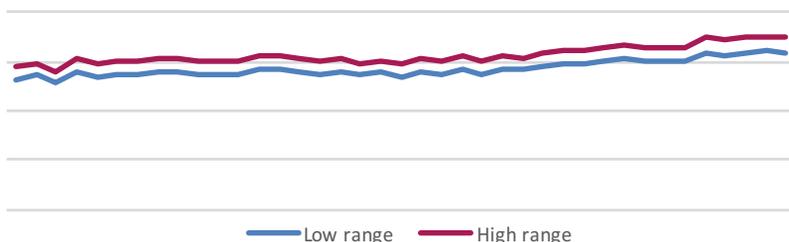


# Lithium Monthly Outlook: News, Stocks and Market Prices

SAMPLE

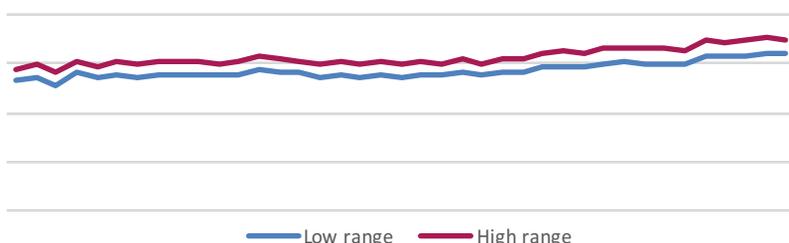
May, 2016

Lithium Carbonate Market Prices - Monthly Estimate– US\$/ton



Last month lithium Carbonate price continue rising, and ranged between US\$ X,XXX – US\$ X,XXX /per ton. This estimates represent average monthly prices to customer based on mid-long term contracts and it is an average between technical and battery grades. Spot prices are currently at higher levels.

Lithium Hydroxide Market Prices - Monthly Estimate– US\$/ton



During the first quarter of the year lithium hydroxide prices ranged between US\$ X,XXX – US\$ X,XXX per ton according to the signumBOX’s model. Lithium hydroxide exports from the US to Canada at a lower price distort the estimate of global market prices.

Source: signumBOX estimates

Note: Both prices correspond to an average between technical and battery grades.

## Lithium Exports Stats

Country	Company	Product	Tons*		Average FOB Price (US\$/ton)		Tons - Total	
			LMA**	Jan - LMA 2016	LMA**	Jan - LMA 2016	2015	2016***
Chile	SQM	Li2CO3	4,888	19,709	6,684	5,814	25,873	42,908
		LiOH	705	2,723	8,580	7,934	3,778	5,985
		Brine	698	3,094	3,105	1,848	5,822	5,562
	Albemarle	Li2CO3						
		LiCl						
		Brine						
Argentina	FMC	Li2CO3						
		LiCl						
	Orocobre	Li2CO3						
US	All	LiOH						
Australia	All	Lithium concentrate						
China	All	Li2CO3						
		LiOH						

SQM’s lithium carbonate exports on May kept the rising tendency showed during the first months of the year, which lead us to estimate total exports for 2016 considerably higher if compared with 2015.

SQM’s FOB prices increased on May compared with last month, which reinforces the upward tendency the previous months.

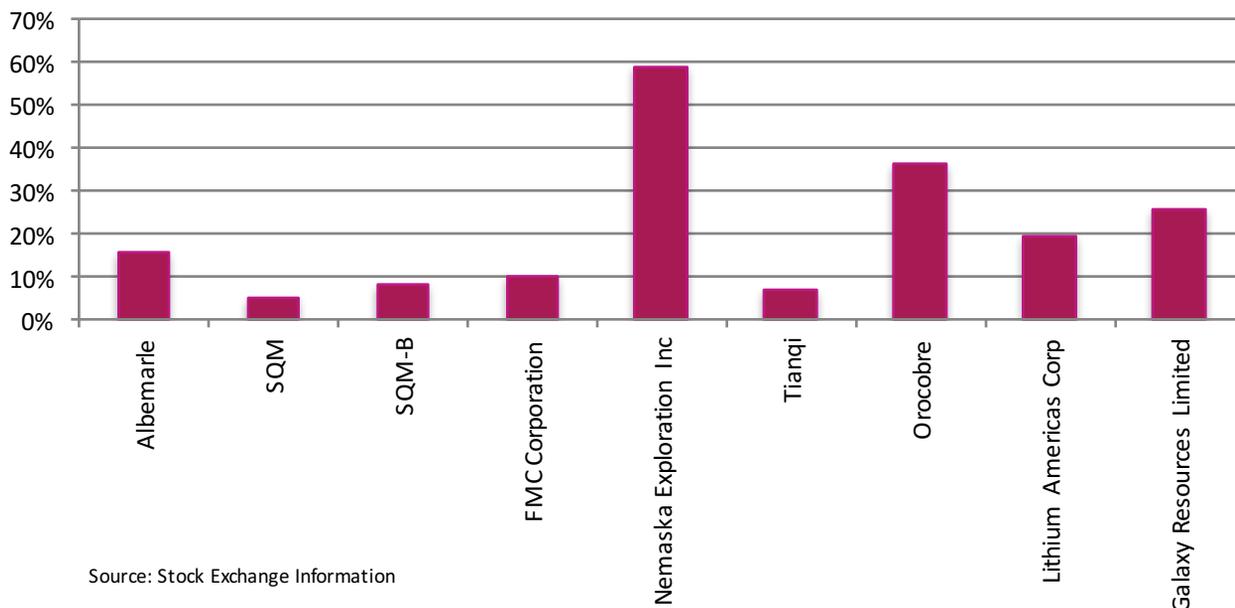
Notes:

\*Tons expressed as LCE with the exception of lithium concentrate.

\*\* LMA: Last month available: Chile and China may-16, Argentina June - 16, US and Australia April– 16.

\*\*\* 2016 forecast, signumBOX estimates according to shipments’ evolution and growth rate with the information available as of LMA.

### Monthly Lithium Stocks Performance



**May was a good month for Li stocks**, all companies presented an increase in prices if compared with April's close price. Lithium producers' stocks averaged an increase of XX% and developer stocks' increase averaged XX%. It is important to highlight the good performance of Nemaska, which was boosted by the announcement that the company received the first CAD\$5 million tranche from Ressources Québec Inc. for the development of a lithium hydroxide plant.

Stock, Commodities and Index Performance					
	Price	1 Mo	3 Mos	6 Mos	12 Mos
Li Producer					
Li Developer					
TSX					
S&P 500					
IPSA					
ASX					
NMX					
Petroleum (US\$/barrel)					
Potassium (US\$/ton)					

Sources: World Bank, Energy Information Administration and stock exchange information.

## Monthly Recap Lithium, Batteries and Automovile sector

**FMC Corporation reported results for Q1 2016**, highlighting for the lithium segment revenues of US\$ 60.3 million, 7.6% higher than the same quarter in 2015. Income from continuing operations were US\$ 14.9 million in the period, 170% higher than Q1 2015. According to the company, price increases across the portfolio and lower raw material costs contributed to the higher income. The company expects that demand would continue strong, driving higher prices.

### *SIGNUMBOX COMMENT....*

**Albemarle reported results for Q1 2016**, highlighting net sales of US\$ 216.2 million for the Lithium and Advanced Materials segment, an increase of 8.8% from first quarter 2015. Adjusted EBITDA was US\$ 86.5 million, an increase of 11.4% from first quarter 2015 and it was impacted by US\$ 0.7 millions of favourable currency exchange impacts as compared to the prior year. Higher overall sales volumes and favourable pricing explain the remaining US\$ 8.2 million increase.

### *SIGNUMBOX COMMENT....*

**The soda ash producer Ciner Resources releases 1Q2016 financial results**, highlighting a decrease of 1.6% in the soda ash volume produced in relation with the same period last year although an increase of 1.1% in the volume sold mainly explained by a significant drop the ore quality, also the company stated that domestic average sales price declined 6.7% mostly due to freight.

### *SIGNUMBOX COMMENT....*

**Lithium Australia signs alliance with the exploration company Cazaly Resources** in order to form the Goldfields Lithium Alliance for the exploration and development of lithium projects in the Western Australia. According to the information, the equity in the GLiA would be 50/50 for an initial period of 5 years that would include all interests of both companies within the designed area.

### *SIGNUMBOX COMMENT....*

**Pilbara received positive results on Pilgangoora Lithium-Tantalum deposit.** The Australian company reported results from ongoing in-fill and extensional drilling at its flagship Pilgangoora Lithium-Tantalum project near port Hedland in Western Australia highlighting an upgrade to its exploration target for the Pilgangoora project to 130-150Mt grading 1.2-1.5% Li<sub>2</sub>O compared with the 100-110Mt at 1.2-1.5% Li<sub>2</sub>O previously announced. The company stated that 12,524m of RC drilling have been completed to date and an additional 16,000m RC drill program has been approved in order to delineate the additional mineralization.

### *SIGNUMBOX COMMENT....*

**SQM updates information regarding its JV with LAC.** Further to the announcement of the joint venture agreement between SQM and Lithium Americas for the development of the Cauchari-Olaroz lithium project, SQM informed that the companies expect to start construction by the first half of 2017 and begin plant commissioning and production by 2019. The total capital expenditures for the Minera Exar project (50/50 joint venture LAC and SQM) are estimated between US\$ 500 million and US\$ 600 million.

### *SIGNUMBOX COMMENT....*

## Monthly Recap Lithium, Batteries and Automovile sector (continued...)

**Nemaska completes acquisition of Shawinigan facilities in Quebec.** Nemaska Lithium informed that it has closed the purchase agreement with Société de développement Shawinigan for the part of the land of the former Resolute Forest Product's Laurentide plant in Shawinigan, Quebec that will house the company's lithium carbonate and hydroxide plant. According to the agreement, Nemaska would pay \$2M in two instalments, a first tranche of \$300,000 and a second of \$1.7M.

### *SIGNUMBOX COMMENT....*

**Cypress reports assay results from its Clayton Valley Lithium project.** The mining exploration company announced that it has received lithium assays from the ongoing phase-2 sampling program at its Clayton Valley project located in Esmeralda County, Nevada, highlighting that the results show 2 kilometers of outcropping claystones that assay app. 1,000 ppm lithium on average. The company's phase-3 of the drilling program will include the drilling of shallow auger holes in order to provide initial subsurface data and assays under areas of lithium mineralized salty claystone outcrops.

### *SIGNUMBOX COMMENT....*

**Umbral Energy has entered into a property purchase agreement** with the investment company Zimtu Capital Corp. to acquire a 100% interest in the Gerlach Nevada Lithium brine project located app. 125 km northeast of Reno, Nevada.

The company plans to execute an exploration program that will consist on surface sampling and shallow aquifer fluid analysis in order to determine the potential of a mass lithium brine deposit.

### *SIGNUMBOX COMMENT....*

**International Lithium begins work on Mariana lithium project in Salta,** the US\$3.19 million drilling program will include a geophysical survey and a resource estimation.

### *SIGNUMBOX COMMENT....*

**Lithium Corporation signed a definitive agreement with 1067323 B.C. LTD** regarding the company's San Emidio lithium brine property located in Washoe County, Nevada. According to the agreement, 1067323 B.C. may earn an 80% interest in the property by a payment of \$100,000, issuance of 300,000 common shares and work performed on the property in the amount of \$600,000. In order to obtain the remaining 20%, 1067323 B.C. has to pay \$1,000,000 where Lithium Corporation would retain a 2.5% Net Smelter Royalty.

### *SIGNUMBOX COMMENT....*

**Pure Energy commences lithium mini-pilot plant work,** which will recovery lithium in three distinct phases, Lip™ (physical removal of alkaline earth elements), LiSX™ (recovery of lithium into concentrated lithium sulphate) and LiEL™ (conversion of the lithium sulphate solution into a concentrate lithium hydroxide solution)

In addition, the company announced the results from the phase-2 of the drilling program executed at its Clayton Valley South Lithium brine project consisting on three wells which results showed no significant lithium values although the data indicate the presence of an active geothermal system. Phase 3 continues and it would serve for monitoring well for future pumping tests.

### *SIGNUMBOX COMMENT....*

## Monthly Recap Lithium, Batteries and Automovile sector (continued...)

**North Arrow sells two lithium assets.** The company has signed a binding letter of intent with Athabasca Nuclear Corp. to sell North's 100% interest in the Torp Lake, Nunavut and Phoenix, the closing of the transaction is subject to the completion of definite documentation.

### *SIGNUMBOX COMMENT....*

**Asburton signs agreement to acquire lithium deposit.** The company announced that it has signed a Definitive Agreement with the mineral company Strider Resources to acquire an option over the Thompson Bros. Lithium property in Wekusko Lake, Manitoba. The property is a spodumene rich pegmatite dike, a resource calculation made in 1998, resulted in an "undiluted drill indicated mineral resource" of 3,968,000 tonnes at an average value grade of 1.29% Li<sub>2</sub>O.

### *SIGNUMBOX COMMENT....*

**Dajin commences seismic survey at Teels Marsh.** Dajin Resources reported that it has selected the company Eagle Exploration to carry out a high-resolution seismic survey at its Teels Marsh Lithium project that is expected by the company to help in well targeting as to depth and location.

### *SIGNUMBOX COMMENT....*

**Nevada Sunrise signs definitive joint venture and option agreement** with Resolve Ventures for the latter to earn up to a 50% working interest in the Neptune lithium property. In the first option for Resolve to earn a 25% interest will have to make cash and share payments in the amount of \$300,000, and after completion of the exploration expenditures for year 1 and 2 totaling \$1,000,000 and the payment of cash and shares in the amount of \$800,000, Resolve would earn a 50% interest in Neptune.

### *SIGNUMBOX COMMENT....*

**Critical Elements announced that Platypus Minerals has exercised the Lemare Option** and has directed Lepidico Ltd to proceed with the signing of a share sale agreement under which Platypus is to acquire 100% of the issued shares in Lepidico. The Lemare projects contains an undrilled spodumene pegmatite at least 200m long and grading up to 12m @1.96% Li<sub>2</sub>O.

### *SIGNUMBOX COMMENT....*

**Latin Resources signs JV agreement for lithium projects development.** Latin Resources announced that it has signed a binding term sheet in order to form a joint venture between the company and Lepidico Limited, in order to seek opportunities of advanced lithium projects in Argentina and Peru. The companies would create two Australian companies; one would be focused on Argentina and the other on Peru.

### *SIGNUMBOX COMMENT....*

**Nevada Energy acquires additional claims at lithium project in Nevada.** Nevada Energy Metals announced that it has increased its lithium brine exploration assets with the acquisition of 1,036 hectares in the southwest Black Rock Desert, Nevada. The company stated that plans to carry out an exploration program to determine the potential for a lithium brine deposit.

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