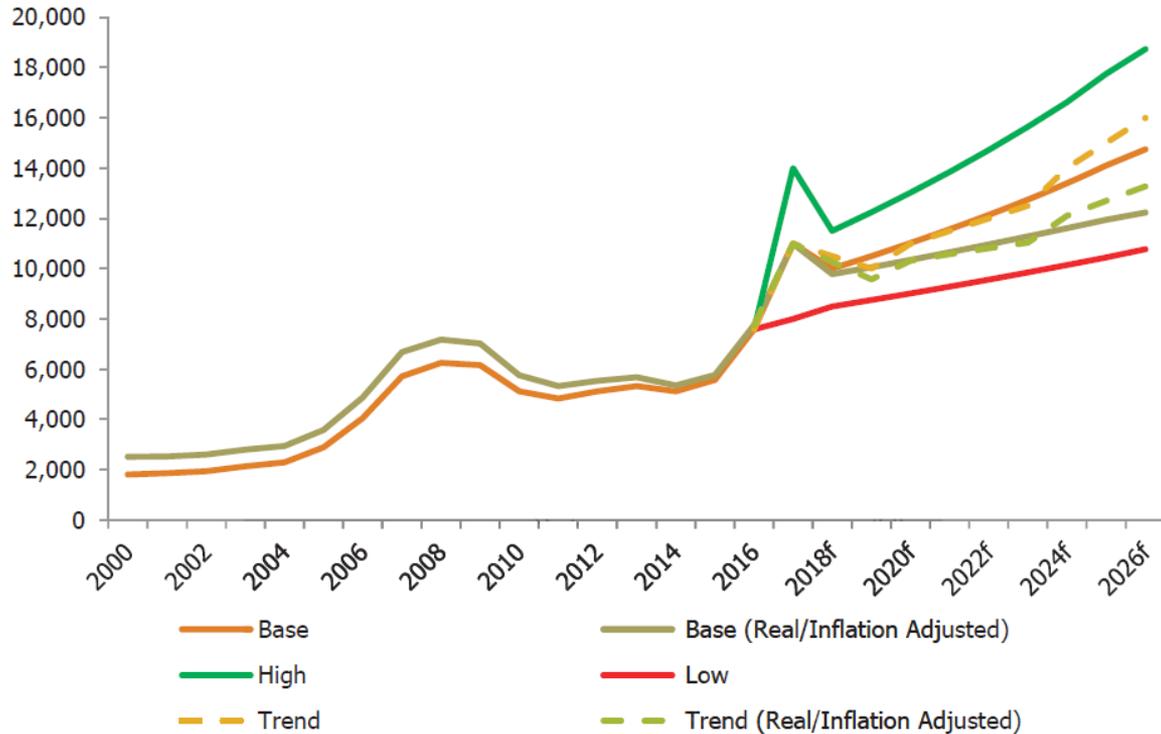
Market Balance



Source: SQM, 2017

Lithium Pricing Forecast

Battery Grade LCE
(US\$/t CIF Asia)

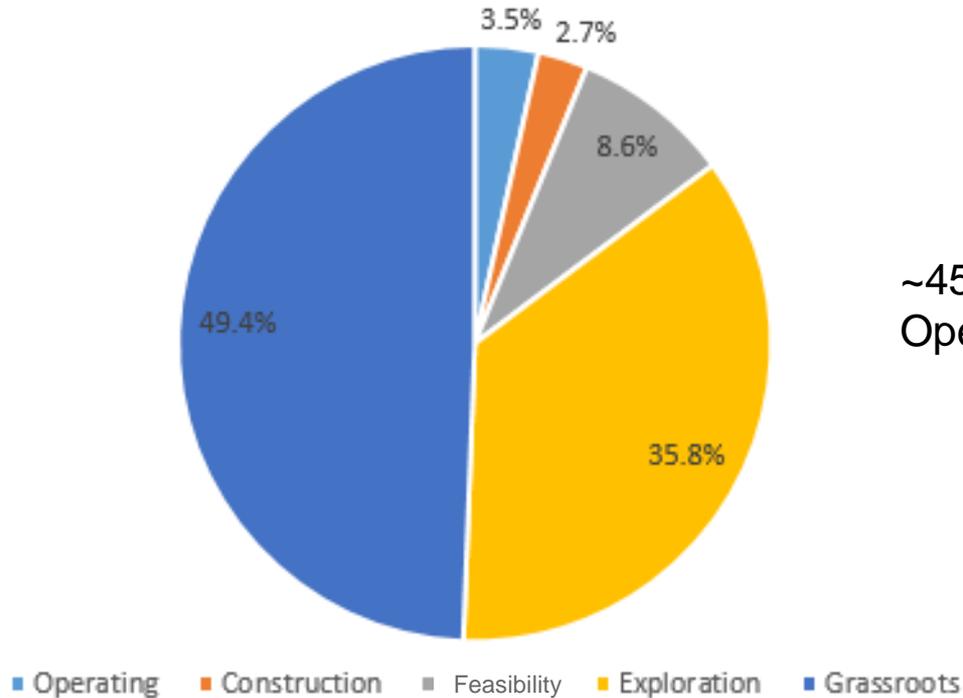


Source: Roskill, 2017



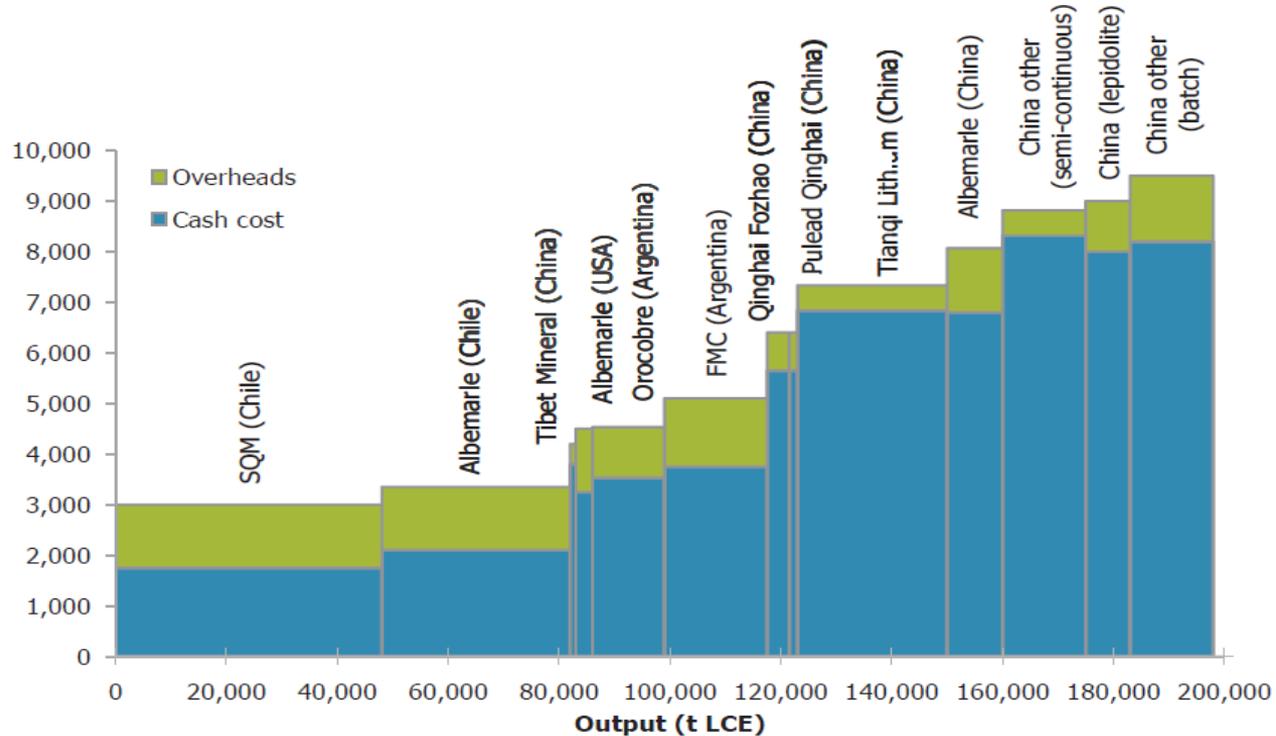
Who will make it?

Lithium Projects



~450 Lithium Projects and Operations

Lithium Cost Curve



Source: Roskill, 2017



Lithium Rush?

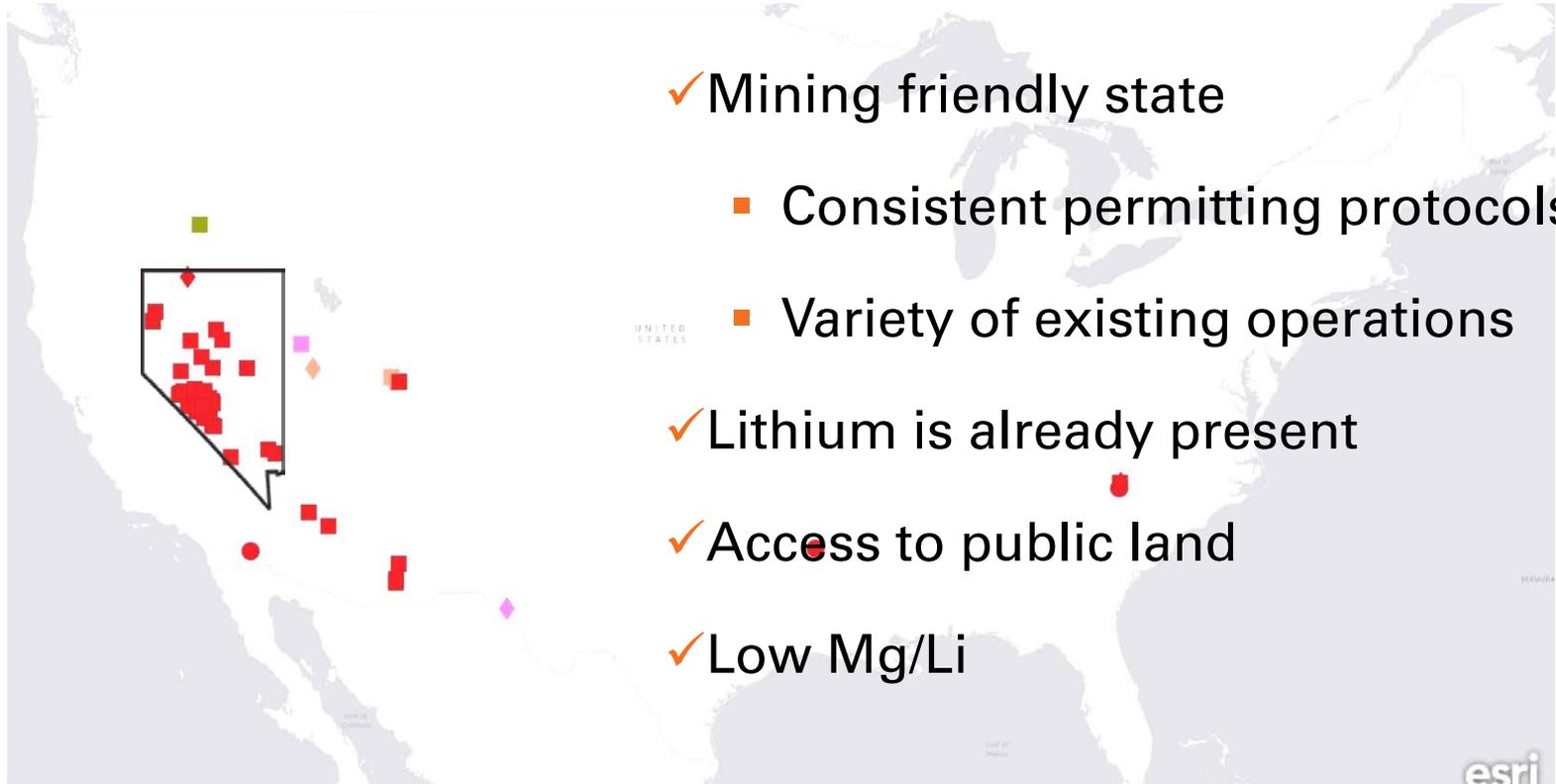
Is there a lithium **rush**?

- Are we **focusing solely on demand** and ignoring the supply side of the equation?
- Is there an **expanding supply side** without substantial barriers to entry?
- Are there **technological innovations** that could potentially halve costs and boost the reserve base?



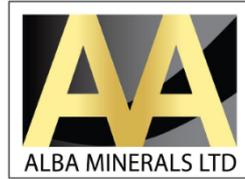


Why Nevada? ...Why Not?



- ✓ Mining friendly state
 - Consistent permitting protocols
 - Variety of existing operations
- ✓ Lithium is already present
- ✓ Access to public land
- ✓ Low Mg/Li

NV Lithium Projects



Take Home Message

- There is a pricing bubble; hang tight
- **Oversupply** may happen in the short term but future demand will balance the lithium market
- Many projects trying to make it happen; **only a few will become a reality**
- Operation Cost/**Process is key**
- There is **room for NV**



Additional comments, questions? pcortegoso@srk.com