

BATTERY TECHNOLOGY DEMAND TAKES THE LEAD AND INDUSTRY MUST FOLLOW SUIT

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The firm's natural resources practice recently co-sponsored and organised a battery minerals seminar in conjunction with Women in Mining (UK) and SRK Consulting UK Ltd. Given the formidable panel line up of industry and mining experts speaking at the event, guests were certainly not disappointed.

Britain recently joined France in its pledge to ban sales of petrol and diesel cars by 2040. Naturally, massive potential profits await those able to take advantage of this burgeoning market so the timing of this event - in terms of the need to properly assess how much this will disrupt multiple commercial markets - is apt. The Guardian recently provided statistics that help polarise this shift in the form of Transparency Market Research which estimates that the global lithium-ion battery market is expected to rise to more than \$75bn by 2024. Furthermore, Morgan Stanley analysts expect global car sales to rise by 50% by 2050 to more than 130m units a year and estimates that electric vehicles (EVs) will account for at least 47% of that total.

Despite these headline statistics, it is important to remember wider customer-led trends that will have an effect on output. Rebecca Gordon, CRU Consulting's, Head of Technology Metals and Energy, debated that cobalt's meteoric price rises could eventually be slowed by car share schemes. The dynamics of take up surrounding car sharing were discussed, highlighting that this is likely to be popular amongst young people, with their older counterparts being slower to adopt which is likely to help moderate the EV market and still ensure demand remains strong. Indeed, with cobalt demand predicted to surpass 1 million tonnes per annum by 2034 - predominantly driven by battery demand for EVs - it looks as though the output levels will remain high for the time being.

The structure and jurisdiction of original equipment manufacturers (OEMs) was also a hot

topic of discussion as the market looks to drastically shift to suit demand for EVs - by, for example, merging with supply chain partners in order to create stronger offerings with more capabilities under one roof. However, it looks as though the mining industry is likely to undergo similar revolutionary change. Another panel member, Petra Grandinson - General Manager for OEM, Epiroc UK and Ireland Limited - indicated that from the point of view of Epiroc's customer base, many were already earmarking most of their next capital investment for battery vehicles, an insider insight that speaks volumes about the direction the market is going in. A demand for the right capabilities and infrastructure is, therefore, also driving collaboration and co-operation right down the mining supply chain - to the benefit of all, including the sustainability agenda - for example through utilising mining equipment with zero emissions, there is not as much need for ventilation, freeing up much-needed capital in the process.

Fortune Mojapelo, CEO of Bushveld Minerals Limited, mentioned that Bushveld's strategy is to build one of the largest, lowest-cost vertically integrated vanadium companies extending its operations into the energy storage sector and the development of vanadium redox flow batteries - it is largely agreed that these will be more efficient for industrial processes and can also be recycled.

In the cobalt market, Anthony Milewski of Cobalt 27 Capital Corp, spoke in detail about cobalt's supply and demand economics. On the basis that prices rise, over peak and then fall, Milewski observed that cobalt is in the ascendancy and that in relation to building cobalt mines, 'a rising tide floats all boats'.

Finally, Jeremy Wrathall of Cornish Lithium Ltd highlighted that due to the significant interest in EVs within the UK, both his firm and others in the region are taking the lithium market very seriously. His views are squarely supported by the carried interest in the project and by Canadian company, Strongbow Exploration Inc. which is currently reopening the South Crofty mine in Cornwall to extract tin and lithium deposits.

Simon Moores, Managing Director of Benchmark Mineral Intelligence was also on the panel and the event was moderated by Charles Bond, Head of Natural Resources at Gowling WLG (UK) LLP and Martin Pittuck, Corporate Consultant at SRK Consulting UK Ltd.


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