



2011 ELECTRIC METALS CONFERENCE
TUESDAY, APRIL 12, 2011

Talison Lithium Limited

The Lithium Industry Leader

Frank D. Wheatley, Executive Director

Talison Lithium Limited

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Agenda

- ❖ Overview of Talison Lithium Limited

- ❖ Global Electrification
 - ❖ Clean Energy Economy
 - ❖ Lithium's Role

- ❖ Lithium Market
 - ❖ Overview
 - ❖ Lithium Demand
 - ❖ Lithium Demand - China
 - ❖ Lithium Supply

- ❖ Talison Lithium Limited

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Overview

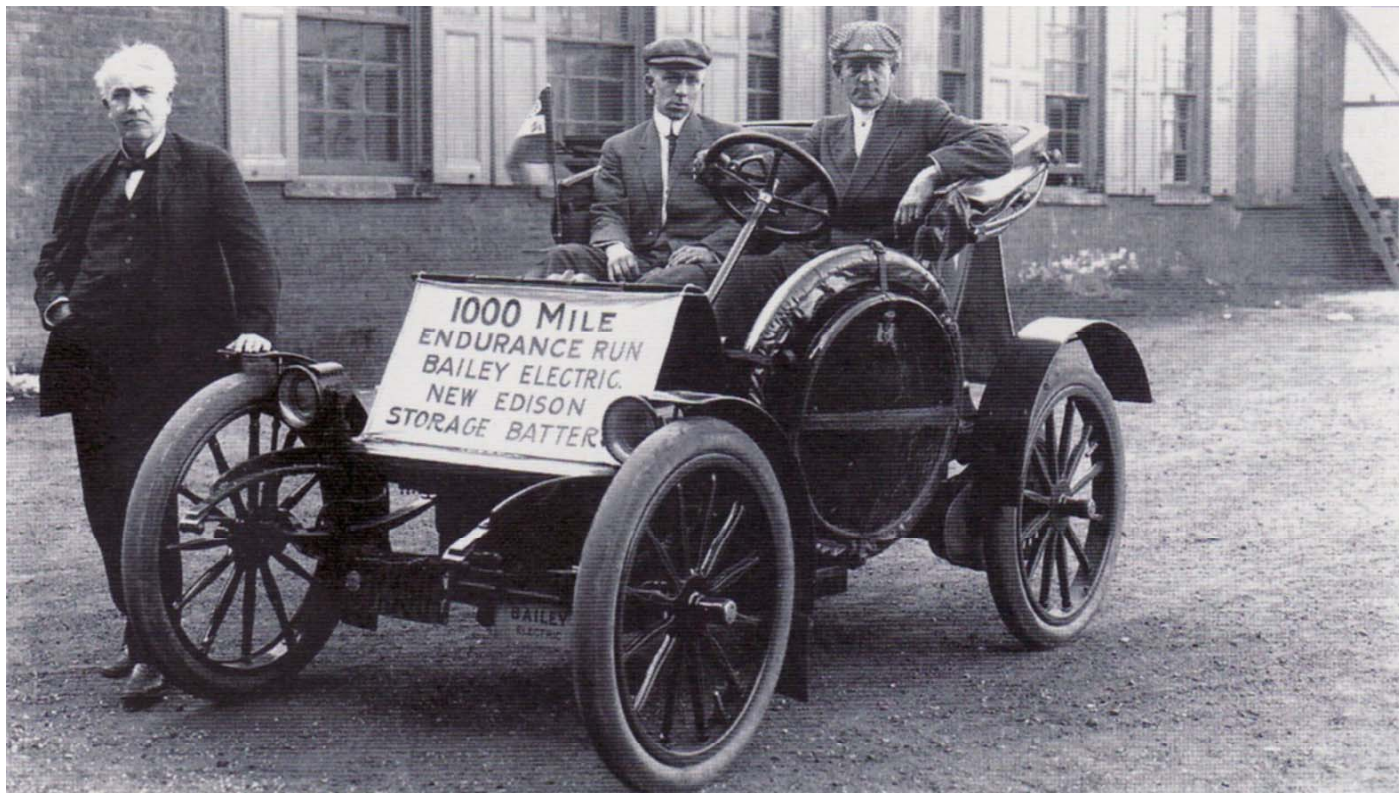
- World's largest publicly traded pure lithium company
- World's largest lithium producer (tonnes LCE basis)
- World class, long-life, high grade lithium mineral reserves
- 25 year lithium production history
- Supplier of the majority of China's lithium

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Global Electrification

- Electrification of Transportation – A 100 year old vision



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Global Electrification

- Electrification of Transportation – Still a current vision in 2011



Porsche 918 Hybrid

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Global Electrification

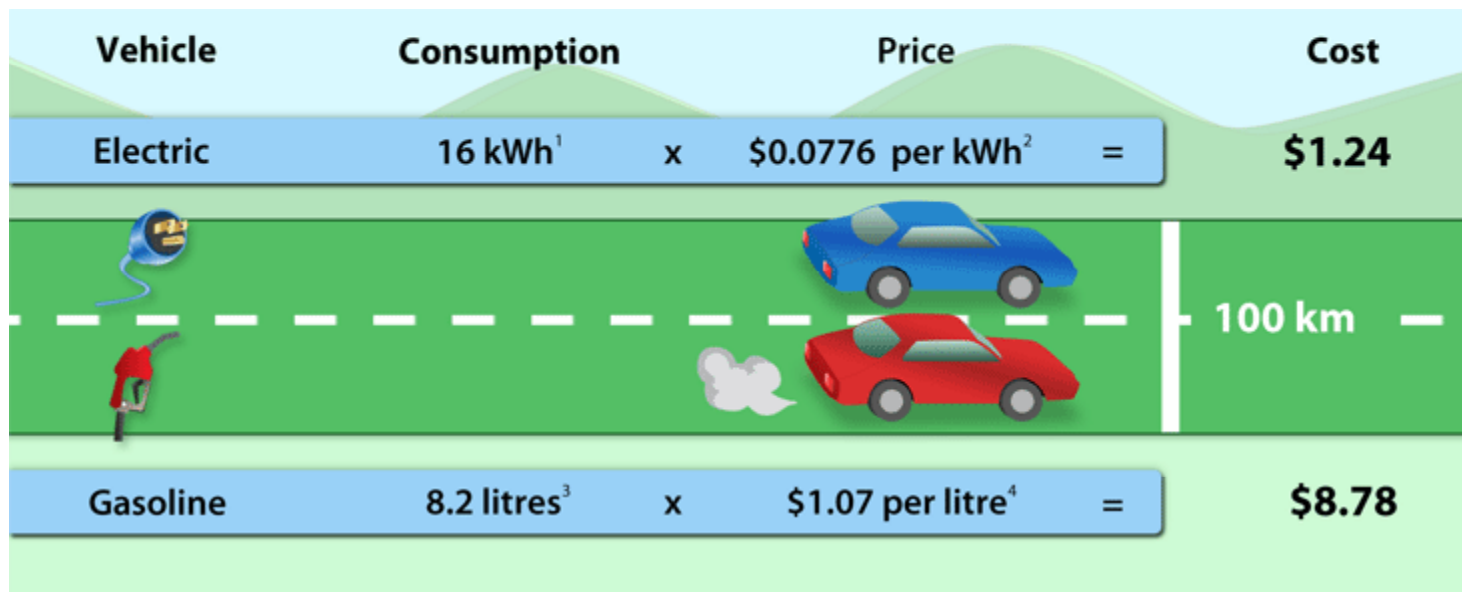
- Pursuit of the Clean Energy Economy
- Role of Lithium
 - Critical component of the energy storage solution
- Main Drivers
 - Energy security
 - Peak oil & security of supply
 - Greenhouse gases emissions & climate change
 - Population growth & demographic change
 - Urbanization & mega cities
- Main Challenges
 - Lithium – ion batteries (performance, range, charging time, lifetime, cost, safety & recycling)
 - Smart grid technology
 - Vehicle to grid interface & integration (power generation, transmission & distribution)
 - Charging infrastructure
 - Government policies & regulations
 - Harmonization of international standards, policies and regulations

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Global Electrification

- Electric Vehicle Case Study: Quebec, Canada: In Québec, electricity is generated from clean, renewable sources and electricity rates are among the lowest in North America
- Cost to “fill up” an electric vehicle in Quebec



It costs 7 times less to drive an electric vehicle

1. Assumption based on average consumption of 16 kWh to drive 100 km. (Source: Electric Power Research Institute)
2. Average residential electricity rate for a client consuming 1,000 kWh per month, April 1, 2010, taxes included. (Source: Hydro-Québec)
3. Assumption based on a consumption of 8.2 L to drive 100 km. For example: 2009 Honda Civic sedan with automatic transmission. (Source: Natural Resources Canada)
4. Gas station price, taxes included. Annual average 2010 (Source: Natural Resources Canada)

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Global Electrification

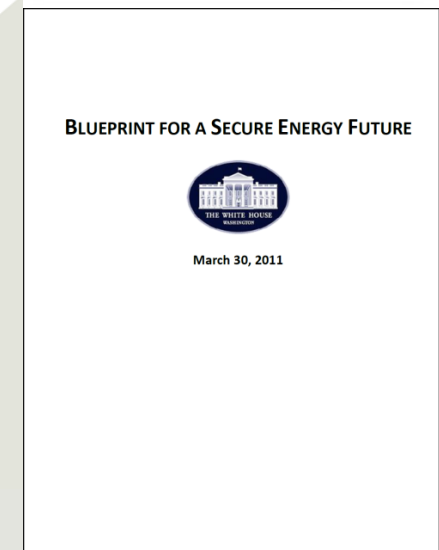
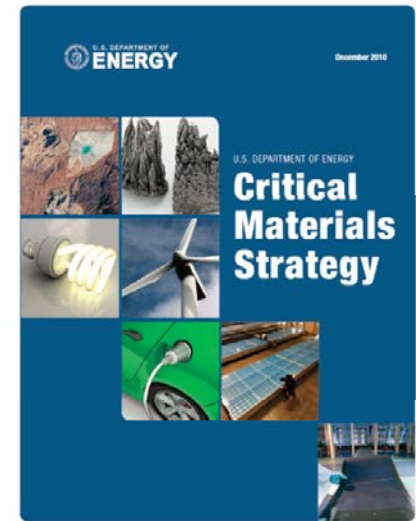
- Global Electrification – Roadmaps
 - Global electrification of transportation given first priority by many governments
 - Proliferation of Roadmaps, Reports, Papers, Studies & Programs
 - Roadmaps generally designed to advance clean energy economies
 - To facilitate the development and deployment of clean energy technologies
 - To outline the vision of electrification, the challenges and proposed next steps
 - G8, Canada, United States, European Union
- Government Initiatives & Policies
 - Each country faces different challenges (geographical, infrastructure & resources)
 - Each government has unique priorities and unique approaches to electrification
 - Incentive frameworks are being designed and implemented
 - Substantial funding is being committed to technology and infrastructure
- Industry Initiatives
 - Industry is also committing substantial resources to Global Electrification
 - Lithium – ion batteries are a key component of Global Electrification

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Global Electrification

- United States
- Department of Energy – Critical Materials Strategy
 - Role of critical materials in clean energy technology
 - Global supply chains of critical materials
 - Criticality assessment of key materials
 - Lithium - categorized as a near term critical material
- White House – Blueprint for a Secure Energy Future
 - Roadmap for a Clean Energy Economy
 - Establishes a three part strategy:
 - Develop and Secure America's Energy Supplies
 - Provide Choices to Reduce Costs and Save Energy
 - Innovate our Way to a Clean Energy Future
 - Innovation for a Clean Energy Future
 - R&D for New Technology Deployment
 - Ensuring Access to Critical Materials for Clean Energy



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Lithium Market

➤ Traditional Applications

- Glass & ceramics
- Grease
- Continuous casting
- Pharmaceuticals
- Consumer electronics



➤ New Applications

- Electric transportation
- Grid energy storage
- Solar thermal
- Nuclear

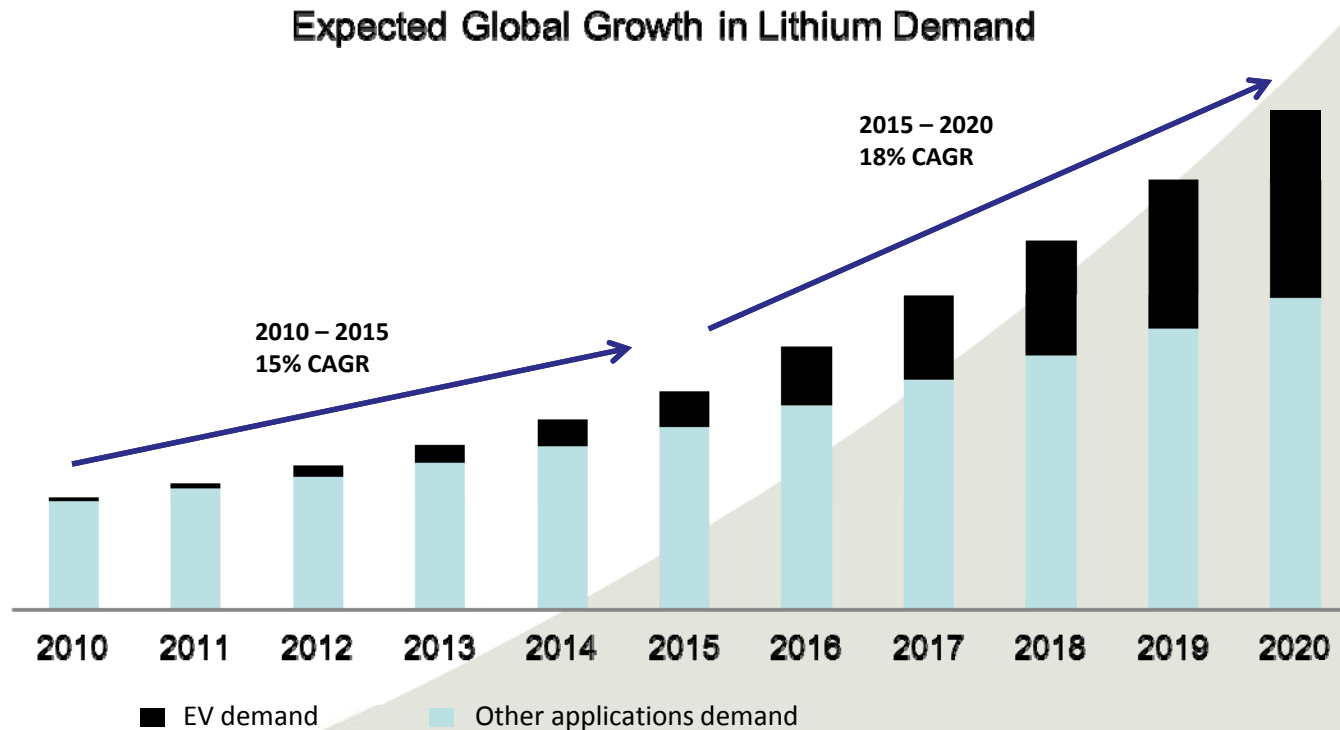


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Lithium Demand

- Total global demand for lithium in 2010 was ~120,000 tonnes LCE



Source: Talison Lithium Limited

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Lithium Demand - China

- China is the largest global consumer of lithium
- China accounts for ~1/3 of global consumption of lithium
- China has insufficient domestic sources of lithium to meet market demand
- Chinese Government driving “Chinese” Electrification:
 - To improve energy security and reduce dependence on foreign oil
 - To reduce greenhouse gas emissions and control pollution from rapid urbanization
 - Establishing policies, guidelines, investment in infrastructure, and financial incentives
- Talison supplies the majority of China’s lithium



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Lithium Supply

- Global lithium supply is dominated by four major producers
- Four major producers supply ~85% of global demand
- Lithium is produced from both mineral and brine sources
- Incumbent lithium producers enjoy significant advantages:
 - Higher quality lithium deposits
 - Reserve capacity to meet future market demands
 - Reliability, consistency, quality, and security of supply
 - Existing infrastructure and logistics
 - Most favorable economics
 - Economies of scale
 - Easily and rapidly scalable operations
 - Experienced lithium industry operators
 - Low incremental capital costs for expansion

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Commitment to the Lithium Industry

- Lithium is a key component of the Clean Energy Economy
 - Talison has been a global supplier of lithium for the past 25 years

- Greenbushes Lithium Operations – Western Australia
 - Talison has historically increased production to meet market demand
 - Talison is currently doubling production capacity to meet future market demand

- Salares 7 Project - Chile
 - Exploration brine project consisting of 7 salars in Northern Chile
 - Provides Talison unique exposure to both lithium minerals and lithium brines

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Investment Case for Lithium

- Lithium is part of the clean energy economy / clean technology industry
- Lithium is a growth industry, in both traditional and new applications
- Lithium is a key component of and plays a key role in Global Electrification
- Global Electrification is only one of the drivers for growth in lithium demand

Investment Case for Talison Lithium Limited

- World's largest publicly traded pure lithium company (TLH:TSX)
- World's largest lithium producer (tonnes LCE basis)
- World class, long-life, high grade lithium mineral reserves
- 25 year lithium production history
- Supplier of the majority of China's lithium
- Expanding production capacity to capture increase in lithium demand
- Strong financial position
- Experienced management

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Thank-you

