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Access to Lithium Supply Minus Geopolitical Strife Crucial

INDUSTRY VOICES

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It is clear we have to ensure that North America does not lose the global war on being the leader in green energy solutions, which include access to high quality conflict free lithium.

Lithium is a key component of lithium-ion battery packs that power electric vehicles and hybrid vehicles. A recent report from Pike Research forecasts global sales of EV charging equipment will grow from 200,000 units sold in 2012 to nearly 2.4 million in 2020, representing a compound annual growth rate of 37%.

With lithium a key component of the electric vehicle market, it is crucial that North America has adequate supply to this critical element minus any geopolitical conflicts.

Credit Suisse has forecast a 10.3% annual growth in demand for lithium between 2009 and 2020. Global lithium demand has tripled over the past decade, and the global market price of lithium-carbonate has tripled since 2001 to its current level of about $6,500 per ton.

An industrial research report by David & Co. forecasts the global market for lithium-ion batteries will increase to $43 billion by 2020 compared to $11 billion in 2010 with the primary catalyst the increased demand for electric cars.

Most lithium today is mined in Australia, Argentina and Chile. The largest known deposit is in Bolivia but political unrest has hampered production.

In the U.S., there is a Nevada mine with geo-thermal power plants that extracts lithium as a by-product near the Salton Sea in southern California. My company's 100% owned-Rose Tantalum-Lithium Project, in the James Bay region in Quebec, is slated to start production by 2014 and also is free of any geopolitical turmoil.

China remains the leading importer of lithium minerals and compounds and the leading producer of value-added lithium materials.

High purity lithium is required for a variety of electrical storage needs; from batteries that power electric and hybrid vehicles, or that provide large scale storage of renewable and conventionally produced power, to the batteries that power electronics including those found in smartphones, laptops and gaming systems.

It is clear we have to ensure that North America does not lose the global war on being the leader in green energy solutions which include access to high-quality, conflict-free lithium. The war of the new millennium is being fought on a monetary and labor scale across the globe with China the market leader for rare-earth metals with about 97% of the world's supply.

Next on China's plate is renewable energy integration. Ironically, as environmental pollution in the People's Republic of China runs rampant, the country has steadfastly focused on securing leadership status in the renewable industry. The Chinese government has set a goal of securing 11.4% of its energy from non-fossil sources by the end of 2015, up from 8% today.

The US government's commitment to supporting both the renewable energy and EV industries underlines the need for rapid development of rechargeable batteries and has thrown the spotlight on domestic lithium supplies.

It is critical North Americans understand the importance of assuming a leading stake in the alternative energy market.

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