

Lithium Australia sets the pace in a booming battery market

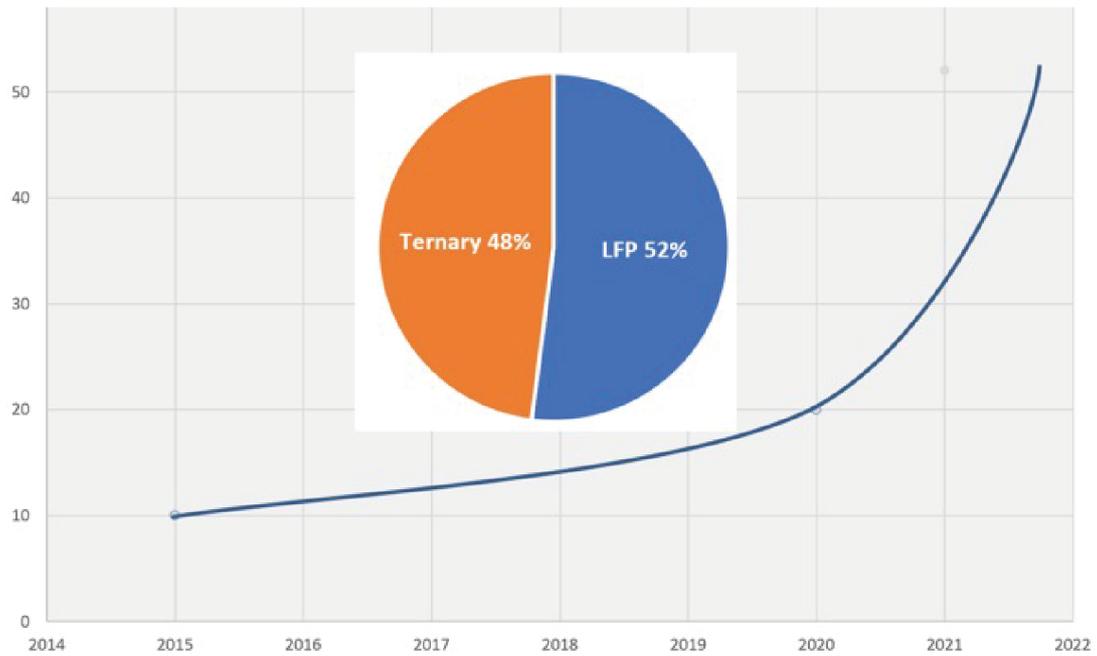


Batteries are enablers in the push for a zero-carbon economy ... and one type in particular is the front-runner for energy storage and e-mobility.

Lithium ferro phosphate ('LFP') – a specific type of lithium-ion battery ('LIB') cathode powder – has several advantages, not least lower manufacturing cost, greater longevity and improved safety ... and all are achieved with 20% less lithium per unit of stored energy compared to alternative battery chemistries.

Importantly, too, LFP-type LIBs contain no nickel or cobalt (unlike ternary* batteries). This is a huge improvement in environmental, social and governance (ESG) terms, with the use of LFP reducing susceptibility to supply-chain disruption and metal price volatility.

The year-on-year growth of LFP has now hit triple-digit figures (exceeding 300%). Whereas last year it captured only 20% of the LIB market, today it boasts a staggering 52% of that market. What's the catalyst for this? Right now, it's the electric vehicle industry, with the likes of Tesla, General Motors, VW, Ford and BYD all heading away from batteries containing nickel/cobalt and moving to LFP.



**Use three metal oxides, nickel, cobalt and manganese, as anode materials.*

At present, only 2% of LFP powder (the active constituent in an LFP battery) is manufactured outside China. Now, however, the world's most advanced LFP powders are being produced by Lithium Australia subsidiary VSPC Ltd ('VSPC') on a pilot scale in Brisbane, Australia. VSPC's LFP material, which is protected by international patents, is currently being tested in commercial-format cells around the world.

By scaling up to commercial LFP production, VSPC has the potential to dominate the supply of LFP outside China, and Lithium Australia is preparing for this.