VOLTAIRE MINERALS

Battery Metals Market Update

31 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*	*31.07.2026*	22.50	(6%)	(10%)	74%
Cobalt Hydroxide Payable *FM Cobalt Payable in Hydroxide, CIF China, % of FM SG*	*31.07.2026*	89%	(6%)	(8%)	5%
MHP Payable *FM Cobalt Payable in MHP, CIF CJK, % of SG*	*31.07.2026*	88.50	(1%)	(2%)	35%
Cobalt Sulfate *Mysteel Co Sulfate Battery Grade, China, Rmb/t*	*31.07.2026*	80,500	(2%)	(7%)	56%
Cobalt Metal *FM Standard Grade, in-Whs Rotterdam, $/lb*	*31.07.2026*	26.20	(0%)	(1%)	68%
Cobalt Metal *FM Alloy Grade, in-Whs Rotterdam, $/lb*	*31.07.2026*	28.85	(0%)	(0%)	52%
Spodumene *FM Spod 6% Li2O, CIF Asia, USD/t*	*31.07.2026*	2,025	(3%)	(13%)	177%
Lithium Carbonate *FM Li Carbonate Battery Grade, CIF Asia $/kg*	*31.07.2026*	19.00	(1%)	(6%)	113%
Lithium Carbonate *Mysteel Li Carbonate Battery Grade, China, Rmb/t*	*31.07.2026*	143,350	(1%)	(10%)	105%
Lithium Hydroxide *FM Li Hydroxide Battery Grade, CIF CJK, $/kg*	*31.07.2026*	18.50	(1%)	(5%)	128%
Lithium Hydroxide Mysteel Li Hydroxide Battery Grade, China, Rmb/t	*31.07.2026*	132,250	(2%)	(9%)	109%

Executive summary

- **Cobalt –** This week, cobalt hydroxide payables fell 5.4% to [88-90]% as falling salts prices (SMM sulfate down 1.2% WoW and chloride down 4% WoW) push the implied hydroxide conversion breakeven price to $19.51 vs. current price FM price of [$22.00-$23.00]/lb, down 6% WoW. The Fastmarkets Standard Grade Low price was flat at $25.35/lb after briefly rising to $25.50/lb during the week. Falling SMM refined cobalt prices, down 0.6% WoW to RMB 338,000/t, increased the spread with FM Standard Grade Low to $2.64/lb. Even after salt prices fell, the dissolution of cathode material into salts remains profitable although the 2.5kt/month dissolution rate remains a bottleneck. Chinese traders estimate cobalt metal inventory to be about 14.5kt in total.

- **Lithium –** SMM lithium carbonate price was unchanged at Rmb140,000/t ($18.37/kg VAT excluded) this week while hydroxide fell 1.95% to Rmb 125,500/t ($16.46/kg VAT excluded). Battery growth in H1 26 was very strong with installed capacity hitting 153 GW (~392 GWh) up 61% from H1 25. CATL H1 26 revenues grew 54% YoY with the ESS division revenue growing 87%. The company says it expects the battery market to grow at 20-30% CAGR over the next 5 years. For August, ICCSino expects battery production to increase 10%, while Dadong expects an 8% increase. Lithium carbonate inventories decreased in China with SMM old methodology decreasing 3.3kt to 83,587t and large sample decreasing 6,449t to 107,887t. Mysteel has released a new lithium carbonate inventory measurement, covering 207 samples across the supply chain, starting at 162,450t, down 6,950t WoW (unpublished measurement).

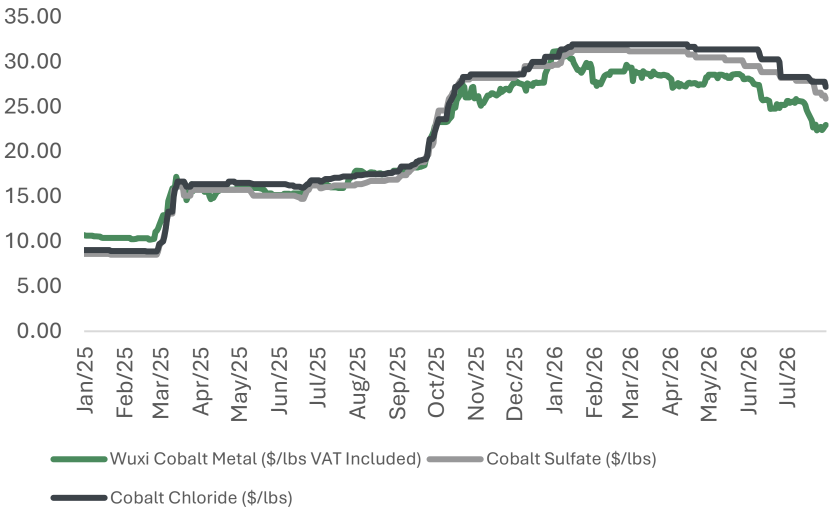
- **EV/Auto –** Global EV sales increased just 3% in H1 26 as large decreases in China (-753k vehicles) and the USA (-199k vehicles) were offset by a booming European (+568k vehicles) and Rest of World (+230k vehicles) markets. Despite a slow domestic Chinese market, CATL, the world's leading EV battery maker, reported H1 26 net profit of US$6.37 billion, up 42% YoY with power batteries generating US$28.4 billion in revenue, up 46% YoY. Chinese investment into European manufacturing continued this week as cell manufacturer Gotion High-tech (25% owned by Volkswagen) entered into discussions with PowerCo (100% owned by Volkswagen) to take a majority stake in PowerCo's Sagunto plant near Valencia, Spain which has faced delays in hiring staff and pushed series production to summer 2027. Gotion claims a majority stake could bring in new customers beyond VW, namely Ford's Almussafes plant, which is reportedly also drawing interest from Chinese automaker Geely.

Cobalt

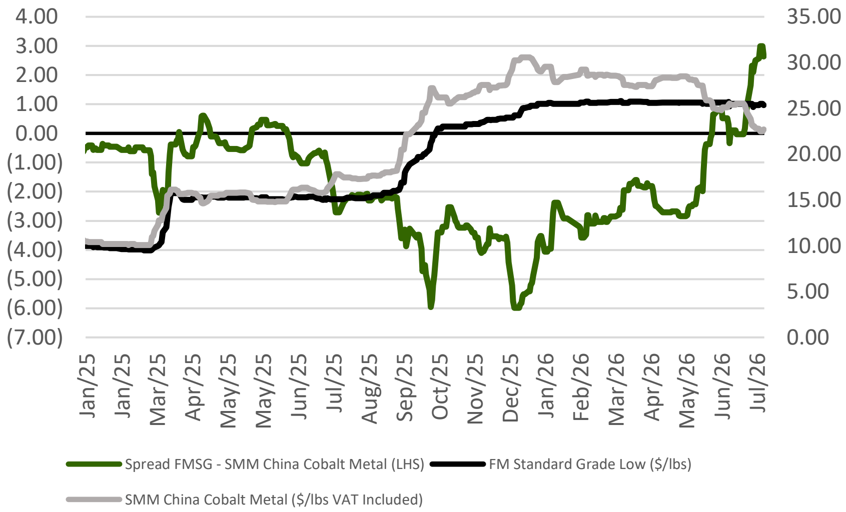
Payables down 5.4%, Chinese metal and salt prices soften into the Off-Season

- Fastmarkets cobalt hydroxide payables fell 5.4% this week to [88-90]% as the SMM sulfate price fell 1.22% trading at RMB 81-82/t and 4% FOR chloride, trading at RMB 95,000/t suggesting weakness downstream and pushing the implied cobalt hydroxide to sulfate conversion breakeven price to $19.51/lb assuming $4/lb conversion costs vs. FM Cobalt Hydroxide CIF China currently at [$22.00-$23.00]/lb, down 6% WoW. The drop continues from when payables reached [99.50-100.50]% in June and intermediate hydroxide priced at parity with metal, making it uneconomic for refiners to convert into salts.
- June also saw the first significant cobalt hydroxide shipment from the DRC under the ARECOMS quota regime, with 3,244t (Co metal content) imported, up 420% MoM but down 40% YoY. Prior to this, Chinese refiners had relied on alternative feedstocks, including old sulfate stockpiles, metal cathode dissolution, and recycled LCO black mass supported by domestic electronics trade-in policy and a crackdown on informal recycling that has released older black mass stockpiles into the market.
- SMM refined cobalt spot prices in China drifted lower, down 0.6% to RMB 338,000/t, as downstream buyers are restocking only for essential needs during the traditional July-August off-season.
- Internationally, the Fastmarkets Standard Grade Low assessment was flat this week at $25.35/lb after briefly rising to $25.50/lb. Decreasing SMM Chinese spot cobalt (VAT included) prices widened the spread with Fastmarkets Standard Grade Low to approximately $2.64/lb.
- The dissolution of cathode material into salts remains profitable despite the drop in salt prices, at around RMB 43k/t for sulfate and RMB63k/t for chloride, though the ~2.5kt/month dissolution rate remains a bottleneck. Chinese traders estimate domestic cobalt metal inventory at around 10kt, with a further 4.5kt sitting uncleared in bonded warehouses, bringing total available material to approximately 14.5kt.

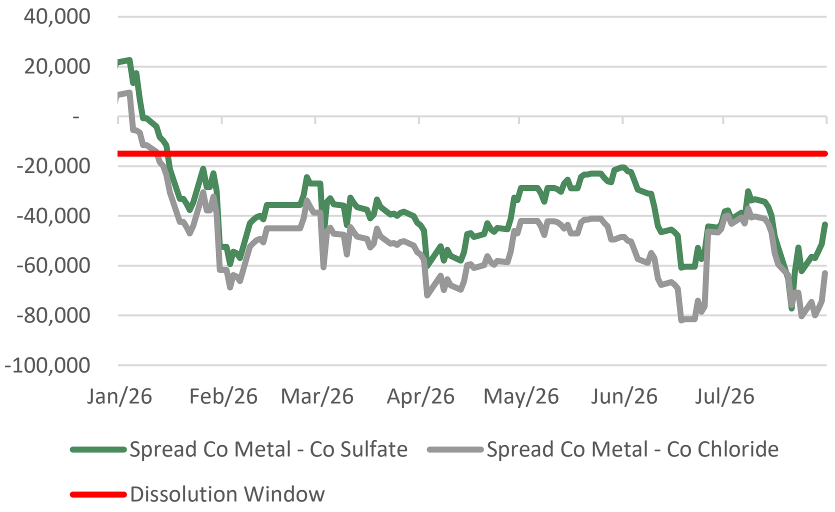
China Cobalt Prices ($/lbs - 100% Co eq.)



Cobalt Metal Price Spreads



Price Spread Co Metal - Co Sulfate (RMB/t Co equiv.)



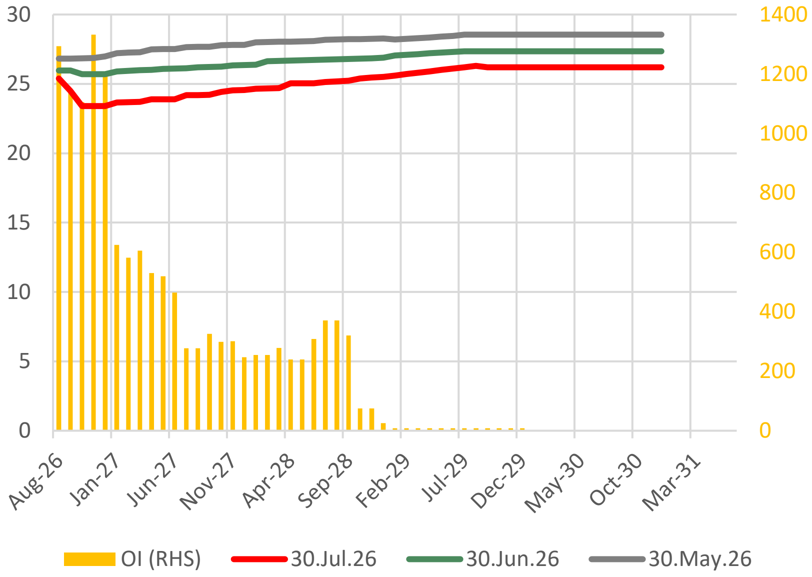
Sources: Fastmarkets, SMM, Customs Trade Data, Voltaire Minerals Analysis

Cobalt Futures

CME curve softens, Wuxi stabilizes, volatility picks up

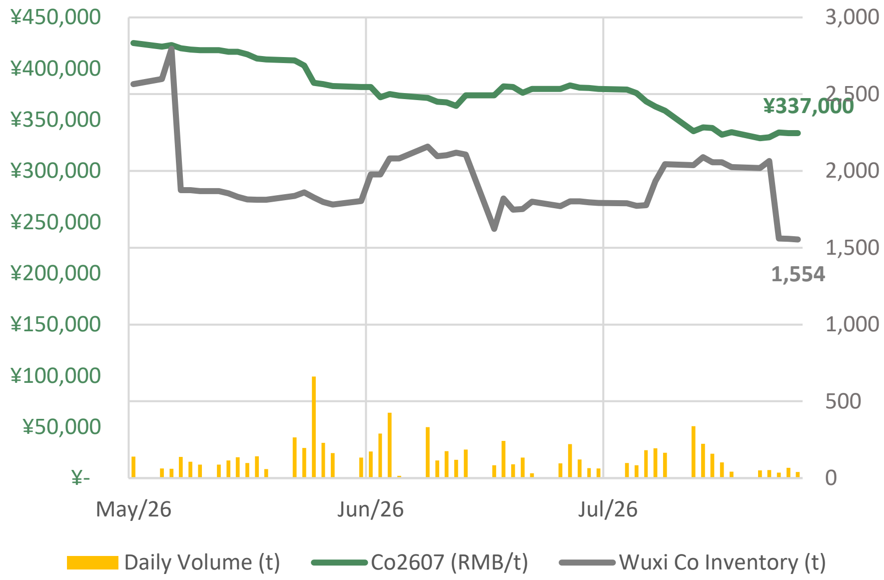
- Cobalt futures continued to weaken this week. The CME cobalt curve softened across most tenors, with the front end underperforming - the curve retains its characteristic dip-then-recover shape.
- Q3-26 held broadly flat around $24.94/lb, but Q4-26 fell to $23.40/lb from $24.00/lb a week ago, and Cal 27 is down almost 2.5% at $24.07/lb from $24.68/lb a week ago.
- Activity on CME was lower this week, clearing 954t over the last five sessions after an unusually active week last week clearing 1,601t.
- Wuxi futures stabilized this week, with the main front contract settling at RMB 337,000/t, little changed from RMB 338,000/t last week.
- However, 20-day realized volatility on Wuxi rose sharply to 26% from 19%, while 60-day and 120-day volatility climbed to 21% and 17% respectively.
- Wuxi warrant inventories, fell sharply, down 25% week-on-week to 1,554t from 2,025t, though this had no visible impact on futures prices as market focus remains on cobalt sulfate transactions.

CME Cobalt Forward Curve



Date	CME Cobalt ($/lbs)	W-o-W change (%)	M-o-M change (%)
Q3 26	$ 24.94	0.06%	(3.95%)
Q4 26	$ 23.40	(2.50%)	(8.95%)
Q1 27	$ 23.68	(2.84%)	(8.71%)
Q2 27	$ 23.90	(2.75%)	(8.29%)
Cal 26	$ 24.02	(1.45%)	(6.94%)
Cal 27	$ 24.07	(2.48%)	(7.86%)
Cal 28	$ 25.09	(2.33%)	(6.11%)
Cal 29	$ 26.03	(0.31%)	(4.51%)
Cal 30	$ 26.20	(0.38%)	(4.20%)

Wuxi Cobalt Metal



Date	Wuxi Co Inventory (t)	Daily Volume (t)	Co2607 (RMB/t)	Co2607 (USD/lbs) VAT incl.	FMSG Low (USD/lbs)
31.Jul.26	1,554	40	¥ 337,000	$ 22.66	$ 25.50
30.Jul.26	1,558	67	¥ 337,000	$ 22.66	$ 25.50
29.Jul.26	1,560	35	¥ 337,500	$ 22.69	$ 25.50
28.Jul.26	2,064	52	¥ 333,000	$ 22.39	$ 25.50
27.Jul.26	2,020	51	¥ 332,000	$ 22.32	$ 25.35
24.Jul.26	2,025	43	¥ 338,000	$ 22.72	$ 25.35

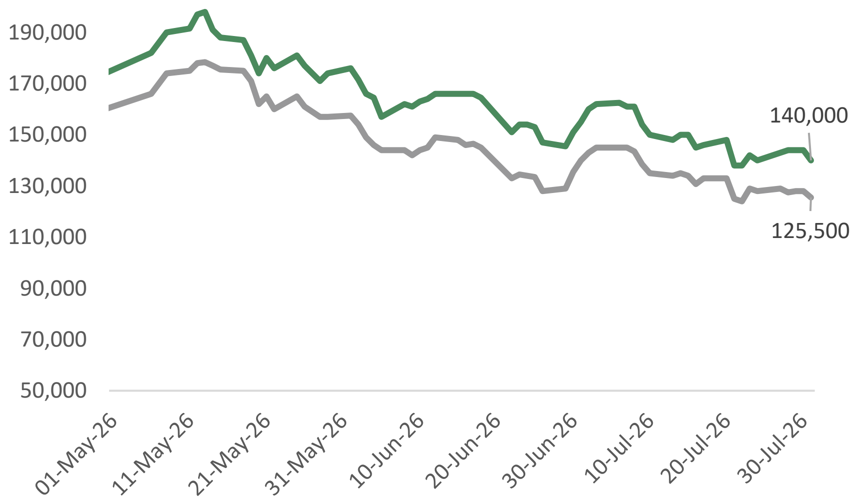
Sources: CME, Wuxi, Voltaire Minerals Analysis

Lithium

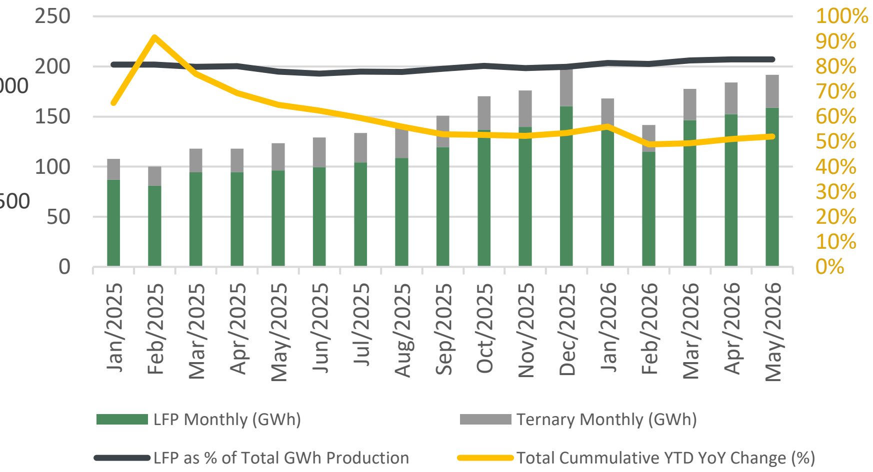
Lithium carbonate price unchanged WoW while hydroxide falls 2%, but battery demand outlook remains strong

- SMM Chinese lithium carbonate price was unchanged week-on-week at Rmb 140,000/t ($18.37/kg 13% VAT excluded) while hydroxide fell 1.95% to Rmb125,500/t ($16.46/kg 13% VAT excluded)
- Growth in batteries for H1 2026 has been very strong, with August forecasts suggesting that trend will continue:
  - China's BESS installed capacity hit 153 GW (~392 GWh using 2025's 2.58 hour system average from CNESA) by June, up 61% YoY, per the Chinese National Energy Administration.
  - CATL posted H1 26 revenue of 276.92 billion yuan (US$40.89 billion), up 54.8% year-on-year. Of this, 19% or 53.25 billion yuan (US$7.86 billion) came from its ESS division, growing 87.54% YoY and increasing its share of revenue by 4%-points. The company is optimistic about demand in H2 26 and 2027, expecting the battery industry to grow at 20-30% CAGR over the next 5 years.
  - ICCSino's most recent survey suggested battery production would increase by 10% in August while Chinese market research firm Dadong estimated the market would grow 8%.
- Following the new 2% consumption tax for Li-ion batteries coming into effect September 1, 2026 in China, CATL commented that the 2% consumption tax will be shared jointly with customers. Meanwhile, EVE Energy reported that it will increase its domestic battery prices by 2% across all products, including those sold on contract but not yet delivered, effective September 1. The ability for producers to pass through cost increases suggests tightness in the end-consumer market.
- SMM old methodology carbonate inventories decreased by 3.3kt week-on-week to 83,587t, the largest WoW decrease since November 2025, while the new/broader sample inventories decreased 6,449t to 107,887t. A new Mysteel LC inventory, tracking 207 samples across converters (74), traders (62), and cathode makers/end-users (72), x§shows inventories at 162,450t, down 6,950t WoW.

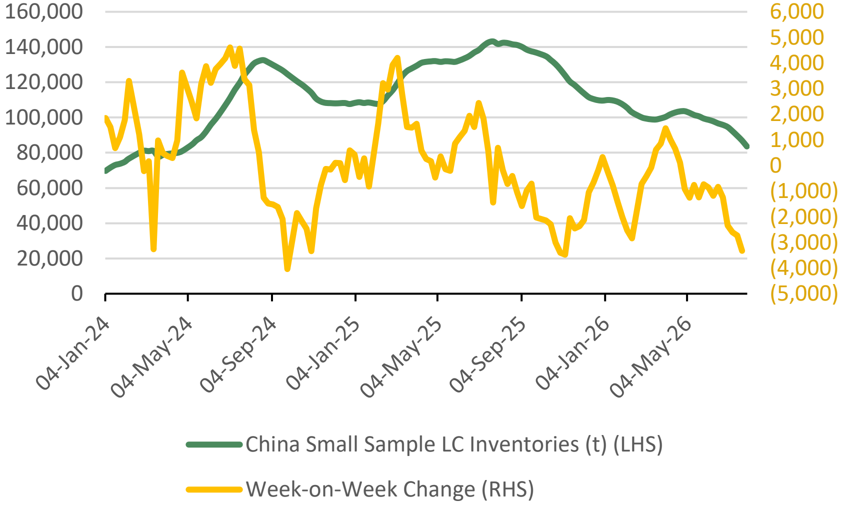
SMM China Lithium Prices (Rmb/t)



Chinese Battery Production (GWh) by Battery Chemistry



China LC Inventories (Old Methodology)



Sources: Mysteel, SMM, FastMarkets, CNESA, ICCSino, Voltaire Minerals Analysis

Lithium Futures

CME and GFEX Lithium Futures fall as CME LiOH flattens and GFEX Lithium Carbonate remains backwardated

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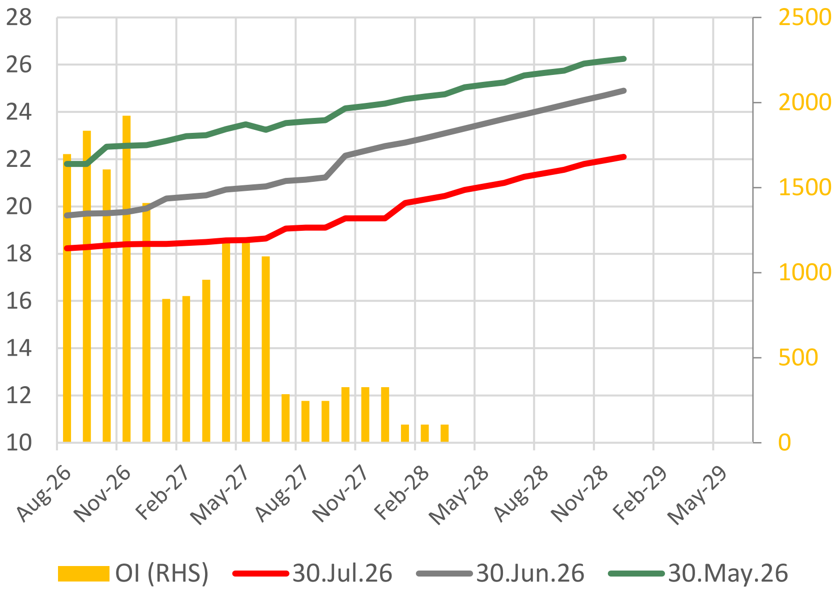
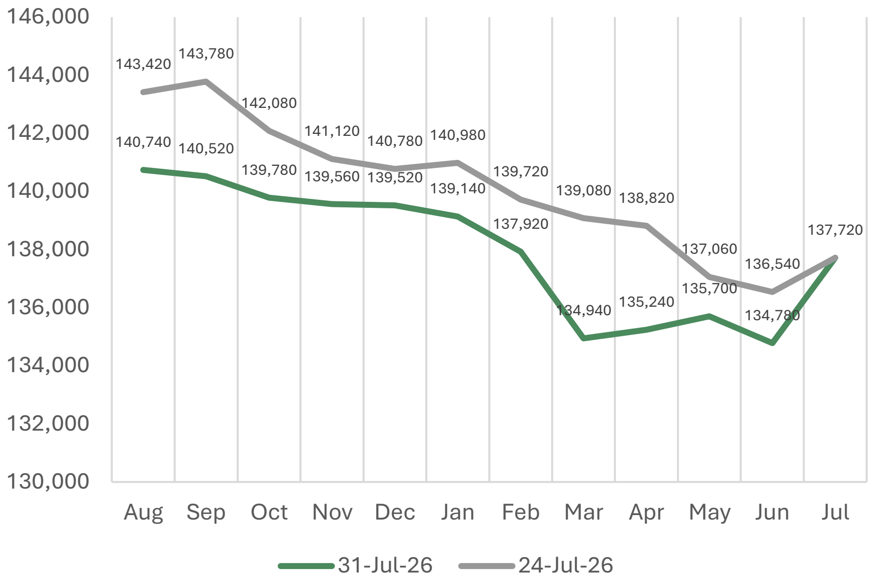
- The CME LiOH futures curve saw a flattening as the backend fell over 3% while the front-end only fell about 1%. The Sep26-Jan27 spread was squeezed to C$0.14/kg down from C$0.37/kg the previous week.
- CME's lithium hydroxide futures contract saw its first Cal-28 trades this week, with four block trades brokered by Freight Investor Services covering first-quarter 2028 strips at $20.50-$20.55 per kg, totaling 213 tonnes across the four deals. FIS called the activity a sign of counterparty confidence in the contract as a long-term hedging tool.
- The CME will launch a lithium carbonate options contract on August 17 which will settle against the Fastmarkets lithium carbonate CIF CJK monthly average price. The initial listing will be Sep26 and monthly contracts through the next two calendar years. The move follows a 21% year-on-year rise in futures volumes as BESS developers seek hedging tools after lithium prices surged in 2026.
- The GFEX LC2609 contract ended the week down 4.5% to Rmb137,760/t ($18.07/kg 13% VAT excluded). The GFEX curve fell across the next 11 months, only July remained unchanged, maintaining the backwardation which appeared last week.

CME Lithium Hydroxide Forward Curve



Date		CME Lithium Hyd ($/kg)	W-o-W change (%)	M-o-M change (%)
Q3 26	$	18.26	(1.38%)	(7.15%)
Q4 26	$	18.39	(0.63%)	(7.12%)
Q1 27	$	18.46	(3.15%)	(9.53%)
Q2 27	$	18.60	(3.81%)	(10.52%)
Cal 26	$	18.34	(0.93%)	(7.13%)
Cal 27	$	18.91	(3.63%)	(10.68%)
Cal 28	$	21.13	(1.97%)	(11.24%)

GFEX Lithium Carbonate Future Prices (RMB/t)



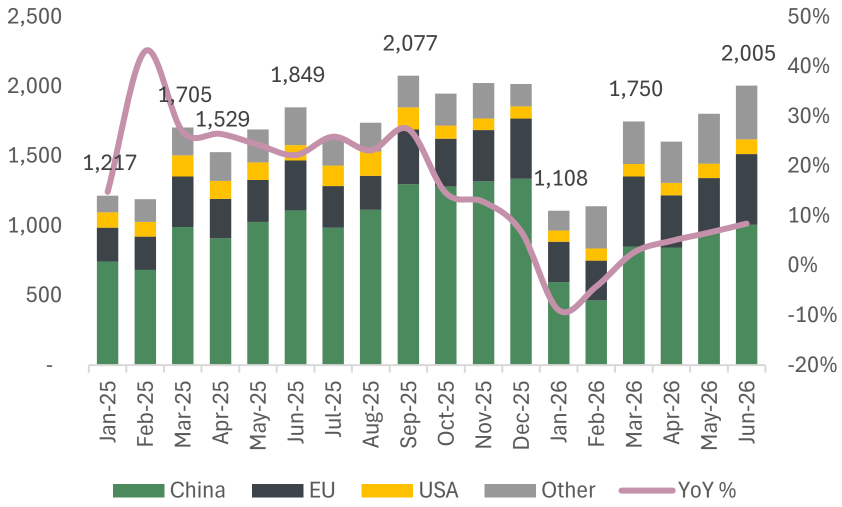
Date	Daily Inventory	Daily Volume	Open Interest	Price Change (%)	GFEX Price (RMB/t)	
31.Jul.26	25,042	182,183	327,682	-2.34%	¥	137,760
30.Jul.26	38,981	197,757	330,683	-4.62%	¥	141,060
29.Jul.26	39,315	205,654	335,476	3.08%	¥	147,900
28.Jul.26	38,278	217,777	348,395	-2.54%	¥	143,480
27.Jul.26	38,418	169,766	354,044	2.04%	¥	147,220
24.Jul.26	39,879	171,069	354,629	-0.50%	¥	144,280

Sources: CME, GFEX, Voltaire Minerals Analysis

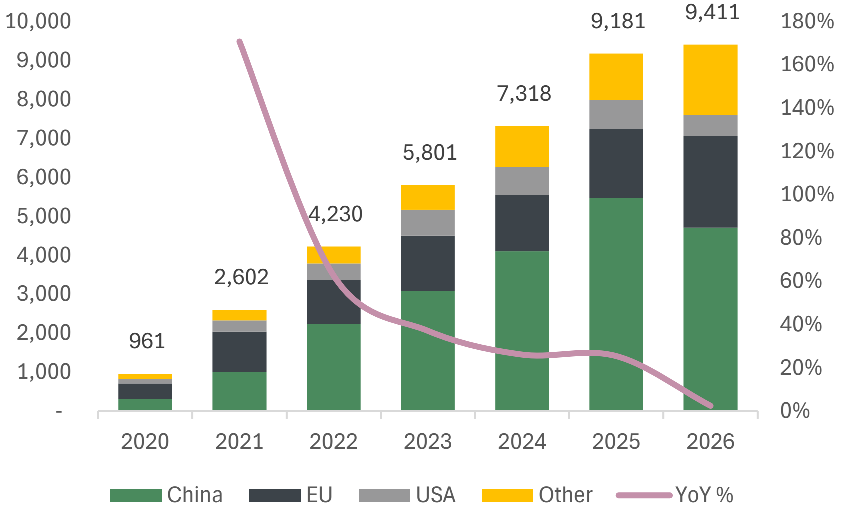
Global EV sales increase just 3% year-on-year in H1 2026

- Global EV sales in the first half of 2026 grew by just 3% year-on-year, or an increase of 230k vehicles, as Europe (+568k vehicles; +32% YoY) and the Rest of the World (+230k vehices; +51% YoY) narrowly outweigh the weaker markets in China (-753k vehicles; -14% YoY) and the USA (-199k vehicles; -27% YoY). Notably, EV sales in Japan more than doubled in H1 26 to 59k EVs following the Japanese government increasing the EV purchase subsidy by 40% to roughly $8,000 (1.3 million yen). Still, EV sales represent just 3% of all passenger vehicle sales in Japan.
- Despite a weak Chinese domestic EV market, Contemporary Amperex Technology (CATL), the world's largest EV battery maker, posted first half of 2026 net profit of 43.28 billion yuan (about US$6.37 billion) a 41.98% increase year-on-year. Their Power Batteries segment, responsible for EV batteries, generated sales of Rmb 192.1 billion (US$28.4 billion) up 46.02% YoY and representing 69% of total revenue.
- Another Chinese company is looking to take a stake in existing European manufacturing capacity with cell manufacturer Gotion High-tech, 25% owned by Volkswagen, in discussions to create a joint-venture with PowerCo's, 100% owned by Volkswagen, Sagunto plant near Valencia in Spain. Gotion would take the majority stake in the plant, leaving PowerCo with a minority share. A majority Gotion stake could widen the Sagunto plant's customer base beyond VW, with Ford's Almussafes factory cited as a potential buyer as Chinese carmaker Geely plans to take a stake in that plant as reported last week. The move follows delays at the site, with pre-series production pushed to December 2026, series production not expected before summer 2027, and only 50 of the 500 required pre-series staff hired. Regardless of developments in Sagunto, Gotion is also advancing its plans for a factory in Valladolid, Spain.

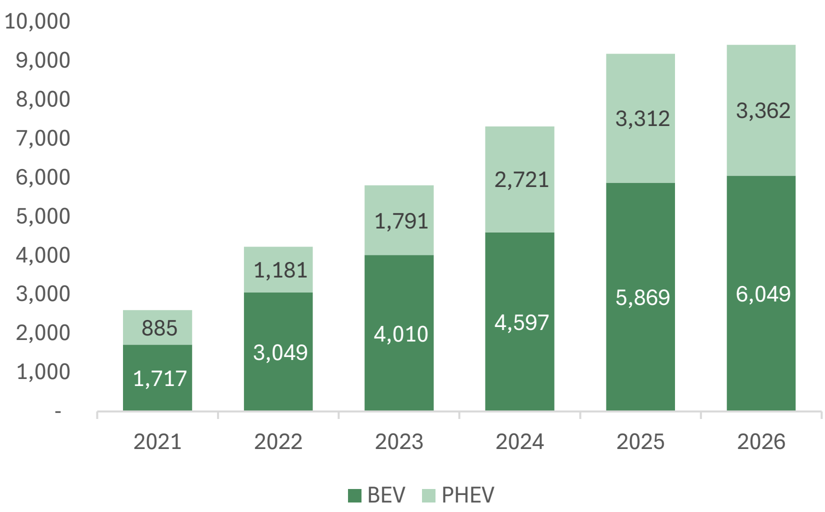
Monthly Global EV sales



H1 Global EV sales per Year



H1 2026 Global EV sales by Type



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

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