VOLTAIRE MINERALS

Battery Metals Market Update

3 July 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*	*03.07.2026*	24.75	(2%)	(5%)	102%
Cobalt Hydroxide Payable *FM Cobalt Payable in Hydroxide, CIF China, % of FM SG*	*03.07.2026*	97%	(1%)	(3%)	23%
MHP Payable *FM Cobalt Payable in MHP, CIF CJK, % of SG*	*03.07.2026*	90.50	0%	(1%)	44%
Cobalt Sulfate *Mysteel Co Sulfate Battery Grade, China, Rmb/t*	*03.07.2026*	86,500	0%	(6%)	70%
Cobalt Metal *FM Standard Grade, in-Whs Rotterdam, $/lb*	*03.07.2026*	26.25	(0%)	(0%)	66%
Cobalt Metal *FM Alloy Grade, in-Whs Rotterdam, $/lb*	*03.07.2026*	28.88	(0%)	(2%)	50%
Spodumene *FM Spod 6% Li2O, CIF Asia, USD/t*	*03.07.2026*	2,450	14%	(0%)	267%
Lithium Carbonate *FM Li Carbonate Battery Grade, CIF Asia $/kg*	*03.07.2026*	21.30	12%	(1%)	161%
Lithium Carbonate *Mysteel Li Carbonate Battery Grade, China, Rmb/t*	*03.07.2026*	164,700	8%	(4%)	164%
Lithium Hydroxide *FM Li Hydroxide Battery Grade, CIF CJK, $/kg*	*03.07.2026*	20.00	7%	(4%)	144%
Lithium Hydroxide Mysteel Li Hydroxide Battery Grade, China, Rmb/t	*03.07.2026*	153,250	11%	(2%)	166%

Executive summary

- **Cobalt –** The ARECOMS released a press statement on June 29, informing mining operators that any unused cobalt hydroxide export quotas allocated for H1 2026 will be forfeited and reallocated to the country's strategic export reserves. Based on our estimates, this decision has resulted in miners losing the right to export at least 15 kt of cobalt contained in cobalt hydroxide. Currently, it remains uncertain how ARECOMS plans to utilize these strategic quotas. This week, cobalt market prices, along with geographic and product spreads, have remained stable. The only significant change has been a $0.20/lb drop in the Fastmarkets Standard Grade Low quote, which fell from $25.70/lb to $25.50/lb. The Chinese metal import/export windows remain closed, and cobalt hydroxide FM prices continue to trade high at near parity with salt prices in China, rendering cobalt hydroxide processing unprofitable for Chinese refiners. Although difficult to quantify at this stage, LCO demand (reliant on cobalt chloride) appears to be directly impacted by the ongoing memory chip shortage caused by the rapid expansion of AI data centers. This situation is driving up consumer electronics prices [see recent Apple announcement] and slowing down sales.

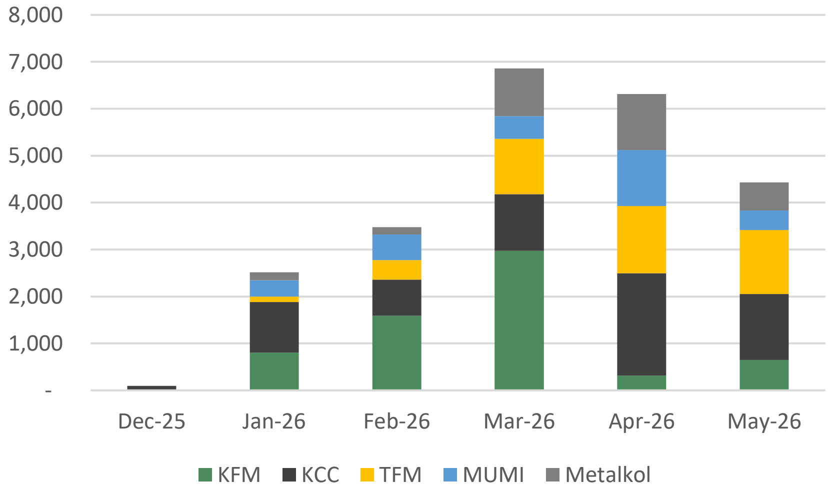
- **Lithium –** Lithium demand continues to grow as Chinese LFP production is up 2.87% in June and projected to climb another 4.68% in July. On supply, the restart of CATL's Jianxiawo mine seems likely after reports indicated the mine has cleared all requisite production permits. The mine, which has a nameplate capacity of 150kt LCE, is expected to only produce between 80kt-100kt LCE annually. Additionally, Zijin Mining's Manono mine, with nameplact capacity of 130kt LCE p.a. in the DRC has reportedly begun to produce with first exports set for July. Together, Jianxiawo and Manono add between 10-15% additional lithium supply. On inventory, lithium carbonate SMM inventories in China continued to draw down, falling 1,239t to 94,573t, the lowest level since mid-2024.

- **EV/Auto –** Chinese EV manufacturers are reporting stronger sales in June supported by exports which are becoming a major growth engine for the Chinese EV market. BYD delivered 403,472 new-energy vehicles (NEVs) in June, up 5.5% year-on-year, with 175,349 NEV exports a 95% YoY increase. Other strong performers include NIO (40,597 deliveries, up 63% YoY), XPeng (40,126 deliveries, up 16% YoY) and Xiaomi (30,000 deliveries). Geely Automobile recorded 240,799 sales, up 2% YoY. The domestic market remains weaker, expecting a double-digit percent decline for the year with manufacturers shifting away from price competition and toward technology, product innovation and brand recognition.

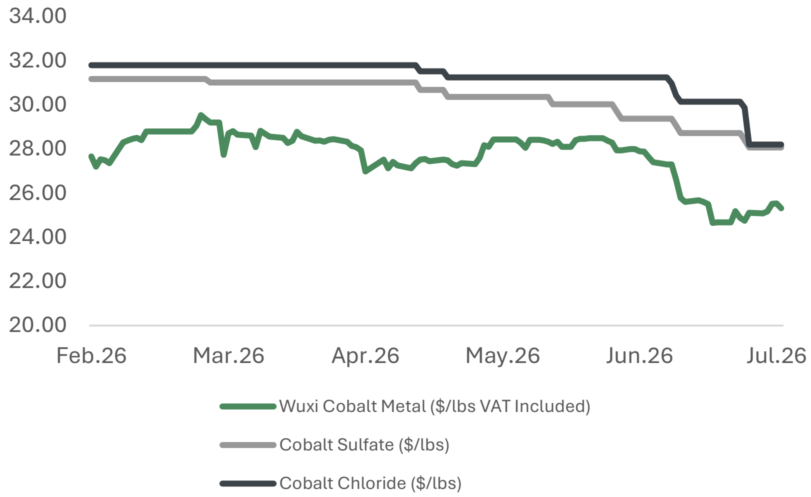
DRC ARECOMS forfeits unused Q2 quotas export of Cobalt Hydroxide

- The ARECOMS released a press statement on June 29, informing mining operators that any unused cobalt hydroxide export quotas allocated for H1 2026 will be forfeited and reallocated to the country's strategic export reserves which is intended to support domestic processing and value addition within the DRC.
- The decision marks a reversal from the pattern set in December 2025 and March 2026, when DRC authorities granted quota extensions that eased supply tightness. But this time the bottleneck around administrative procedures and sampling has been improved but tight logistical constraints on trucking in the DRC remain.
- The unused Q2 quota allocations are estimated between 15kt and 20kt of contained cobalt (June 2026 DRC customs data still pending ton confirm exact tonnage). With KFM, TFM and KCC taking the biggest hit given their largest backlogs on Q2 exports.
- Demand remains particularly sluggish in LCO chemistries for 3C applications (reliant on cobalt chloride) where ongoing memory chip shortage driven by AI data centre deployment is keeping electronics prices elevated. Following price rises announced by Apple and other manufacturers, weaker consumer device production is weighing on cobalt consumption in that segment.
- Overall, EV remains the principal demand driver, accounting for 41% of 2025 demand and the largest growth contribution at 55%, led by NCM chemistries.

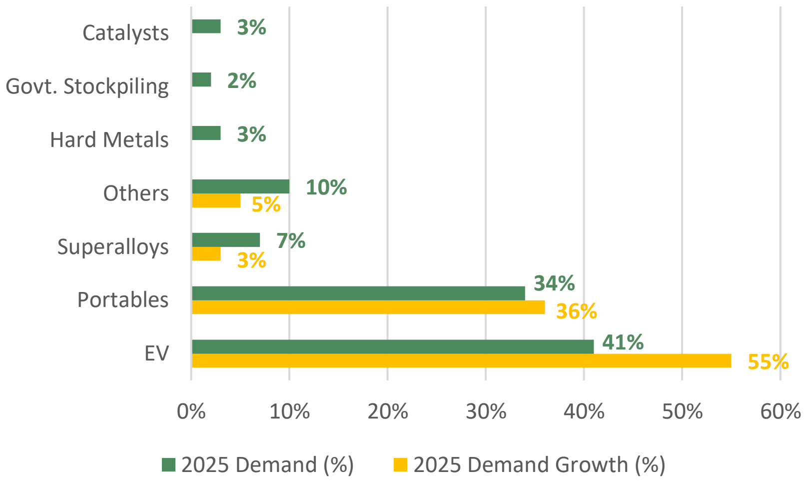
DRC Cobalt Top 5 Exporter (Co mt)



China Cobalt Prices ($/lbs - 100% Co eq.)



Cobalt demand / growth by application (2025)

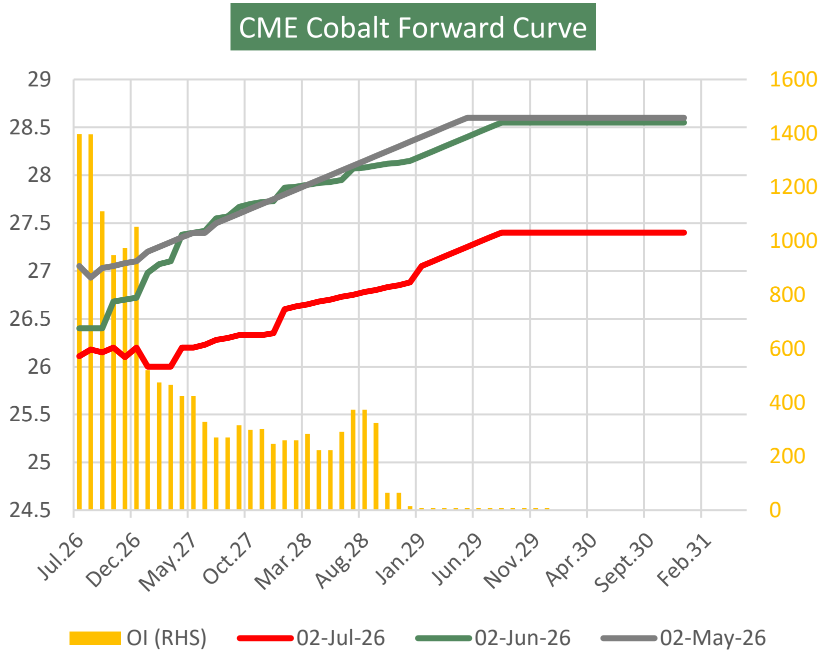


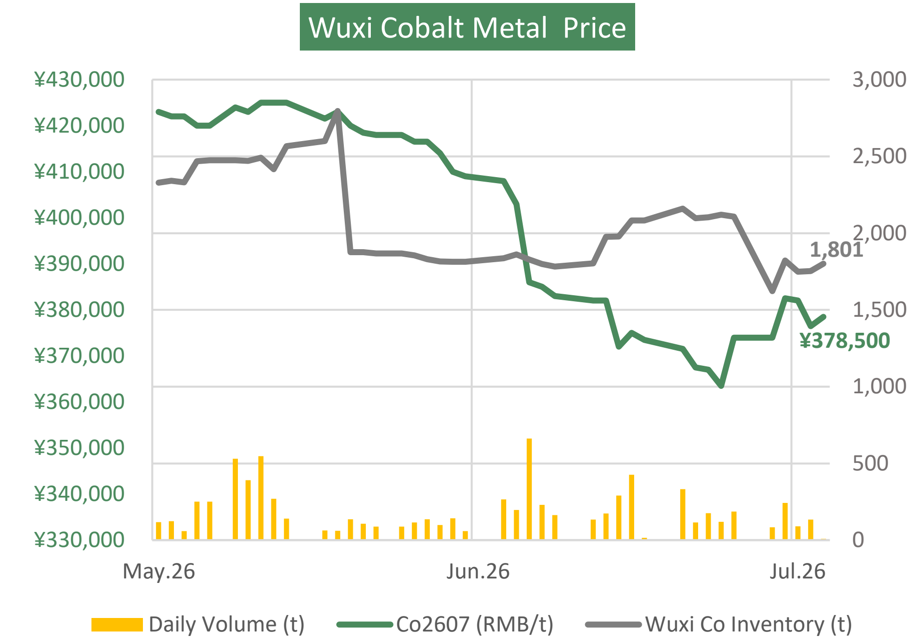
Sources: Fastmarkets, Mysteel, Wuxi Exchange, Trade Data, Voltaire Minerals Analysis

Cobalt Futures

FMSG–China Co metal price gap narrows, shutting the export arb

- The CME forward curve continued to strengthen last week, up roughly 2.0% across tenors. The front end remains softer, creating a slight backwardation into Q1-27 before the curve recovers to an 8.7% contango on the back end, offering some carry incentive.
- Activity roughly doubled week-on-week, with about 970t cleared over the last five sessions versus 529t the week prior.
- Flow was led by Q3-26 (552t, including a 228t July print on 29-Jun). Q4-26 also saw solid interest at 408t, with thinner liquidity further out the curve.
- Wuxi futures remained weak and rangebound, ending the week up 1.3% at RMB 378,500/t ($25.32/lbs VAT included).
- Short-dated Wuxi realized volatility picked up to 24.2% (20d) from ~20% in late June.
- Exchange inventories were broadly flat week-on-week in a 1,600 to 2,000t range.
- With FMSGL at $25.50/lb now marginally aligned domestic Cobalt metal at $25.32/lb (VAT included), the China-to-West export arbitrage is closed.





Date	CME Cobalt ($/lbs)	W-o-W change (%)	M-o-M change (%)
Q3 26	$ 26.15	1.63%	(0.96%)
Q4 26	$ 26.17	2.78%	(1.91%)
Q1 27	$ 26.00	1.76%	(3.56%)
Q2 27	$ 26.21	2.38%	(4.05%)
Cal 26	$ 26.16	2.20%	(1.44%)
Cal 27	$ 26.21	2.19%	(4.16%)
Cal 28	$ 26.74	2.08%	(4.24%)
Cal 29	$ 27.28	1.95%	(3.18%)
Cal 30	$ 27.40	2.05%	(3.01%)

Date	Wuxi Co Inventory (t)	Daily Volume (t)	Co2607 (RMB/t)	Co2607 (USD/lbs) VAT incl.	FMSG Low (USD/lbs)
03-Jul-26	1,801	8	¥ 378,500	$ 25.32	$ 25.50
02-Jul-26	1,753	134	¥ 376,500	$ 25.19	$ 25.20
01-Jul-26	1,748	90	¥ 382,000	$ 25.56	$ 25.70
30-Jun-26	1,821	242	¥ 382,500	$ 25.59	$ 25.65
29-Jun-26	1,622	83	¥ 374,000	$ 25.02	$ 25.65
26-Jun-26	2,107	187	¥ 374,000	$ 25.02	$ 25.65

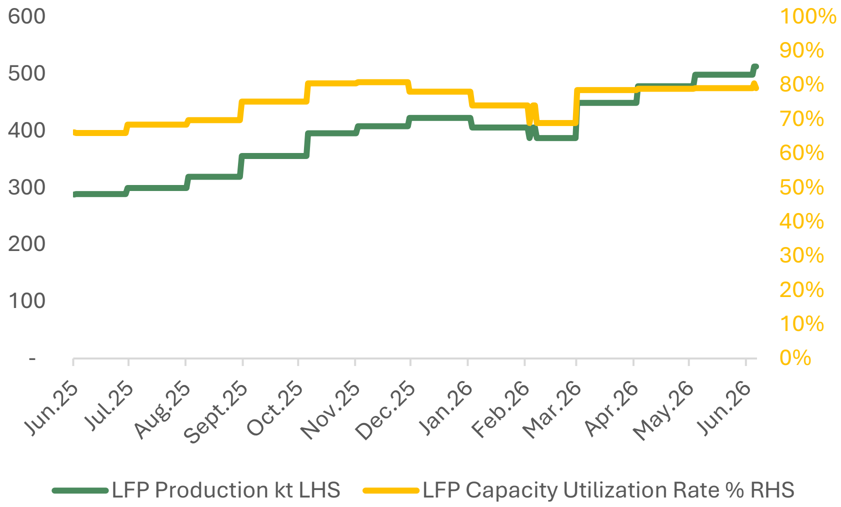
Sources: CME, Wuxi, Voltaire Minerals Analysis

Lithium

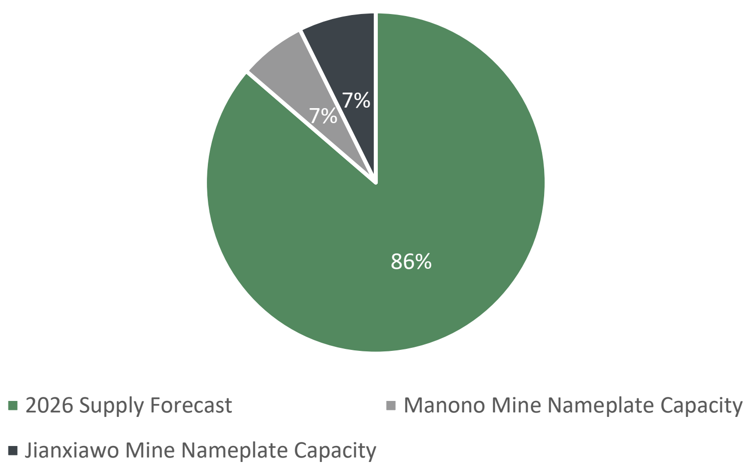
Lithium supply set to increase as Jianxiawo and Manono start producing; Chinese lithium inventories continue drawdown

- Chinese demand for Lithium Carbonate continues to grow as China's LFP production rose 2.87% month-on-month to 512,600 tonnes in June, constrained by mid-year inventory drawdowns and delayed capacity ramp-ups at some producers. July output is projected to climb further to 536,600 tonnes (up 4.68%) as new capacity comes online in Sichuan and Shandong alongside production line upgrades.
- On supply, an industry source confirmed that CATL's Jianxiawo mine has cleared all requisite production permits, with the Safety Production Permit, the final and most critical approval, obtained that same day. The clearance suggests the lithium mine could be positioned to resume operations now that the last regulatory hurdle has been removed with some market reports suggesting the restart could occur as early as September 2026 with full-ramp up completed by October 2026. There are also reports of restart signs including workers training to return and electric mining trucks photographed arriving at the site on June 28. The mine, idled since August 2025, has a nameplate capacity of 150,000t LCE although reports suggest they will likely produce 80kt-100kt LCE.
- Additionally, Zijin Mining's Manono mine in the DRC has reportedly begun to produce with first exports set for July. The mine is expected to be one of the biggest hard-rock lithium mines in the world, aiming to produce 1 million tonnes of spodumene concentrate annually or 130,000t LCE at full ramp-up.
- Together, Manono and the Jianxiawo mine could add 280,000t LCE to the market once full ramp-up is completed for both projects, representing between 10-15% of the 2026 global lithium supply.
- Inventory levels continued to draw down this week in China, with SMM inventories (old methodology) falling 1,239t to 94,573t, the lowest level since mid-2024. With falling inventory and climbing production, the Inventory-to-Monthly Sales ratio in China of ESS and Power Batteries has fallen as low as 0.38 months for Power Batteries and 1.22 months for ESS as of April 2026.

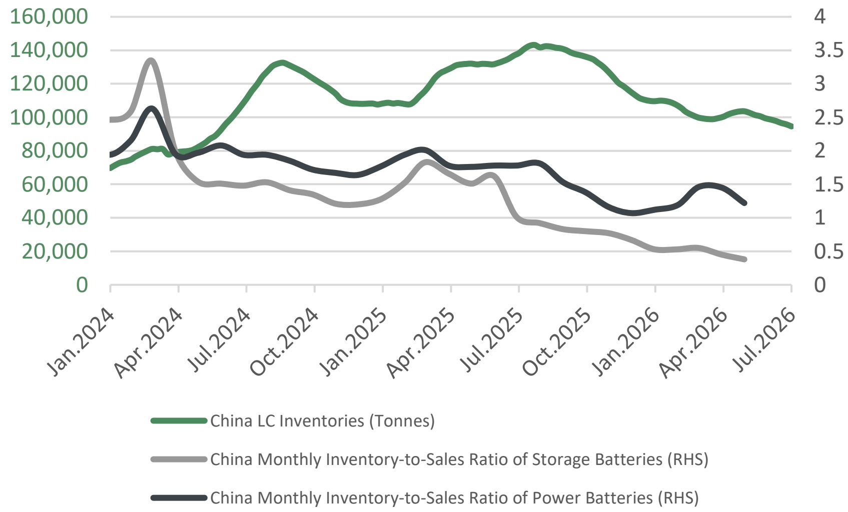
China LFP Production YTD (kt units)



Effect of Manono and Jianxiawo on Lithium Supply



China LC Inventories



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

Lithium Futures

Lithium Futures recover, up 4-6% on the CME and 12% on the GFEX after previously falling the 2 weeks prior

- The CME LiOH futures curve recovered from the 6-8% downward parallel shift last with with a 4-6% upward parallel shift this week with just a slight steepening on the backend, increasing the Jul26-Dec28 spread from $4.33/kg last week to $5.26/kg.

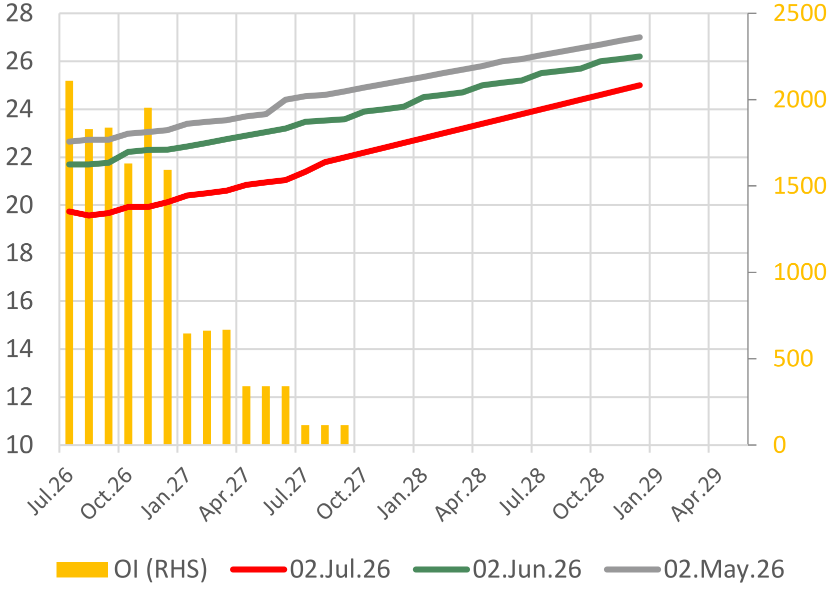
- Trading activity for LiOH was down 18% with just 870t traded this week concentrated in Q4 2026 with 622t traded.

- The Sep26 GFEX LC contract closed at RMB168,720/t (eq. $22.02/kg excluding VAT), up 12.3% WoW after falling to a low of RMB150,220/t the week before.

- GFEX inventories have stabilized, up just 34t from last week to 48,578t, remaining at historically elevated levels even after falling 7.5kt from the peak of 56,045t.

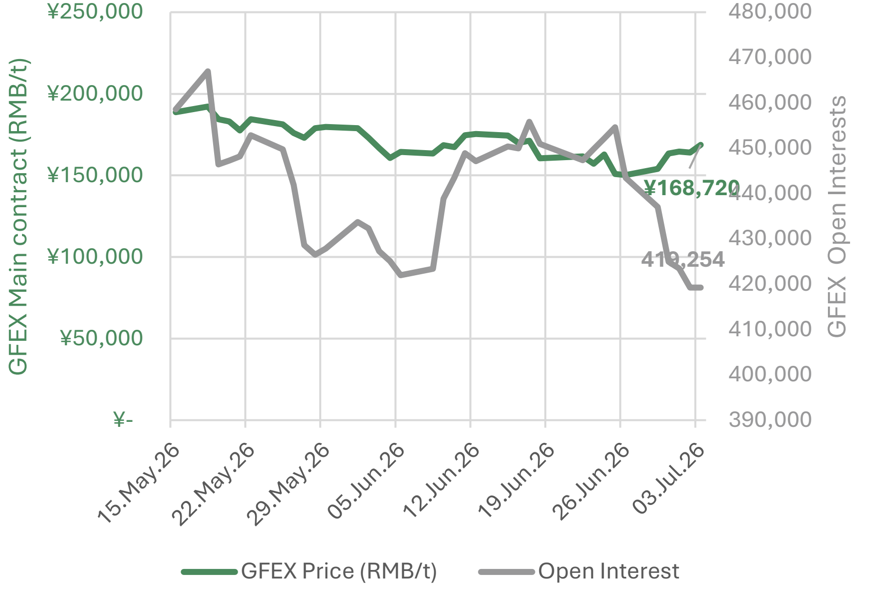
- Demand outlook for H2 26 is strong as China's power battery installation demand is projected to reach 888.7 GWh in 2026, up 15.8% year-on-year, according to the National Innovation Center for Power Batteries.

CME Lithium Hydroxide Forward Curve



Date	CME Lithium Hyd ($/kg)		W-o-W change (%)	M-o-M change (%)
Q3 26	$	19.66	5.49%	(6.84%)
Q4 26	$	19.99	4.79%	(7.34%)
Q1 27	$	20.50	4.72%	(7.24%)
Q2 27	$	20.95	4.14%	(7.94%)
Cal 26	$	19.83	5.13%	(7.09%)
Cal 27	$	21.40	4.95%	(7.09%)
Cal 28	$	23.90	6.46%	(4.88%)

GFEX Li2CO3 closing prices & OI



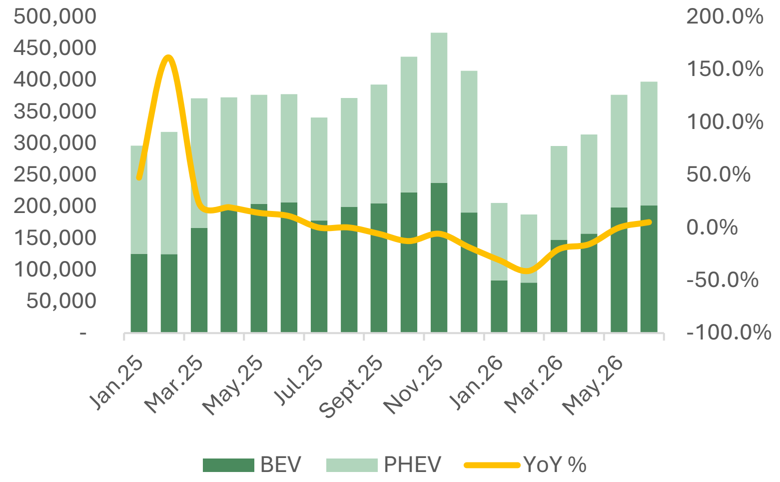
Date	Daily Inventory	Daily Volume	Open Interest	Price Change (%)	GFEX Price (RMB/t)	
03.Jul.26	48,578	248,836	419,254	2.85%	¥	168,720
02.Jul.26	48,578	248,836	419,254	-0.32%	¥	164,040
01.Jul.26	49,331	278,547	423,487	0.73%	¥	164,560
30.Jun.26	48,731	373,078	424,925	6.13%	¥	163,360
29.Jun.26	48,489	301,474	437,057	2.46%	¥	153,920
26.Jun.26	48,544	321,674	443,472	-0.41%	¥	150,220

Sources: CME, GFEX, SMM, Voltaire Minerals Analysis

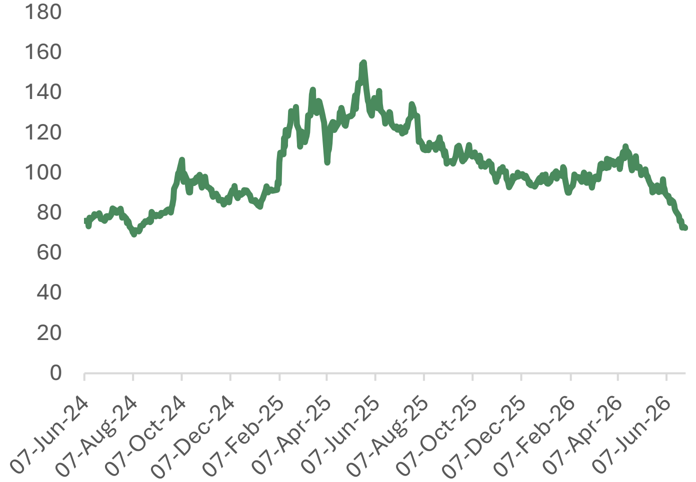
BYD's exports are becoming a major growth engine

- Chinese electric vehicle manufacturers reported mostly stronger sales in June, with robust overseas demand helping to offset weaker conditions in the domestic market.
- BYD remained the clear market leader, delivering 403,472 new-energy vehicles (NEVs) in June, a 5.5% increase year-on-year and marking its second consecutive month of sales growth. The company also reported 175,349 NEV exports, representing a 95% year-on-year increase, highlighting the growing importance of international markets.
- NIO was among the strongest performers, with deliveries rising 63% year-on-year to 40,597 vehicles. XPeng delivered 40,126 vehicles, up 16% from the previous year, while Li Auto reported 30,895 deliveries, a 15% decline year-on-year. Xiaomi announced that its EV deliveries exceeded 30,000 units during the month.
- Geely Automobile recorded total vehicle sales of 240,799 units, an increase of 2% year-on-year. Within the group, premium EV brand Zeekr more than doubled its sales to 35,169 vehicles, while Lynk & Co experienced a 28% decline in sales.
- The Chinese EV market continues to face subdued domestic demand, with export markets providing increasingly important support for overall industry growth. Competition among manufacturers is shifting away from aggressive price discounting toward technology, product innovation, and brand recognition, while consumers are becoming more selective and making more rational purchasing decisions.
- Domestic EV demand in China is expected to remain in double-digit decline for the remainder of the year, with overseas demand continuing to support sales volumes.

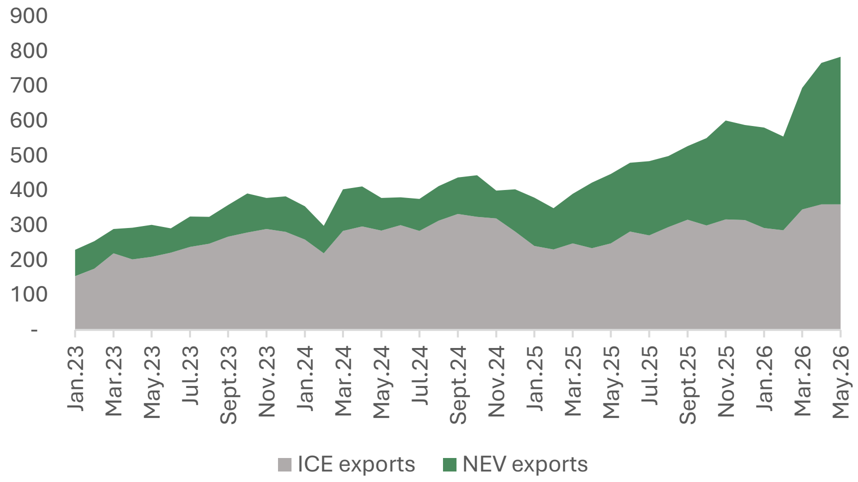
BYD monthly EV sales



BYD Co Ltd. share price (USD)



China passenger car exports ('000s)



Source: CPCA, BYD, Voltaire Minerals analysis. NEV = BEV (Battery Electric Vehicle) + PHEV (Plugin Hybrid Electric Vehicle). ICE = Internal Combustion Engine

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