

# Argus Metals Week: Battery Opening Summit

17 February 2020 | Hilton Tower Bridge, London



## Cez looks to buy European lithium stake

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Growing demand for power storage has prompted Czech state-controlled utility Cez to move upstream, reaching a conditional agreement to invest in Australia-based European Metals' Cinovec lithium mining project in the Czech Republic.

Under the deal, Cez would acquire a 51pc stake in European Metals' Czech subsidiary Geomet for €34.06mn (\$37.7mn). Geomet holds the rights over the Cinovec project.

The investment would fully fund the Cinovec project up to a construction decision, said European Metals managing director Keith Coughlan.

Cinovec is a hard-rock lithium deposit with a probable ore reserve that could produce 22,500 t/yr of lithium carbonate. European Metals, in an update to its pre-feasibility study from June, said the project could produce lithium carbonate or lithium hydroxide, depending on market requirements. Demand for lithium for use in battery production is increasingly moving towards lithium hydroxide, which is used for chemical stability in cathodes with higher nickel content to extend the energy density.

Cez has expanded its business beyond electricity production and distribution to electrification of transport. The company has installed and operates a network of electric vehicle (EV) charging stations in the Czech Republic and sells EVs to consumers. Cez intends to develop energy storage and battery manufacturing projects, and in July signed an initial deal with Slovak business accelerator InoBat to explore the development of energy storage projects in the Czech Republic and central Europe.

Cez's involvement in the battery industry is expected to assist in securing offtake agreements for the Cinovec project.

Companies involved in the burgeoning battery industry in Europe are moving upstream to secure stable supply of raw materials including lithium, as they compete with companies in Asia-Pacific where battery production has become established. In the automotive sector, BMW has signed a five-year deal with Chinese lithium producer Ganfeng to supply material to cathode or battery manufacturers on its behalf.

Renewables accounted for around 11pc of Czech electricity generation in 2018, and the country is targeting 21pc by 2030, in line with the EU's energy policy framework. Much of the country's installed renewable capacity is solar, and battery storage installations would allow it to maximise solar generation to meet electricity demand.

There are around 100 energy storage projects completed or under development in Europe, data from Argus' power storage project tracker show, although there are none yet listed in the Czech Republic.

*By Nicole Willing, Argus Media*

### Continue your learning..

Attend the **Argus Metals Week Batteries Opening Summit** on **Monday 17th February** in London.

The agenda consists of a variety of sessions that discuss in depth lithium in the European market. Sessions include:

- Discussing the relationship between lithium pricing and overprediction in the lithium market
- Unlocking the potential of lithium hard rocks: Direct LiOH conversion
- Lithium supply projection showcase
- Roundtable: Is lithium overshadowing more integral battery metals and minerals?

**Click here** to read the full agenda

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