



VOLTAIRE MINERALS

Battery Metals Market Update

12 June 2026



Confidential

Voltaire Minerals - Battery Metals Market Update



Executive summary

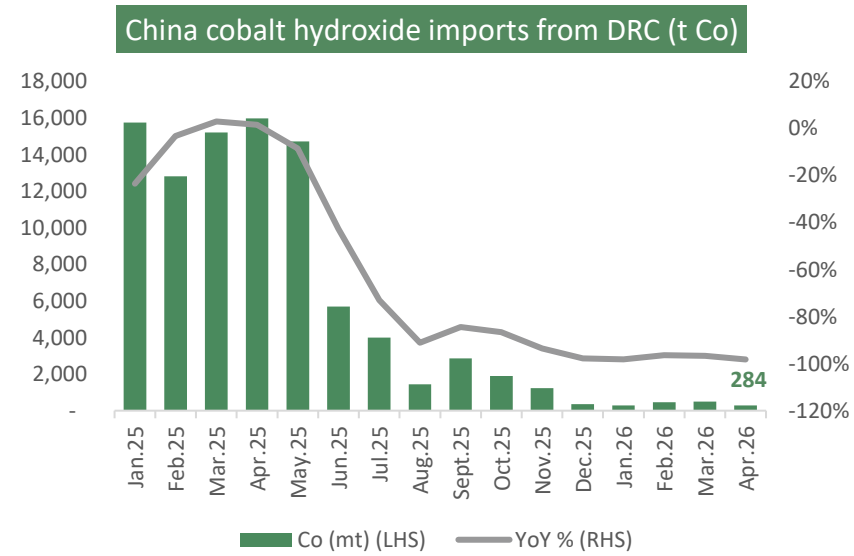
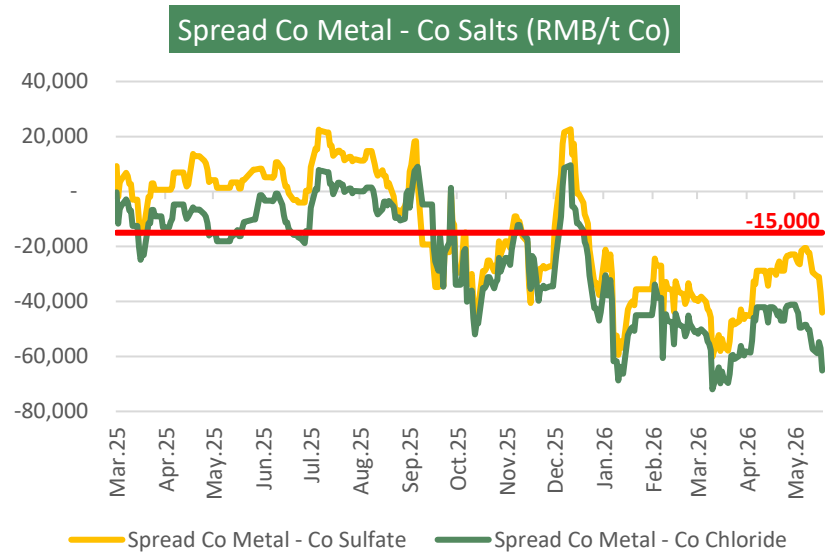
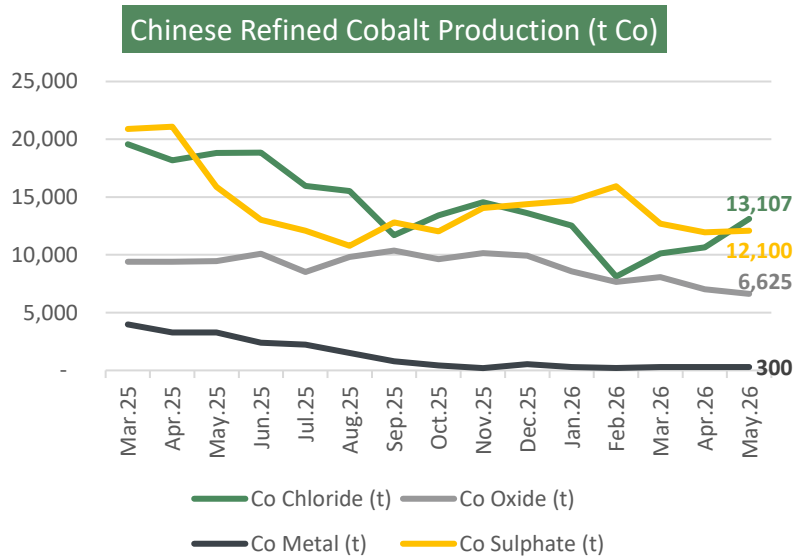
- Cobalt** – Chinese cobalt hydroxide imports from the DRC collapsed to 284 Co mt in April, down 98% YoY, with the Jan–Apr cumulative total of 1,523 Co mt, far below the 59,770 mt imported last year, due to export quotas and a shortage of road transport. China’s cobalt sulfate output fell 24% YoY to 12,000t in May on weak NCM demand, while cobalt chloride rose 23% MoM to 13,000t as LCO recovery and a dissolution spread of ~Rmb 65,000/t made it the most profitable processing route. Most hydroxide producers are on track to export their Q1'26 quotas by end-June, though ARECOMS has yet to announce Q2 rollover decisions.
- Lithium** – Carbonate and hydroxide prices have found some support around Rmb 165,000/t (\$21.55/kg) and Rmb 145,000/t (\$18.93/kg) respectively, after falling 19% and 22% from their peaks as Australian mine restarts combined with rising visible inventories compressed prices. However, Chilean carbonate exports falling 35.2% month-on-month to 19,100t (attributed primarily to domestic inventory depletion by Chilean producers) and Chinese power and energy storage battery output reaching 191.7 GWh in May (up 55.2% year-on-year and expected to grow 5% month-on-month in July and August) provided some price support.
- EV/Auto** – China's NEV wholesale sales reached 1.35 million units in May, up 10.6% year-on-year, but domestic retail fell 7.5% to 950,000 units despite NEVs hitting 62.9% retail penetration in China. Exports are absorbing an increasing share of output, with NEV shipments surging 113% year-on-year to 424,000 units led by BYD's 156,000 units followed by Chery, Geely, and Tesla China. Within the BEV mix, B-segment vehicles grew 42% year-on-year to nearly one-third of all BEV sales while A00 mini-EVs collapsed 44%, reflecting a consumer shift toward larger vehicles that supports higher cathode metal intensity per unit.

Price Changes

	Price Date	Current	Weekly change	Monthly change	Annual change
Cobalt Hydroxide					
<i>FM Co Hydroxide 30% Co min, CIF China, \$/lb</i>	11.06.2026	25.10	-3%	-3%	109%
Cobalt Sulfate					
<i>Mysteel Co Sulfate Battery Grade, China, Rmb/t</i>	12.06.2026	90,000	-2%	-5%	88%
Cobalt Metal					
<i>FM Standard Grade, in-Whs Rotterdam, \$/lb</i>	11.06.2026	25.65	0%	0%	70%
Spodumene					
<i>FM Spod 6% Li₂O, CIF Asia, USD/t</i>	11.06.2026	2,450	8%	-16%	302%
Lithium Carbonate					
<i>FM Li Carbonate Battery Grade, CIF Asia \$/kg</i>	11.06.2026	22.00	7%	-10%	193%
Lithium Hydroxide					
<i>FM Li Hydroxide Battery Grade, CIF CJK, \$/kg</i>	11.06.2026	19.50	5%	-9%	147%

Starved of Hydroxide: China's cobalt feedstock leans on metal dissolution and recycling

- China's cobalt sulfate production reached 12k tonnes in May 2026, down 24% year-on-year. Downstream NCM demand remained weak through the month, with smelter operating rates holding at historically low levels.
- Cobalt chloride production climbed to 13k tonnes in May, up 23% month-on-month, as LCO production schedules show some recovery and the dissolution of cobalt cathode into chloride remains the most profitable route (Chloride spread with Cobalt metal is around RMB 65k/t, against an estimated breakeven for dissolution of RMB 15k/t – see graph #2).
- In the DRC, most cobalt hydroxide producers appear on track to export the bulk of their Q1'26 quotas by the extended end-June deadline. There has been no announcement yet from ARECOMS on whether Q2'26 quotas will be rolled over into Q3'26. The cobalt hydroxide market remained in a stalemate last week, with spot offers heard around \$25.4-25.9/lb EXW Ningbo.
- China's cobalt hydroxide imports from the DRC collapsed to just 284 Co mt in April 2026, down 98% year-on-year. Cumulative Co-contained imports for the first four months of 2026 totaled 1,523 mt, down 97% YTD versus the 59,770 mt imported over the same period in 2025. sfeedstock, partially offsetting the collapse in hydroxide imports.
- Recycling and MHP now represent around 30% each of cobalt sulfate feedstock, partially offsetting the collapse in hydroxide imports. However, adding to the supply-side friction from export quotas, shipment speeds out of the DRC have slowed on a shortage of road transport vehicles, with some mines struggling to secure sufficient trucking capacity. This bottleneck continues to constrain the pace at which intermediate material reaches Chinese ports, reinforcing the tight feedstock conditions facing domestic smelters into the summer.



Sources: Mysteel, Customs Data, Voltaire Minerals Analysis

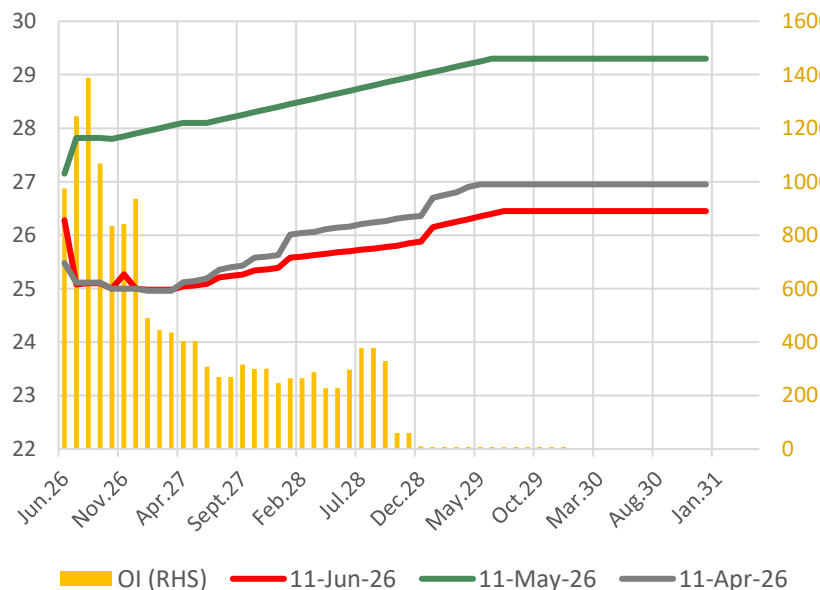
Cobalt Futures



Cobalt softens on both sides: CME curve lower, Wuxi breaks down

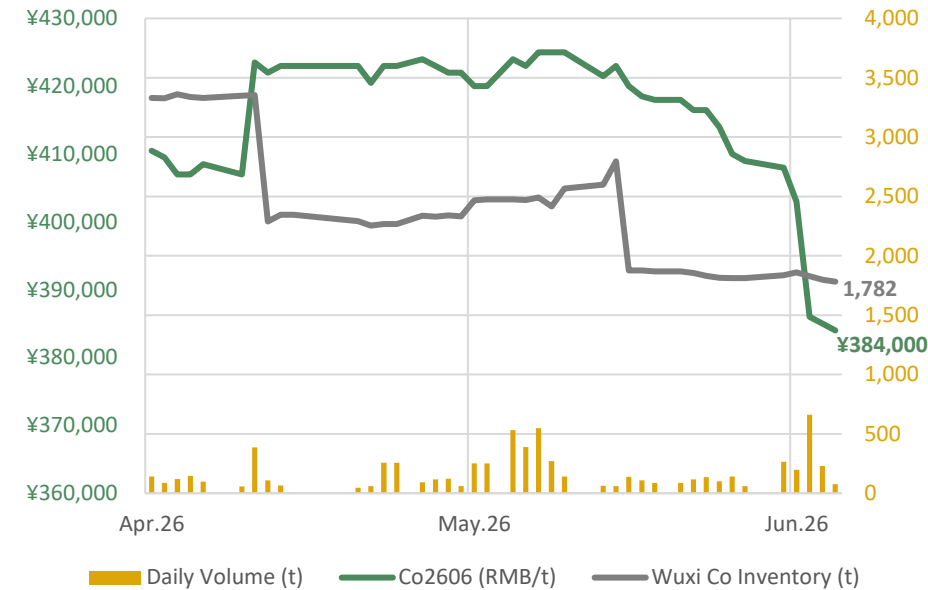
- Cobalt spot firmed last week while paper stayed soft. FMSG Mid rose to \$26.28/lb, while Jul-26 and Q3-26 traded at 25.10 on the CME, indicating spot strength is not yet feeding through to the futures curve.
- The curve has flattened, with the spot to Dec-30 contango narrowing to 3.0%, and the Q3/Q4 spread trading at -0.25. Open interest grew 2.5% to 14,322 contracts.
- Physical cobalt remains weak underneath. Downstream battery demand remains light, with end-users mostly consuming internal inventory and hoping for intermediate shipments arriving in China.
- Chinese exchange inventories (Wuxi) fell 20t last week to 1,798t, now down 80% from 9,000t at the start of 2026. The inventory drawdown is driven by Chinese refiners that continue to dissolve cobalt metal into salts, mainly led by CNGR, Huayou and Greatpower, for an estimated total dissolution capacity of ~2ktpm.
- Madagascar's Ambatovy restarted production after the February cyclone, guiding to 250 mt of cobalt in June, and Tengyuan reported 31,500 mt of cobalt capacity (content) as of Q1'2

CME Cobalt Forward Curve



Date	CME Cobalt (\$/lbs)	W-o-W change (%)	M-o-M change (%)
Q2 26	\$ 26.28	0.00%	(3.03%)
Q3 26	\$ 25.09	(2.78%)	(9.01%)
Q4 26	\$ 25.09	(2.94%)	(9.91%)
Q1 27	\$ 24.98	(3.74%)	(10.79%)
Cal 26	\$ 25.26	(2.44%)	(8.56%)
Cal 27	\$ 25.16	(5.51%)	(10.66%)
Cal 28	\$ 25.72	(5.92%)	(10.46%)
Cal 29	\$ 26.36	(4.40%)	(9.83%)
Cal 30	\$ 26.45	(4.34%)	(9.73%)

Wuxi Cobalt Metal Price



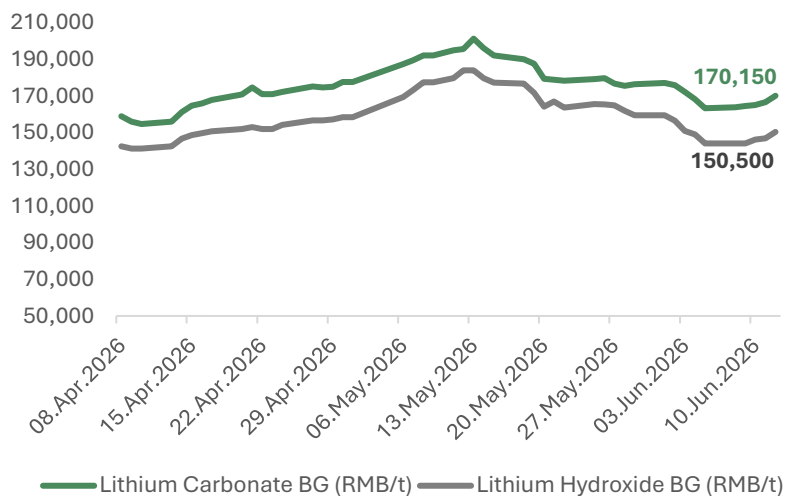
Date	Wuxi Co Inventory (t)	Daily Volume (t)	Co2606 (RMB/t)	Co2606 (USD/lbs) VAT excl.	FMSG Low (USD/lbs)
12-Jun-26	1,782	77	¥ 384,000	\$ 22.80	\$ 25.65
11-Jun-26	1,798	230	¥ 385,000	\$ 22.86	\$ 25.65
10-Jun-26	1,828	661	¥ 386,000	\$ 22.92	\$ 25.60
09-Jun-26	1,862	197	¥ 403,000	\$ 23.93	\$ 25.50
08-Jun-26	1,837	266	¥ 408,000	\$ 24.22	\$ 25.65
05-Jun-26	1,813	59	¥ 409,000	\$ 24.28	\$ 25.65

Sources: CME, Wuxi, Voltaire Minerals Analysis

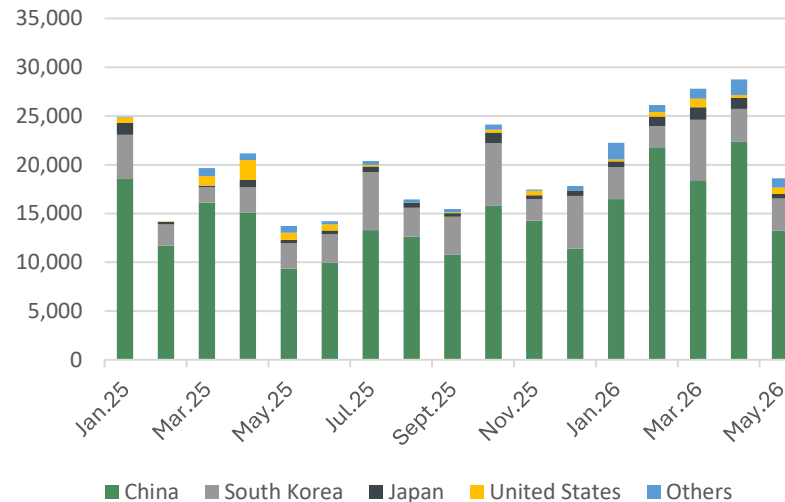
Lithium prices show some support after ~20% decline from mid-May peak

- Lithium prices have found some support around RMB 165,000/t (\$21.55/kg VAT excluded) for carbonate and RMB 145,000/t (\$18.93/kg VAT excluded) for hydroxide. Both have fallen 20% from their respective peaks. Mine restarts in Australia, compounded by rising visible inventories, have pressured prices downward. At the same time strong battery demand and lower Chilean lithium carbonate exports have maintained some price support.
- Chile's lithium carbonate exports in May were down 35% month-on-month to 19,100t (a decline of ~9,000t), the first decline in the last six months. A monthly decline of 9,000t of lithium carbonate, 108,000t annualized, represents a material tightening almost equivalent to CATL's Jiangxi lepidolite mine, which remains inactive due to license suspension. According to Chilean lithium producers, the main reason for the decline is the gradual depletion of domestic Chilean inventories, while shipping schedule disruptions played a smaller role.
- Demand from LFP batteries continues to show strong growth as Chinese power and energy storage battery output hit 191.7 GWh in May, up 4% month-on-month and 55% year-on-year, bringing the January-May cumulative output to 863.0 GWh, 52% above the same period in 2025.
- Battery sales reached 182.2 GWh in May, up 11% month-on-month and 47% year-on-year, with power batteries contributing 127 GWh (69.7% of total, +16.6% MoM) and energy storage batteries 55.2 GWh (30.3%, +52.7% YoY, but flat MoM). Looking forward, downstream battery makers are signaling ~ 5% month-on-month production growth in July and August.
- Energy storage batteries were driven by independent storage projects which commanded over 84% of total volume. Northwest China led activity, with Gansu, Ningxia, and Xinjiang collectively completing seven GWh-scale projects during the month.

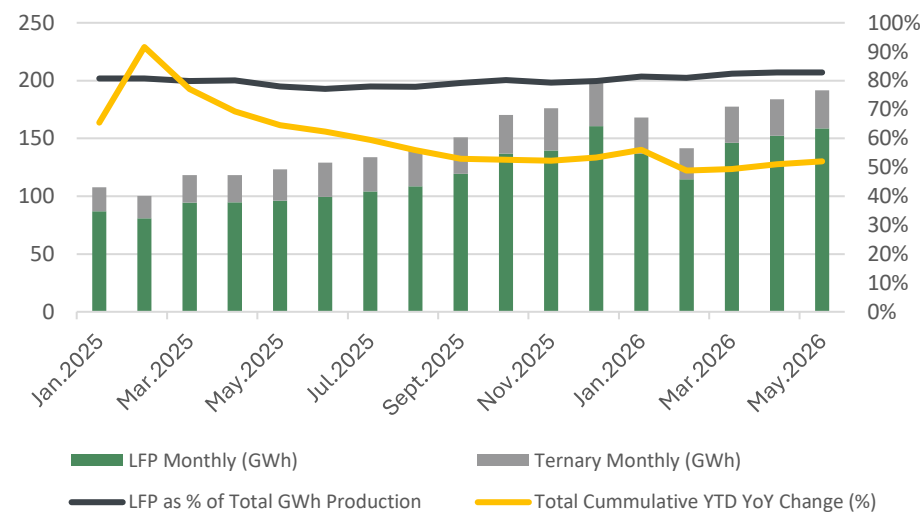
China Lithium Prices (RMB/t)



Chile LC Exports (LCE mt)



Chinese Battery Production (GWh) by Chemistry



Sources: Mysteel, Customs data, CnEV, Voltaire Minerals Analysis

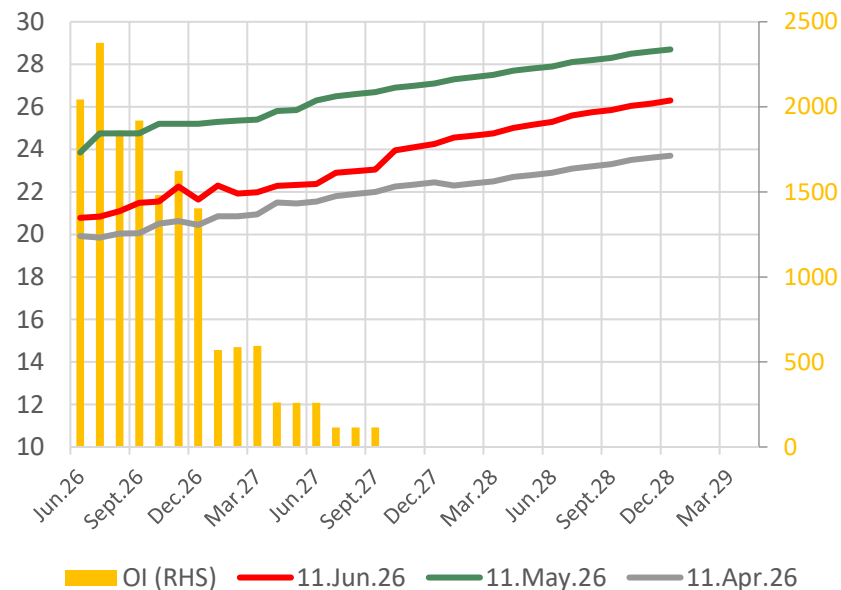
Lithium Futures



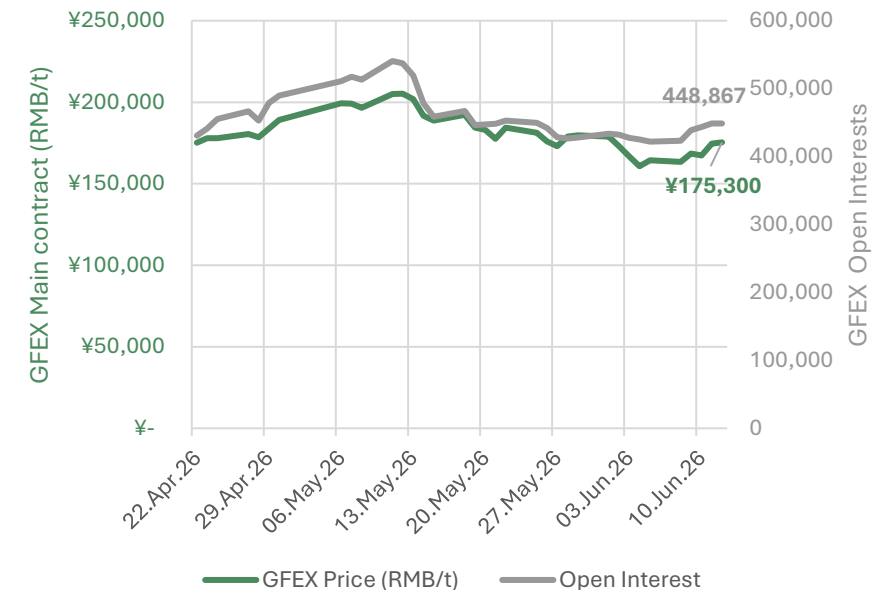
Lithium Futures regain a contango after a volatile week which left prices slightly higher after long drop

- CME LiOH futures recovered slightly to end the week after dropping 10-15% the week before as growing demand and lower exports from Chile supported lithium prices.
- LiOH regained a modest contango on the CME after falling flat last week, with the Q3/Q4 spread trading around -0.67 (3.2% spread) and the spot to Jun27 contango sitting at 14.8%
- Trading for LiOH this week was concentrated in Jul26 and Nov26 contracts with 777 lots for Jul26 and 434 lots for Nov26 out of 1,936 total lots exchanged. However, lithium carbonate only exchanged 120 lots this week.
- CME LiOH Open Interest was flat this week with 15,585 contracts vs. 15,559 last week
- The Sep26 GFEX LC contract closed at RMB175,300/t (eq. \$22.94/kg excluding VAT), up 6.7% WoW, after dropping 22% from peak to trough between mid may and early June.
- GFEX daily inventory dipped slightly to 54,683t after peaking last week at an all-time high of 56,599t.

CME Lithium Hydroxide Forward Curve



GFEX Li2CO3 closing prices & OI



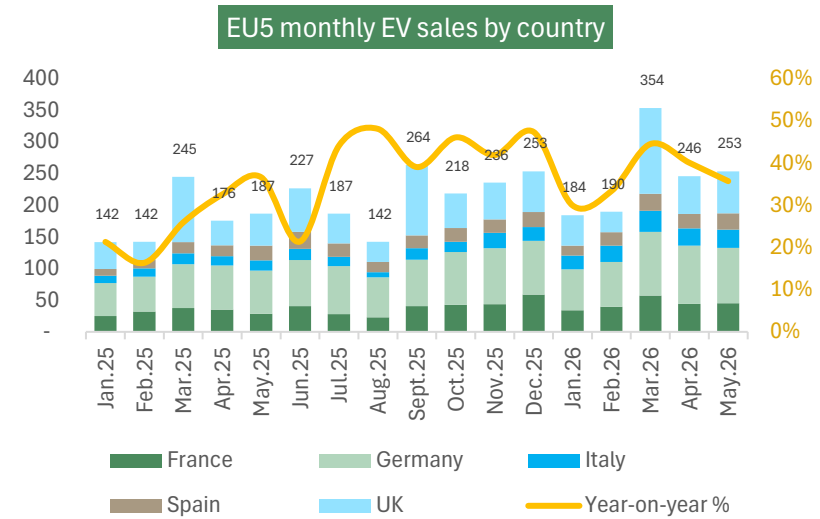
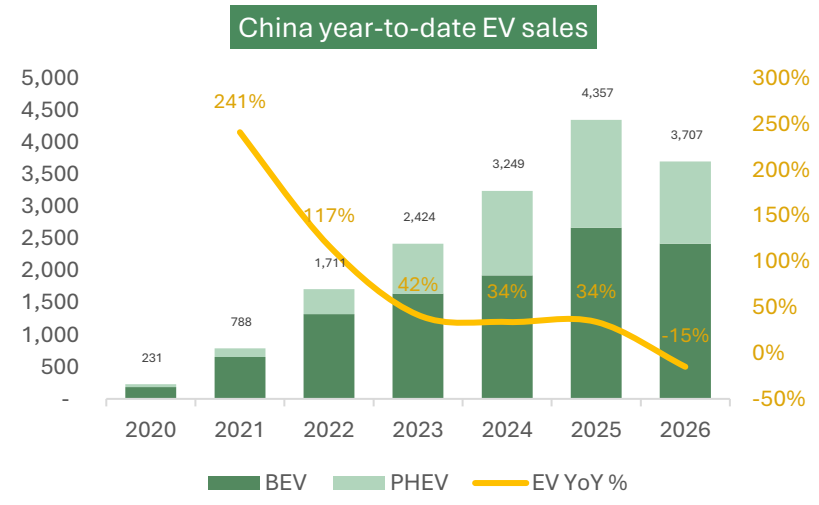
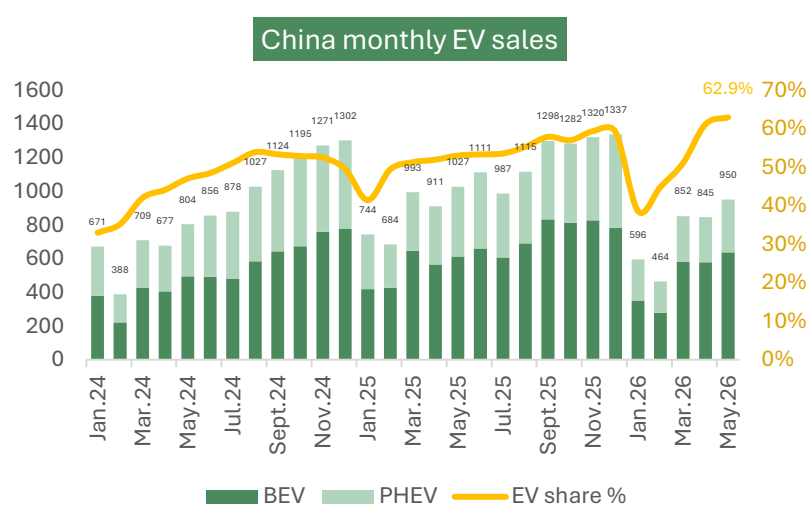
Date	CME Lithium Hyd (\$/kg)	W-o-W change (%)	M-o-M change (%)
Q2 26	\$ 20.78	1.76%	(10.35%)
Q3 26	\$ 21.14	2.82%	(14.64%)
Q4 26	\$ 21.81	2.36%	(13.96%)
Q1 27	\$ 22.07	2.02%	(13.12%)
Cal 26	\$ 21.38	2.47%	(13.77%)
Cal 27	\$ 22.87	1.72%	(13.25%)
Cal 28	\$ 25.43	2.99%	(9.84%)

Date	Daily Inventory	Daily Volume	Open Interest	Price Change (%)	GFEX Price (RMB/t)
12.Jun.26	54,683	244,951	448,867	0.40%	¥ 175,300
11.Jun.26	54,683	244,951	448,867	4.30%	¥ 174,600
10.Jun.26	55,581	206,477	443,549	-0.63%	¥ 167,400
09.Jun.26	55,544	238,433	438,866	3.13%	¥ 168,460
08.Jun.26	55,940	187,221	423,382	-0.62%	¥ 163,340
05.Jun.26	55,687	276,081	422,004	2.25%	¥ 164,360

Sources: CME, GFEX, Voltaire Minerals Analysis

China's EV market remained resilient in May, but growth is increasingly being driven by exports

- China's new energy passenger vehicle (NEV) market remained resilient in May, with wholesale sales reaching 1.35 million units (+10.6% YoY). However, domestic retail sales fell 7.5% YoY to 950,000 units, suggesting that much of the industry's growth is increasingly being driven by exports rather than local demand.
- NEV exports surged 113% YoY to 424,000 units in May, while cumulative exports reached 1.73 million units (+117% YoY) during the first five months of the year. BYD remained the dominant exporter with nearly 156,000 units shipped, followed by Chery, Geely, and Tesla China. The data highlights how Chinese manufacturers are increasingly offsetting softer domestic demand through aggressive international expansion, particularly in emerging markets where plug-in hybrid vehicles continue to gain traction.
- NEVs accounted for 62.9% of retail sales in China, a new record roughly 8-10 percentage points higher than a year ago. Domestic Chinese brands remain the main driver, achieving an 81.4% retail penetration rate, while mainstream joint ventures continue to lag at just 14.5%. This further confirms the structural shift away from foreign brands toward domestic manufacturers.
- The composition of China's EV market continues to evolve. Pure battery electric vehicles (BEV) represented 65.7% of NEV wholesale sales, while plug-in hybrids (PHEV) accounted for 27.5% and extended-range vehicles 7.0%. Notably, B-segment electric vehicles grew 42% YoY and now account for nearly one-third of all BEV sales. In contrast, A00 mini-EVs, once the main growth driver, fell 44% YoY, reflecting consumer migration toward larger and more technologically advanced vehicles.
- BYD maintained its dominant position with 377,000 wholesale NEV sales in May, far ahead of Geely, Chery, Tesla China, and Leapmotor. However, competition continues to intensify as newer players such as Xiaomi, Leapmotor, NIO, and Xpeng rapidly gain scale. Twenty manufacturers now sell more than 10,000 NEVs per month, accounting for over 93% of total market volume.



Source: CPCA, KBA, SMMT, ANFAC, UNRAE, PFA, Voltaire Minerals analysis



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