VOLTAIRE MINERALS

Battery Metals Market Update

19 June 2026

Confidential

Price Changes

	Price Date	Current MID	Weekly change	Monthly change	Annual change
Cobalt Hydroxide *FM Co Hydroxide 30% Co min, CIF China, $/lb*	*18.06.2026*	25.18	(1%)	(3%)	110%
MHP Payable *FM Cobalt Payable in MHP, CIF CJK, % of SG*	*18.06.2026*	91.50	0%	0%	46%
Cobalt Sulfate *Mysteel Co Sulfate Battery Grade, China, Rmb/t*	*18.06.2026*	90,000	0%	(4%)	91%
Cobalt Metal *FM Standard Grade, in-Whs Rotterdam, $/lb*	*18.06.2026*	26.30	0%	0%	68%
Cobalt Metal *FM Alloy Grade, in-Whs Rotterdam, $/lb*	*18.06.2026*	29.13	0%	(1%)	53%
Spodumene *FM Spod 6% Li2O, CIF Asia, USD/t*	*19.06.2026*	2,399	(7%)	(10%)	292%
Lithium Carbonate *FM Li Carbonate Battery Grade, CIF Asia $/kg*	*19.06.2026*	21.40	(4%)	(7%)	166%
Lithium Carbonate *Mysteel Li Carbonate Battery Grade, China, Rmb/t*	*18.06.2026*	168,800	1%	(10%)	180%
Lithium Hydroxide *FM Li Hydroxide Battery Grade, CIF CJK, $/kg*	*18.06.2026*	20.25	(2%)	(9%)	145%
Lithium Hydroxide Mysteel Li Hydroxide Battery Grade, China, Rmb/t	*18.06.2026*	151,850	(1%)	(13%)	156%

Executive summary

- **Cobalt –** Market weakens as recycling flows undercut hydroxide-based feedstock. The new battery-recycling framework (effective April 1) is driving pre-enforcement liquidation by smaller operators, flooding the spot market with recycled material. Scrap-fed cobalt sulfate has been offered at RMB 84,000–85,000/t, more than RMB 5,000/t below hydroxide-based material, leaving primary-feedstock producers unable to recover elevated costs. The FM standard grade premium over China cobalt metal has widened to $0.96/lb, reflecting the disconnect between international metal and a domestic market pressured by cheap recycled units, with the export arbitrage to the West beginning to reopen.

- **Lithium –** Lithium spot prices mixed with carbonate up 1% in Chinese markets, spodumene bouncing back to $2,375/t CIF Asia after falling to $2,270 last week and hydroxide down 3% week-on-week as supply-demand balance for 2026 is tight, leaving price direction unclear. The 2026 balance is forecast tight in a 2.1Mt LCE market, with projections ranging from a 38,000t deficit to a 34,000t surplus; Zimbabwe's export ramp is delayed by documentation burdens and Beira port congestion, pushing meaningful arrivals to September. Chinese battery sales of 182.2 GWh in May, up 47.4% YoY, July expected at record highs, and lithium-ion manufacturing investment up 24.9% YoY through May reinforce the demand case.

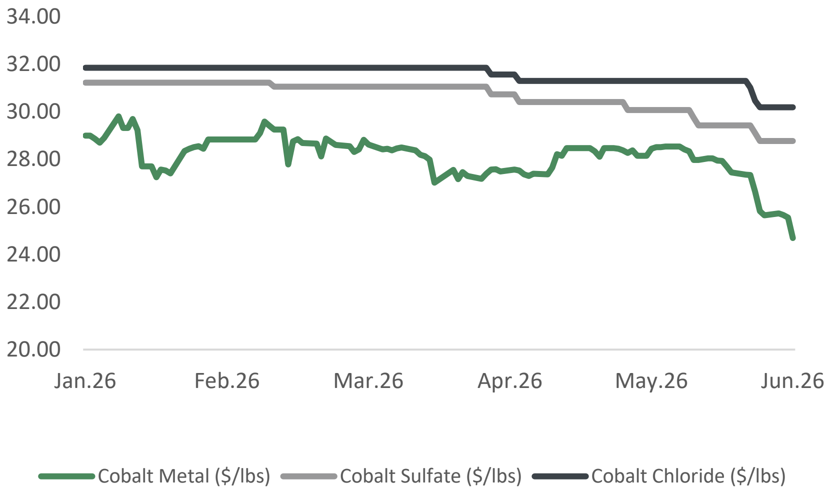
- **EV/Auto –** Global EV sales reached 1.8 million units in May, up 7% MoM and 3% YoY, pushing YTD volumes to 7.5 million units, with China delivering an 11% MoM rebound and Europe achieving a 32% EV share, its second-highest on record. Chinese-manufactured EVs now hold roughly 10% of the total European market, led by BYD, Leapmotor, and Chery/Omoda, with Chinese exports surging from 289,000 to 423,000 units between January and May and representing 54% of total Chinese vehicle exports versus 45% a year ago. Volkswagen, Stellantis, and Renault are pressing EU lawmakers for 70% local value-content rules, while five Chinese ministries are jointly launching a 2026 NEV rural promotion campaign extending trade-in subsidies with no household cap.

Cobalt

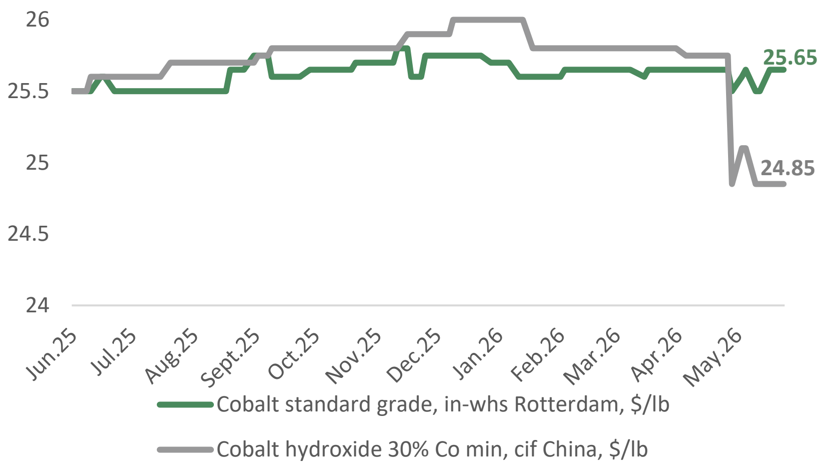
Market weakens as recycling flows undercut hydroxide-based feedstock

- China's cobalt market is shifting from a DRC supply-tightness story to a feedstock-substitution story, as cheap recycled units increasingly offset tight hydroxide availability.
- China's new battery-recycling framework, effective from 1 April, is reshaping black-mass flows and recycled cobalt pricing. Smaller and irregular recyclers are clearing inventories ahead of tighter enforcement, releasing additional black mass and recycled cobalt sulfate into the spot market.
- The framework introduces tighter controls over the collection, transfer, traceability and processing of retired NEV batteries, gradually redirecting flows away from informal channels and toward authorized recyclers.
- The release of low-cost recycled units is weighing on the cobalt market despite continued tightness in DRC hydroxide supply. Scrap-fed cobalt sulfate has been offered at RMB 84,000–85,000/t, representing a discount of more than RMB 5,000/t to sulfate produced from primary intermediates such as cobalt hydroxide.
- With downstream demand still weak, buyers are concentrating procurement on low-priced material, leaving hydroxide-based producers unable to recover elevated feedstock costs and forcing many to reduce or suspend processing.
- The FM standard grade premium over China cobalt metal has widened sharply to $0.96/lbs, reflecting the growing disconnect between internationally traded material and a domestic Chinese market pressured from cheap recycled units. The arbitrage for exporting Chinese cobalt metal to the West is beginning to open.

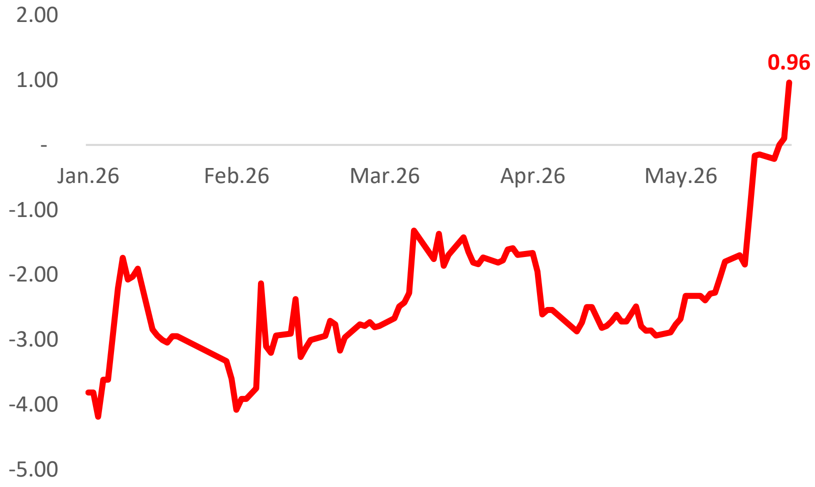
China Refined Co prices ($/lbs - 100% Co eq.)



Cobalt Metal and Hydroxide FM Prices



Spread: FM Std grade - China Co Metal ($/lbs)



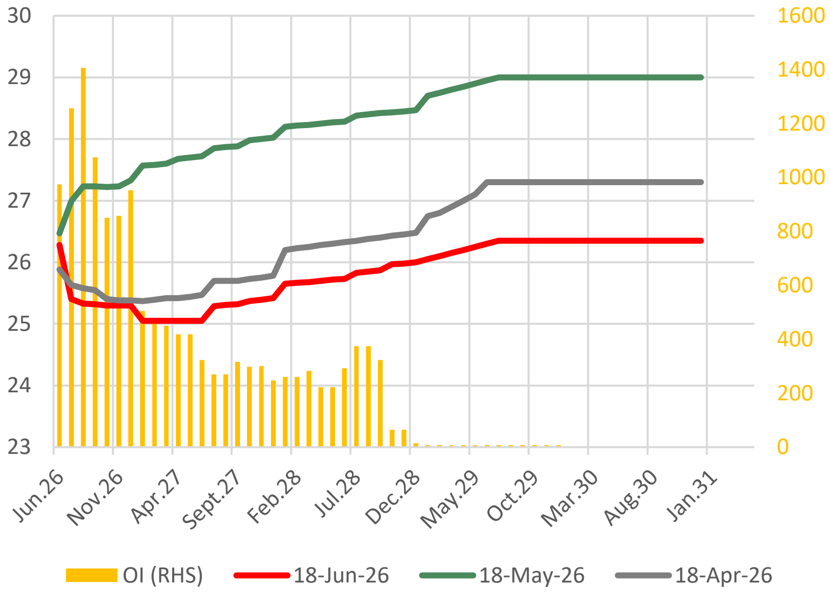
Sources: Fastmarkets, Mysteel, Voltaire Minerals Analysis

Cobalt Futures

Curve softens as demand recovery fails to materialize

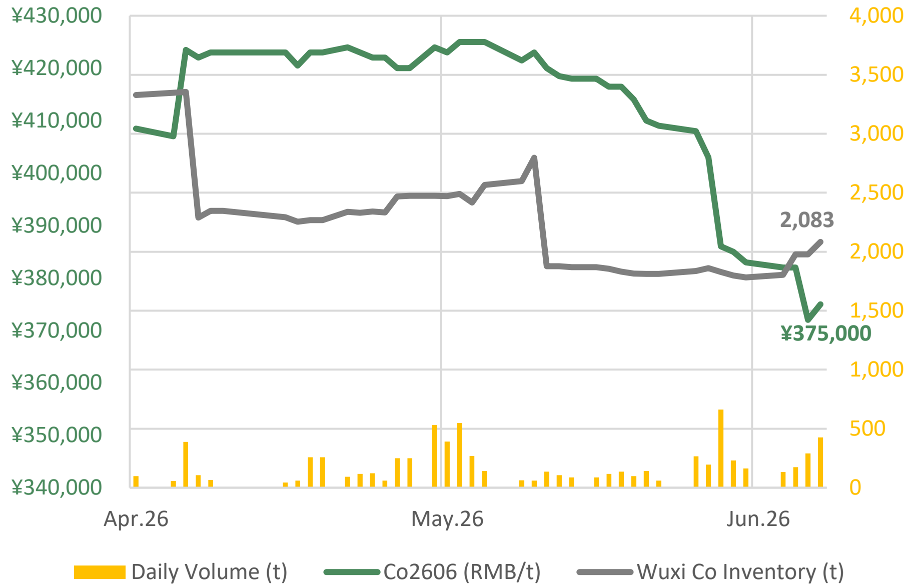
- The CME forward curve has weakened over the past month, with the contango structure offering limited carry incentive as the market is not yet pricing in a meaningful demand-driven recovery in cobalt.
- The curve is backwardated until Dec-28, while Dec-30 contango compressed to 2.7%. Open interest edged up 1.3% to 14,507 contracts.
- Since early June, Wuxi cobalt futures have fallen 9% from RMB 416,000/t to RMB 375,000/t, dragging spot metal sentiment lower across metal, sulfate and tetroxide. Falling futures prices and sluggish downstream buying have reversed a market that had stayed elevated but thinly traded for several months.
- Hydroxide supply remains structurally tight, yet buyers no longer show urgency to secure high-priced material. Weak demand, sufficient metal inventories and the availability of cheap feedstock alternatives are reducing the incentive for hydroxide purchases.
- Wuxi exchange inventories rose 300t on the week to 2,083t for the first time since Feb'26.

CME Cobalt Forward Curve



Date	CME Cobalt ($/lbs)	W-o-W change (%)	M-o-M change (%)
Q2 26	$ 26.28	0.11%	(0.90%)
Q3 26	$ 25.35	1.09%	(6.82%)
Q4 26	$ 25.30	1.08%	(6.95%)
Q1 27	$ 25.05	0.08%	(8.72%)
Cal 26	$ 25.46	0.94%	(6.05%)
Cal 27	$ 25.20	(0.04%)	(9.03%)
Cal 28	$ 25.80	0.15%	(8.77%)
Cal 29	$ 26.26	(0.38%)	(9.17%)
Cal 30	$ 26.35	(0.38%)	(9.61%)

Wuxi Cobalt Metal Price



Date	Wuxi Co Inventory (t)	Daily Volume (t)	Co2606 (RMB/t)	Co2606 (USD/lbs) VAT excl.	FMSG Low (USD/lbs)
18-Jun-26	2,083	425	¥ 375,000	$ 22.24	$ 25.65
17-Jun-26	1,979	291	¥ 372,000	$ 22.06	$ 25.65
16-Jun-26	1,977	174	¥ 382,000	$ 22.65	$ 25.65
15-Jun-26	1,804	134	¥ 382,000	$ 22.65	$ 25.50
12-Jun-26	1,782	164	¥ 383,000	$ 22.71	$ 25.50
11-Jun-26	1,798	230	¥ 385,000	$ 22.83	$ 25.65

Sources: CME, Wuxi, Voltaire Minerals Analysis

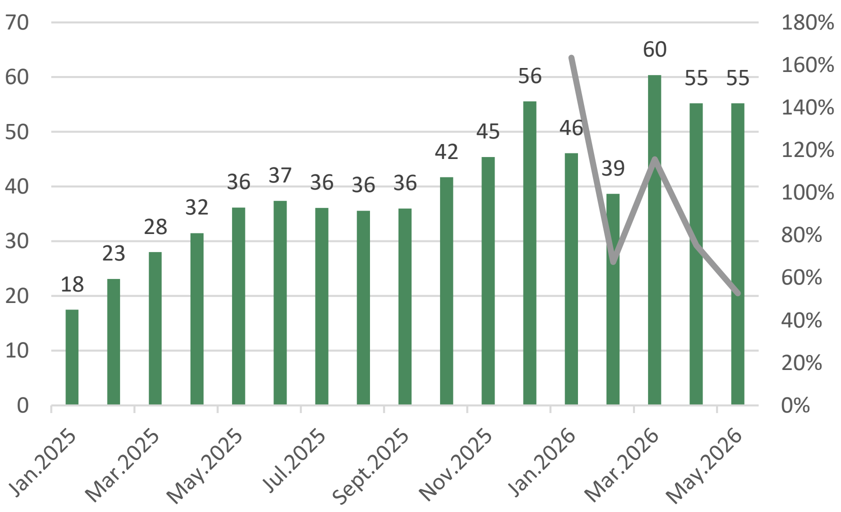
Lithium

Lithium spot prices stable as supply-demand balance is tight, leaving price direction unclear

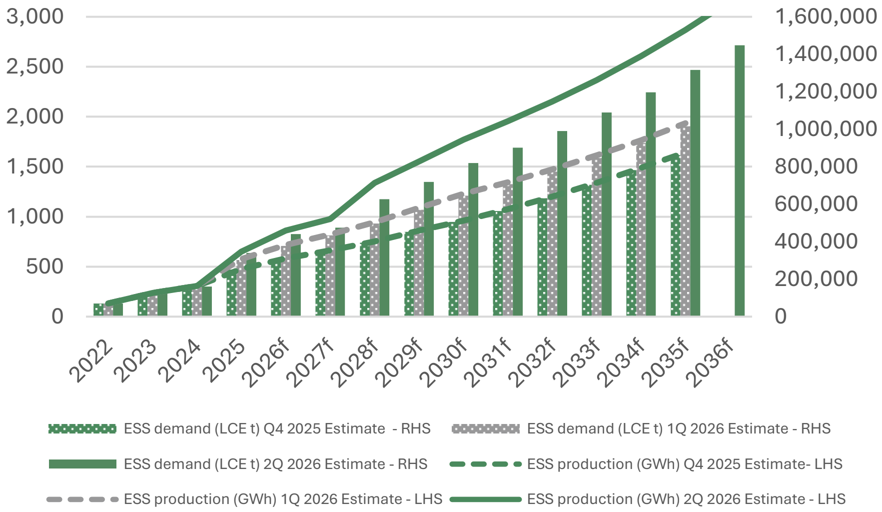
- Lithium spot prices have been relatively stable with Carbonate up 1.3% to Rmb 168,800/t ($22.06/kg VAT excl) while Hydroxide fell 3% to Rmb 146,100/t ($19.09/kg VAT excl) and Spodumene prices bounced back slightly to $2,550/t CIF China from the low of $2,270/t last week driven by tight spot availability, with multiple sellers reporting no prompt cargoes as some are withholding spot volumes.
- Although supply continues to grow with high prices bringing projects back online in Australia, the supply/demand balance for 2026 is forecast to be very tight as demand continues to grow rapidly with sources expecting between 38,000t LCE shortage to 34,000t LCE surplus in a market of 2.1 million tons LCE.
- On supply, Zimbabwe spodumene exports face operational barriers despite May quota allocations, as per-batch chemical testing requirements and heavy documentation burdens slow the application process before goods even reach transit. Inland diesel shortages and constrained trucking capacity compound the issue, while Beira port congestion exceeds one month in queue times. Meaningful volumes reaching China in 3Q are unlikely, with a gradual ramp-up in arrivals only realistically beginning in September.
- Demand side, Chinese combined power and energy storage battery sales reached 182.2 GWh in May, up 47.4% year-on-year with energy storage battery sales contributing 55.2 GWh, up 52.7% YoY. Cumulative energy storage battery sales for January-May of 256GWh ran 87.7% higher than the same period last year. Export growth is increasingly absorbing domestic market pressure and establishing overseas demand as a structural support for Chinese battery industry stability as total Jan-May cumulative exports reaching 96.8GWh, up 48% YoY.
- The demand forecast continues to look promising as Chinese battery production schedules for July are expected to hit record highs (~5% above June levels) and China's National Bureau of Statistics stating that lithium-ion battery manufacturing investment is up 24.9% year-on-year in January-May 2026.

Spodumene Price ($/t)

Chinese Energy Storage Batteries Sales (GWh)



ESS Demand / Production forecast

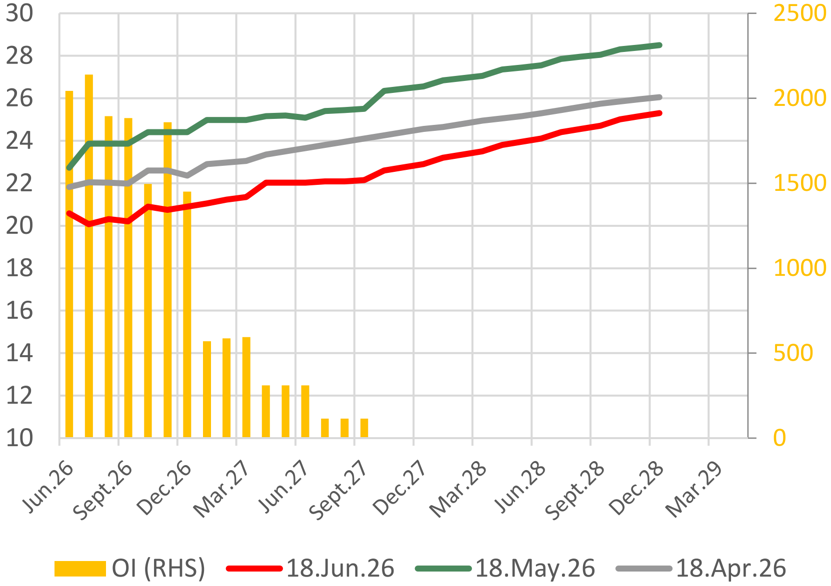


Sources: Mysteel, Fastmarkets, CnEV, Horizon Insights, Lightship, Voltaire Minerals Analysis

Lithium Futures decline despite no clear driver and inventories falling

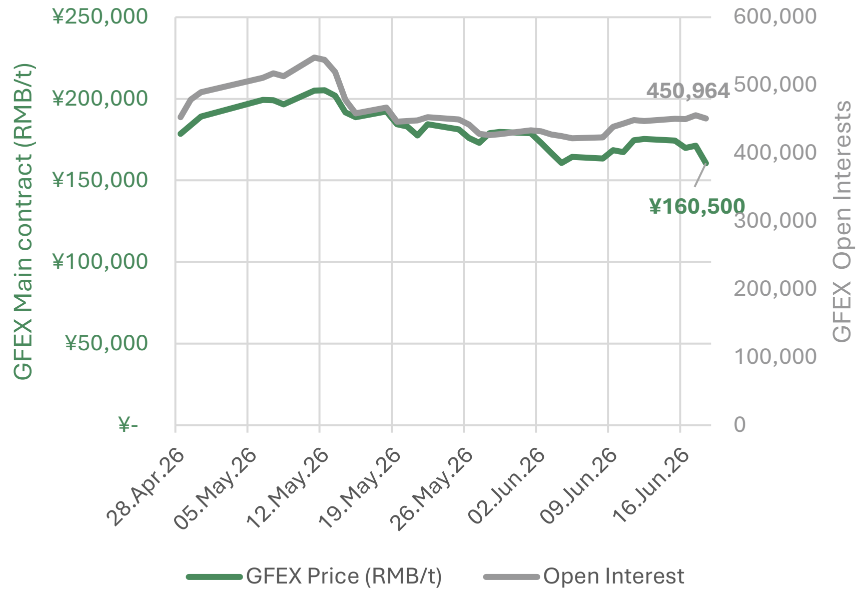
- CME LiOH futures dropped back down 5-6% with only the front month (Jun26) showing more stability as it nears termination which has pushed the market into backwardation between Jun26 and Sep26.
- Trading for LiOH this week was concentrated in Q3 and Q4 2026 with 665 lots for Q3 and 852 lots for Q4 out of 1,745 total lots exchanged.
- The Sep26 GFEX LC contract closed at RMB160,500/t (eq. $20.98/kg excluding VAT), down 8.1% WoW. Trading in China was closed on Friday due to the Dragon Boat Festival.
- The Sep26 GFEX LC contract sits well below the Mysteel spot price of RMB168,800/t after a very volatile week which ended with a 6.3% drop on Thursday despite visible inventories destocking.
- GFEX daily inventory continued its downward trend after reaching its all time high, falling to 51,975t from 54,683t last week.
- Some traders have claimed falling prices are due to fund outflows following blockbuster SpaceX IPO and the Iran-US ceasefire.

CME Lithium Hydroxide Forward Curve



Date	CME Lithium Hyd ($/kg)	W-o-W change (%)	M-o-M change (%)
Q2 26	$ 20.58	(1.67%)	(10.13%)
Q3 26	$ 20.20	(5.28%)	(14.72%)
Q4 26	$ 20.85	(5.59%)	(13.28%)
Q1 27	$ 21.21	(6.50%)	(14.03%)
Cal 26	$ 20.53	(4.92%)	(13.46%)
Cal 27	$ 22.02	(6.74%)	(12.87%)
Cal 28	$ 24.25	(6.91%)	(11.70%)

GFEX Li2CO3 closing prices & OI



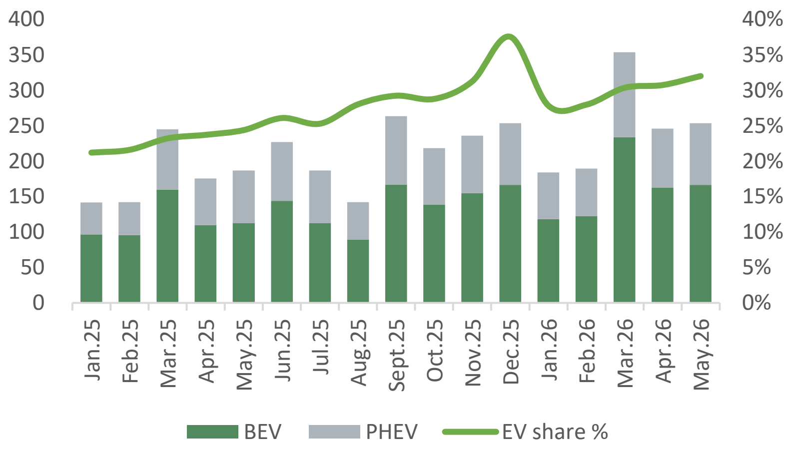
Date	Daily Inventory	Daily Volume	Open Interest	Price Change (%)	GFEX Price (RMB/t)
18.Jun.26	51,975	342,652	450,964	-6.30%	¥ 160,500
17.Jun.26	52,685	150,191	455,847	0.78%	¥ 171,300
16.Jun.26	53,285	187,954	449,952	-2.56%	¥ 169,980
15.Jun.26	53,885	177,039	450,397	-0.49%	¥ 174,440
12.Jun.26	53,787	196,809	447,123	0.40%	¥ 175,300
11.Jun.26	54,683	244,951	448,867	4.30%	¥ 174,600

Sources: CME, GFEX, Mysteel, Voltaire Minerals Analysis

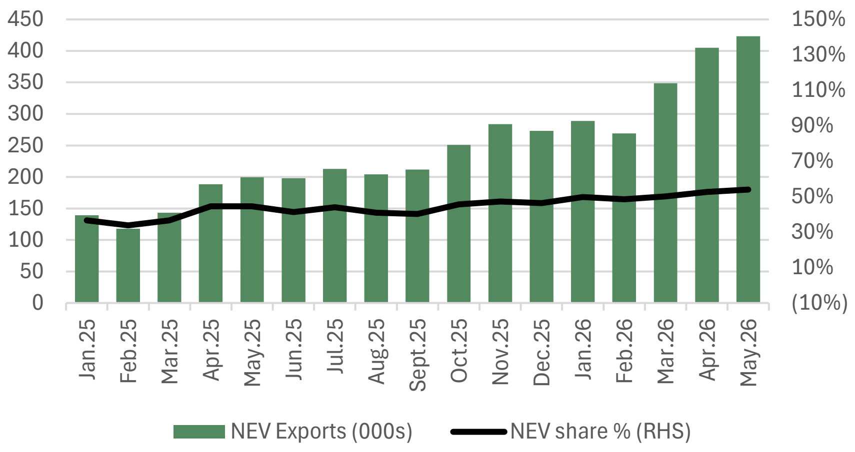
Global EV sales continue growing as Chinese competition pressures European producers

- Global EV sales in May reached 1.8 million sales, a 7% month-on-month increase and 3% year-on year, pushing YTD sales to 7.5 million units. The growth was driven by a strong 11% MoM rebound in Chinese domestic sales despite still being 9% lower YoY. Europe's growth was only 2% MoM in May, but this follows a stellar 23% YoY growth and an EV share of 32% of total vehicle sales, second only to December 2025.
- Despite strong growth, European car makers Volkswagen, Stellantis and Renault have written to EU lawmakers to urge to implement "Made in Europe" rules which would require 70% of vehicles to source 70% of their value from the EU. European manufacturers have been challenged in their competitiveness due to large technology caps in strategic areas such as battery production as well as high energy, manufacturing and regulatory costs. Some European producers, such as Stellantis with Leapmotor, have decided to partner with Chinese OEMs to producer in Europe by utilizing their excess capacity.
- Indeed, Chinese competitors have found enormous success penetrating the European markets after the domestic market faced challenging sales following the removal/reduction of key subsidies in China. In April, Chinese manufactured EVs now hold approximately 10% of the total European automotive market, led by companies such as BYD, Leapmotor and Chery/Omoda. Chinese EV exports accounted for 54% of total vehicle exports in May 2026 vs. 45% a year ago as EV exports surged from 289,000 units to 423,000 units between January and May.
- Meanwhile, to boost domestic sales, five Chinese ministries are jointly launching a 2026 NEV rural promotion campaign, extending vehicle trade-in subsidies deeper into the countryside with no cap on the number of qualifying households. The campaign will deploy one-stop service stations handling old vehicle detection, valuation, recycling, and subsidy paperwork on-site, lowering the participation barrier for rural consumers.

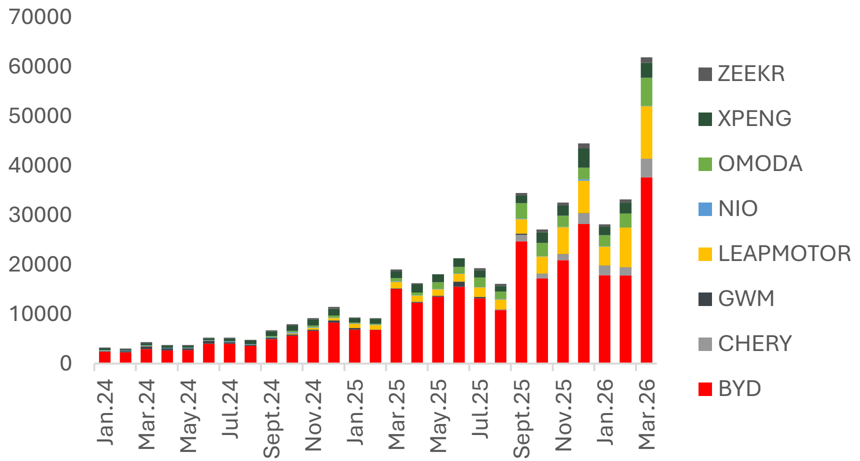
EU5 monthly EV sales



Chinese Monthly NEV Exports



Chinese EV sales in Europe



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

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