

Sibanye-Stillwater CEO says lithium prices will rise

Europe will struggle to secure domestic supplies of vital battery mineral lithium due to permit delays and local opposition to projects, driving prices higher, Sibanye Stillwater CEO Neal Froneman said on Tuesday.

By Nelson Banya 15 Nov 2023



Lithium crystal. Source: Sibanye-Stillwater

Prices for battery-grade lithium have declined but remain at historically high levels and the market is forecast to move to mounting deficits from 2025 onwards, according to SFA Oxford analysts.

Permitting problems and opposition by local groups had derailed a project in Serbia and jeopardised projects in Portugal and Spain, SFA Oxford analysts told a briefing.



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Diversified miner Sibanye is developing its 80% owned Keliber lithium project in Finland at an initial cost of €656m. It expects to start delivering 15,000 metric tons of battery-grade lithium hydroxide annually to the European battery market from 2025.

The European Union is pushing to reduce its reliance on China, which dominates global battery metal supply, and has proposed a Critical Raw Materials Act (CRMA) that seeks to drive local production.

The act sets time limits on granting permits for strategic mining, recycling and processing projects, and requires large companies needing strategic materials in key technologies to do regular risk assessments of their supply chains.

But metals consultancy SFA Oxford says the EU is likely to miss its target of mining 10% of its lithium consumption domestically by 2030, partly due to permitting hurdles and local opposition, as battery electric vehicle demand grows amid global drive towards cleaner energy.

Opposition, mostly from environmental groups, often challenges decisions to grant permits. Miners and analysts have also noted onerous conditions to obtain permits in Europe and the US, compared to Africa, for instance, where Chinese miners dominate the mining of lithium and other battery minerals such as cobalt.

Briefing analysts on Sibanye's battery metal projects, Froneman said "mounting social anger" in Europe and the US pose a challenge for new mining projects.

"I think many of the projects are going to really struggle to come online, which will ultimately drive up the price of lithium and impact the cost of battery electric vehicles," Froneman said.

Sibanye is currently awaiting a decision on appeals against an environmental permit it received for the Rapasaari mine and concentrator, part of the Keliber lithium project.

Management says construction of both the mine and concentrator was going ahead while the appeal process was underway.

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