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Lithium mines bypass China

Australian Mining Review, National

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WITH the trade wars between the US and China, lithium developers are looking to circumvent the Asian superpower.

Sayona Mining managing director Brett Lynch said the company's flagship hard rock Authier lithium project in Québec, Canada, is strategically located close to US battery markets.

"It's a relatively low risk, straightforward mining project to deliver and execute on," Mr Lynch said.

"It really fits in to the strategies and opportunities in developing Québec as a source of downstream processed lithium for the US market."

Mr Lynch said a lot of hard rock supply coming out of Australia will go to China to get processed and then head back towards the USA.

"With the trade wars and everything, it's not the most sensible option long term, whereas Québec is ideally suited logistically," he said.

"The Pilbara is ideally suited to service China, there's no doubt about that, but I don't believe long term that China's going to be the energy source for the USA and that's where Canada comes in."

Other miners, like Lakes Resources, have hedged their bets on the 'Lithium Triangle' in South America.

Managing director Steve Promnitz said the reason the company went to Argentina is because half of the world's lithium comes from Northern Chile and Northern Argentinian lithium brines and it's also the lowest cost option long term.

"It wasn't rocket science to go there," Mr Promnitz said.

"The difference there is that we are at the lowest end of the cost curve.

"While it may take a bit longer to develop, and costs a bit more to get into production, once it's up and running we'll be producing for 20-30 years."

Mr Promnitz said while there is a lag in Australian electric vehicles, China and Europe are currently making them, and EVs have even been solidified in European legislation, so the supply demand is set to grow.

Another player with a foot in both hard rock and brine markets is Lithium Power International, which has projects in Chili and Argentina as well as hard projects in WA.

It remains to be seen how the trade wars will impact producers, but lithium players are confident that if they can hold on through the short term, they will reap the benefits in the long term as the EV market booms in China, Europe, and eventually Australia.



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With more than 1000 delegates attending over three days, the recent Noosa Mining Conference, held in Queensland from July 17-19, proved valuable information for investors and miners alike.

Designed to give investors, brokers and fund managers a better understanding of current investment opportunities in the mining, energy and exploration sectors, the Conference brought senior company executives and investors together and left delegates with a keen appreciation of how market events shape the sector.



Sayona Mining managing director Brett Lynch is confident Canada will be a key supplier to the US battery market.