

## **Lithium supply consolidation predicted**

### **Orocobre CEO says 60 firms are too many**

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The lithium supply sector needs to consolidate, suggests James Calaway, CEO of Orocobre Ltd., the leading lithium-potash developer in Argentina.

Since there has been much discussion lately about the future need for lithium to be used to make rechargeable hybrid vehicles, there are some 60 lithium producing and processing ventures. "There is just no need for so many of these projects," Calaway tells MiningWeekly.com on the sidelines of the Prospectors and Developers Association of Canada's annual convention this week in Toronto. "I think there is going to be a consolidation, and I think there are going to be a lot of people washed out."

The company has decided to list its stock on the Toronto Stock Exchange, Calaway says because of the growing lithium sector in North America and the growing number of companies in lithium exploration and development that have listings on Canadian stock exchanges. "We felt it would be good for our company to be a part of that," he says, especially since the firm soon will need cash to develop the Salar de Olaroz project with Toyota Tsusho, now scheduled for commercial production in early 2012.

Orocobre also has unveiled what Calaway believes could be a "game changer" discovery of high-grade lithium brine at the Salinas Grandes project, also in northern Argentina. MiningWeekly.com says the three key factors that determine the quality of lithium brine are the lithium content, potassium content-that is, the potash is produced as a byproduct- and the presence of contaminants like magnesium.

Calaway believes the Orocobre brines "are essentially economically equivalent in their quality to the best, lowest cost production in the world." So he expects his firm to be among the surviving lithium suppliers after the consolidation.