Event Transcript

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Start of Transcript

Operator: Thank you for standing by and welcome to the Galaxy Resources Limited December quarter 2020 results conference call. All participants are in a listen-only mode. There will be a presentation followed by a question-and-answer session. If you wish to ask a question, you will need to press the star key, followed by the number one on your telephone keypad. I would now like to hand the conference over to Mr Simon Hay, CEO. Please, go ahead.

Simon Hay: Morning everyone and welcome to the call. Joining me today is Alan Rule, our CFO and we will discuss the Company's December quarter activities report, which was released to the ASX this morning and is available on our website. A reminder that today's discussion will include forward-looking statements that are subject to various risks and uncertainties concerning specific factors. Information presented represents our best judgement based on today's information, actual results may vary.

Starting with sustainability and safety, pleasingly, we saw a significant reduction in our recordable injury frequency rate of 35% across the year, however, the major disappointment was a lost time injury at Mt Cattlin where a contract supervisor was injured and off work for two weeks before making a full recovery. This is our first lost time injury at Mt Cattlin in over four years of this operation and the only LTI the Company experienced in 2020. Progress on our community infrastructure program in Argentina has been delayed by COVID-19 restrictions but we expect those projects to resume this quarter and our second sustainability report will be released online in April.

Moving onto the Sal de Vida project, we continue to make excellent progress across all work fronts despite COVID-19. Travel restrictions remain in place in Argentina and Catamarca and this is having an impact on deliveries to and from site, site rosters and bringing in specialists and contractors. We don't expect the situation to change much in the medium-term. We have not yet experienced a case at our site or in the office at Catamarca, so our controls are very effective but overall we remain cautious as we prioritise the health of our workforce and surrounding communities. Also, yet to ramp up our workforce in any significant way.

On the project, the FEED packages remain on track with the ponds and wellfield at 95% complete and the pilot plant at 25%. The latest information coming through has no surprises and continues to show the project positioned very competitively in terms of capital and operating costs. Onsite, the main activity is the drilling of the production wellfield and we are now well into our second hole. The first two wells, we will go to a greater depth than previous drilling and what we are trying to do here is determine the basement level and test the brine quality all the way to the base. A total of eight wells will be drilled and this will provide all the brine for our first stage of production and take a further six to eight months to complete from here on.

In the pilot plant, we have completed the third run with outstanding results. As you can see in the table, lithium carbonate content peaked at 99.9% purity and you can see a reduction in purities from run two. Now, importantly, we didn't do a lot different in run three compared to run two, other than exert more precise control around key process parameters. We are really pleased to produce these results in a simple flow sheet and pilot plant, this quality is approaching typical battery grade specifications and samples are now being prepared before shipment to prospective customers. The plan from here is that we will continue piloting for most of this year to further refine process control, train our operational workforce, improve our understanding of the evaporation of brine and most importantly continue R&D efforts into battery-grade production. The focus now is to reduce impurities because we have the lithium carbonate content at battery-grade levels.

We are testing a number of relatively simple means of reducing impurities, including the use of off-the-shelf technologies and we're quietly confident of achieving battery-grade over this program.

We intend to adjust stage 1 plant with the simple addition of bolt-on processes at the end of the flowsheet and we expect to implement this seamlessly into stage 1. But look, for the avoidance of doubt, stage 1 flowsheet is locked right now, design and construction will occur as per plan and batter-grade efforts, R&D efforts will not impact stage 1 schedule at all. But post implementation of batter-grade technology will be achieved seamlessly if successful. Overall, the schedule remains on track and we'll complete FEED on package one and update the feasibility study this quarter. Full project details will be announced to the market in early Q2.

The other major milestones for the project include the commencement upon construction mid-year, plant construction early next year and first production in late 2022. We have maintained this schedule now for the best part of a year and COVID-19 still poses the biggest threat to our scheduled course. Currently, we have got a workforce of around 60 staff and contractors on-site so we remain in a lower risk setting compared to full-scale construction. Ramp up of workforce numbers when required will be considered carefully against the backdrop of COVID-19 conditions at the time.

Moving onto James Bay in Quebec. COVID cases have come down well from the peak of the Christmas period, however, restrictions remain in place and our office staff continue to work from home. Essential mining works are permitted and we have a small geotechnical site winter program underway now to confirm grounds and conditions for changed mine designs and plant layouts. We continue to work within the constraints of COVID-19 restrictions. Work is coming to a conclusion on the preliminary economic assessment into a mine and concentrated project. Final technical reports from consultants are being reviewed and compiled into a consolidated report and we are on schedule to announce the PEA findings later in Q1 where we expect to show that we have a very competitive hard rock mine and concentrated project, ideally located close to the North American auto industry. We are in early-stage discussions with a number of potential conversion facility operators and we expect to progress these discussions over the course of the year and these counterparties are obviously very interested in the PEA and delivery of this report is therefore the first concrete step in those discussions .The outlook for James Bay for the remainder of the year is we will undertake basic and preliminary engineering and bring the project to a construction-ready status by year end. At the same time, progressing these downstream discussions with customers.

Moving onto Mt Cattlin operations where it was a relatively solid quarter, we produced over 33, 000 tonnes of product and benefited from high-grade oil processed. We also mined more material than any other quarter in 2020 and this was due to mining from the 2 South East pit, whilst we commenced the pre-strip of 2 North East. 2 North East will provide the majority of our ore this year so it's important that we had that pre-strip completed in Q4. Ore is now exposed in 2 North East and providing feed to the plant. Recovery was below plan for the quarter as we processed more lower grade material from stockpiles and this material has a higher basalt content, which impacts recovery. We also conducted a trial where we processed another stockpiled material, which was secondary float product stream from the plant. This trial was unsuccessful so we won't be reintroducing secondary floats into the plants and we will seek to monetise that stock in another way.

We continue to work on a range of recovery improvements and are making solid progress, hence our forecast recovery for next year of 55% to 58% recovery, just up from the average across 2020. The ore sorter circuit is operating at design capacity and contributed 34% of total feed to the plant in Q4, 20% for the year. We will continue to use this circuit, even as we go back to full mining rate as it does enable us to consume stockpiled and expensed ore.

In regard to sales, we had a record quarter with over 75,000 dry metric tonnes of concentrate shipped and total shipments for the year exceeded 150,0000 tonnes, meaning we were able to draw down inventory significantly, leaving us with a stock of only 17,000 tonnes at year end. This was one of the criteria we set before we would ramp up the plant, that inventory would be at normal levels and that is where we are now. With some movement in our customer ranks through the quarter as we signed a three-year offtake with a new customer, Chengxin Lithium Group, or WeiHua and we moved Meiwa to a spot basis.

I'll hand over to Alan now who will take us through the financials before I come back and touch on the market outlook as well as Galaxy's plans for Mt Cattlin for 2021.

Alan Rule: Thank you, Simon and good morning, everyone. Galaxy successfully completed an equity financing incorporating an entitlement offer and institutional placement in December, raising a total of AU$160.7 million before costs by issuing 94.55 million new shares at an issue price of AU$1.70 per share. The proceeds from this equity financing will be applied to the development and construction of Sal de Vida, stage 1 and the pre-development activities at James Bay to advance it to construction-ready status.

At quarter end, Galaxy was debt free with cash and financial assets of US$215 million, placing Galaxy in a strong financial position. It's worth noting that this closing balance of cash and financial assets does not include the sales proceeds from the December shipment of 45,000 tonnes that was only received in January. At the end of the quarter, Galaxy successfully extended the maturity date of its US$40 million undrawn debt facility with BNP by 12 months to 31 December 2021.

The increase in cash and financial assets of approximately US$109 over the December quarter is made up of the following key components. Net proceeds from the equity financing of approximately US$119 million and that cash inflow at Mt Cattlin of US$7.7 million before the working capital adjustment for the debtor. Capital expenditure of about US$6 million across the three projects, including US$5.3 million at Sal de Vida, primarily on the FEED, cost of the ponds and wells, commissioning of the pilot plant and other site-based activities. Corporate costs of US$4.8 million and the net working capital outflow of US$7.3 million, primarily due to the sale proceeds from the December shipment of 45,000 tonnes only received in January. Total cost of production, FOBs, runs at US$452 for the December quarter. We're about 11% higher than the September quarter, primarily due to a 41% increase in mining volume where we commenced stripping the 2 North East pit and 42,000 tonnes more hauled and shipped. Haulage and shipping costs included in the total cost of production FOB.

Total capital expenditure for 2020 was approximately US$24 million including US$19.6 million at Sal de Vida, US$2.5 million at James Bay and US$1.9 at Mt Cattlin. The forecast capital expenditure for FY2021 is approximately US$75 to US$ 80 million at Sal de Vida. As with any project under construction, this expenditure over FY2020 will be somewhat lumpy so it won't be a smooth expenditure profile. We will, however, provide a further update on the forecast costs for FY2021 when the updated feasibility study is released in late Q1 2021. We'll spend about US$8 million to US$10 million at James Bay and US$3 million to US$4 million at Mt Cattlin.

It is worth noting that the forecast cash cost per tonne produced for FY2021 of US$360 to US$390 from a metric tonne will be higher in the first half as compared with the second half because the mining volumes in the first half are higher than the second half and these costs will flow through in the cash cost per tonne produced. These costs were also sensitive to the FX rate for example at 10% movement in the rate from 0.7 to 0.77, increases unit costs from US$360 to US$390 a tonne. In summary, Galaxy's cash and financial position is very strong and provides funding certainty for Galaxy to execute delivery of Sal de Vida stage 1 and meet its development timeline.

Thanks and back to you, Simon.

Simon Hay: Okay, thanks, Alan. At Mt Cattlin, we are experiencing very strong demand for our spodumene with all our customers, whether they're contracted or spot, seeking supply for this year. As stated in the report, we have completed contractual arrangements for two shipments this quarter. Our most recent agreement is priced at approximately US$480 per tonne CIF. I must state that this price was agreed a couple of weeks ago and since then, the lithium carbonate pricing in China has moved another 10% or thereabouts. This is an important factor as our converter customers will be able to pass through spodumene price increases further down the value chain so we fully anticipate further material spodumene price appreciation by the time we agree terms on our next shipment.

This year, we'll continue to sell on a spot pricing basis with sales that closely track production volumes. We are now fully sold for Q1 and we're in no hurry to agree terms for second quarter shipments as we believe the price will continue to move in the interim.

With low inventory, rapidly improving prices, positive demand indicators and requests from our customers to lift production, our criteria necessary for a ramp up of Mt Cattlin to full rate have been met in full. We have initiated the ramp up and we expect to be at full rate by the start of Q2 and to achieve this relatively seamlessly.

Our mining contractor will utilise the current fleet on nightshift to provide the extra ore that we need, so we don't actually need any extra mining equipment. We need to recruit a few extra staff for vacancies in Galaxy operations but there's nothing stopping us from ramping up now. We have sufficient feed to run the plant 24-7 so we have already ceased operating in campaign mode, although we are not yet running throughput at full rate. Continual operations will also bring some operational efficiencies and assist recovery over the course of the year.

Finally, to the broader lithium market. The positivity in the spodumene and conversion sectors is similar to what we are seeing throughout the whole value chain. EV sales in China and Europe for 2020 generally surprised on the upside and Q4 sales performance was particularly strong, leading to increased utilisation rates in cathode plants and converters and drawdown of spodumene inventory in China, most importantly for Galaxy.

The annual numbers you're seeing now are even more impressive when you consider the first half was very weak with COVID-19 impacting industry and the retail markets. All the substantial growth was in half two and those activity levels are forecast to continue or accelerate this year, no new spodumene supply in the short-term. We don't see positivity in the spodumene market reversing any time soon. In fact, demand indicators are very positive across the board so we think this year will build upwards from the very strong start already evident.

Sal de Vida, I think the growth in LFP batteries is very important as this is the sector we can target for our SdV product. Initially, the resurgence of LFP was thought to be a temporary occurrence, however, recent forecasts show spectacular growth for LFP continuing for the next five years. This is due to the relatively lower material costs, inherently safter chemistry and improving performance of this battery, we think Sal de Vida timing will be opportune to meet this demand from 2023 onwards.

I'll now pass it back to the operator and open it up to questions from analysts. For shareholders, questions as always can be directed to our website and Phoebe and I will reply to you later today.

Operator: Thank you. If you are an analyst or institutional shareholder, you are now welcome to ask a question. Please press star one on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star two. If you are on a speaker phone, please pick up the handset and ask your question.

Your first question comes from Reg Spencer from Canaccord. Please, go ahead.

Reg Spencer: (Canaccord, Analyst) Thanks. Good morning, Simon and Alan. Great to see the sector turning around and volumes picking up with your customers and your own production. My questions, I've got one for each of your three operations and projects. I'll start at Mt Cattlin. When you say that Mt Cattlin will be looking at running at full rate through calendar '21, is it still appropriate to think of a name plate or design run rate at Mt Cattlin closer to 200,000 tonnes per annum and on that note, are you still looking at balancing your overall recoveries with that concentrate grade?

Simon Hay: Yes, Reg, broadly full rate is close to 200,000. I think our best ever production year was 198,000 so we typically target around 48,000 for a quarter. I'd say 196,000/ 195,000 would be full rate. Recovery depends a lot on final product grade. Last year, we targeted 6.0% lithia and we delivered 5.9% on average. This year, we are talking with customers really wanting volume, they are generally prepared to concede on grade if it means they get more volume and more lithia units. That's something we are investigating with our customers but broadly, the recovery that we are targeting, as per the table, 55% to 58% recovery for the year at a con grade of 6.0.

Reg Spencer: (Canaccord, Analyst) Understood, thanks. At Sal de Vida, that product test work has obviously returned some pretty interesting results. Clearly magnesium is still a key impurity and it sounds like there's a little bit of work to be done there but if we think a little bit longer term, the original premise of the redesign of Sal de Vida was to produce an intermediate or technical grade product and then the potential for subsequent purification, whether onside or offsite. Should we now assume that the development of a purification circuit is now not a given in due course and that given the increase in chemical prices, that you'll stick with technical grade?

Simon Hay: No, it's too early to make that assumption, Reg. We will still look at all opportunities, but I will provide a little bit of detail here. Our plan as I've clearly said, is build stage 1 as per our current plan and in parallel, complete R&D efforts and confirm our final product at the later end of this year. If I look at our potential production profile, we have really got three options. We will either do all technical grade, a mix of technical grade and battery-grade or we do all batter-grade if everything works out swimmingly. That really informs our marketing arrangements firstly. All that work to occur this year will influence marketing and then once we have our customers lined up, we will enter downstream discussions with customers. So, do we simply sell? Do we partner on a downstream facility? or Do we go it alone? All those options remain open to us, we are not committing to any of them and really, the technical program around where we end up, battery grade to technical grade, is the key for us before we need to make those decisions.

Reg Spencer: (Canaccord, Analyst) Understood, that's great, thanks Simon. Last one is James Bay. Are you in a position to give us some broad brush or even ballpark project scale parameters to get a feel for how big this operation might be in terms of annual concentrate production capacity and then second, associated question with that is, are there any plans be it in the medium or longer term, to eventually look at downstream integration in your own right?

Simon Hay: Okay, look, on the annual capacity, we are only six weeks away from revealing those numbers, so I'd rather wait until then before entering into any speculation. The only thing I'd say, it'll be bigger than Mt Cattlin in terms of annual throughput. Everything we are looking at there is bigger than Mt Cattlin. On integration, as I said in the spiel, we are talking with a range of customers on downstream opportunities. Now, these discussions will take the form of offtake and/or partnering in the downstream opportunities. At this stage, we are not looking at going it alone on a downstream facility.

Reg Spencer: (Canaccord, Analyst) Okay. Yes, there's not a good track record for the construction of those chem plants up in that part of the world so no, understood. Thanks, Simon, I'll pass it on. Congrats on a good quarter.

Simon Hay: Thanks. Thanks, Reg.

Operator: Thank you. Once again, if you wish to ask a question, please press star one. Your next question comes from Peter at Bell Potter Securities. Please, go ahead.

Peter Arden: (Bell Potter Securities, Analyst) Hi Simon, Peter Arden from Bell's. Just clarification on the inventory at Mt Cattlin. It's great that you have got it down, pity it had to be at almost the bottom of the market prices but that's life. You said in the quarter that you got rid of a lot of the low-grade material, or you have by now. Is there any low-grade concentrate left or has it all gone?

Simon Hay: Hi, Peter. Yes, look, firstly on inventory. Volume always leads price so we did have to clear our stock before it made any sense to ramp up, it was definitely a strategy but yes, it would have been great to have a bit more stock right now as prices rebound. Regarding low grade stock, no, we have cleared the stock. We zeroed a lot of our stockpiles so on a first in, last out, sort of basis. Some of that material that was shipped in Q4 was produced in 2019. So yes, we have totally cleared all low-grade stock.

Peter Arden: (Bell Potter Securities, Analyst) Great, thanks and just in terms of the grade of concentrate you are targeting for Mt Cattlin now. You say that you are really wanting to do 6%. In the past and always, it's been the trade-off of recovery and concentrate grade. Are you pretty much happy now that even though you're moving to a new mining area, that you've got those parameters fixed and is that really saying that for Mt Cattlin, you're never going to see 75% recoveries?

Simon Hay: Look, to go straight to the final point, yes, 75% recovery is not in our outlook at all. In regard to the grade, customers last year were very strong in demanding a 6.0% con grade. This year, their priority is volume and as I said earlier in the call, some of them, we believe will be willing to trade off grade for increased volume as long as it gets them extra lithium units, that helps our operation in terms of recovery significantly. That is our preferred option and they are the discussions that are underway with customers at the moment, yet to be confirmed and we will certainly update the market when we do reach those conclusions.

Peter Arden: (Bell Potter Securities, Analyst) Yes, look, I understand. It's always a sign when the customers tell you the grade's no good and they want better, then they flip around when it suits them but in terms of the cost, getting the 6% is still more expensive? Is that the case?

Alan Rule: Yes, it is, because it impacts recovery. If the grade drops, we'd be able to produce and achieve a better recovery so the unit costs should be positively impacted.

Peter Arden: (Bell Potter Securities, Analyst) Yes, thank you very much.

Operator: Thank you. Your next question comes from Glyn Lawcock from UBS. Please, go ahead.

Glyn Lawcock: (UBS, Analyst) Good morning, Simon and Alan. Just a couple of questions, firstly on pricing. I hear what you are saying about the customers and they are happy to take volume now over grade. Historically we used to think about every, I think 0.1% change in the grade was about US$10 a tonne, maybe, in pricing or something like US$10 or US$15. What's happening on that front now? Because they're so desperate for volume, can you squeeze them on the differential pricing between the grade of the spodumene?

Simon Hay: Yes, Glyn, just one element of the whole marketing mix. It's definitely something that we talk about. At the lower end of pricing where we got to last year, that discount rate or premium rate was more like $7 per tonne per 0.1%. This year, our priority, the biggest thing we can do for, other than price, is that grade recovery trade off which I talked about with Peter previously. That's our priority but then that premium or discount to quality is something that we will talk about as well, but lower priority for us.

Glyn Lawcock: (UBS, Analyst) Okay and I assume the pricing guidance of US$480 a tonne for march quarter, that's for a 6% grade spodumene? Or are you going to be selling a lower grade to get that US$480?

Simon Hay: No, that is 6%. That's current production and where we finished last year at so yeah, US$480 at 6.0%.

Glyn Lawcock: (UBS, Analyst) Okay, so we'll see that for the March quarter, then beyond that will depend on how discussions go with customers for beyond March quarter delivery?

Simon Hay: Yes, that's broadly right. That pricing we talked about is for the second shipment. The first shipment was priced much earlier but yes, where we see pricing now, the point I want to make is that US$480 was the price a few weeks ago and the market continues to move very strongly. So we think Q2 number will be well up on that.

Glyn Lawcock: Okay, all right. Then just you called out magnesium at Sal de Vida as an impurity that didn't improve with subsequent plant runs. How much of an issue is that? Is it an issue for customers? I guess I'm just trying to understand the process. Can you get qualification with customers through the pilot plant or will that still be a delay to sales once you get the full plant up as well?

Simon Hay: Glyn, we're not stopping there. We are not saying that's going to be our final magnesium grade in the carbonate. We have a number of ways of reducing that impurity. One of them is relatively simple, it's really interim guidance. Don't look at that as being our final number.

Glyn Lawcock: (UBS, Analyst) Okay but you do need to get it out? Is that what you're telling me? You need to get it down below the current level to make it a qualified product? I that's what I'm trying to understand. It hasn't shown improvement. Do you need to show improvement for it to be a qualified product?

Simon Hay: Look, for battery we can sell that product as a high-grade technical grade right now, no problems at all. Battery grade, yes, we do need to get the magnesium down, definitely.

Glyn Lawcock: (UBS, Analyst) But you feel you've got a process to achieve that?

Simon Hay: Absolutely. We have got a number of options that we're looking at, one of them relatively simple which we'll trial this half.

Glyn Lawcock: (UBS, Analyst) Yes and then finally, my other question, part of the question, was with the volume you can produce through the pilot plant, is that enough for you to get qualification? Or will you still need to go through a qualification process once the plant is built and start ramping up?

Simon Hay: No, we think, well we don't have an answer to that exactly but we do believe that qualification processes are quite involved in the long term. I would assume that we will need a qualification process. That being said, we have a number of top tier customers who have said they want to tie up a significant amount or even all of our offtake from stage 1. So we are not losing sleep over that qualification process.

Glyn Lawcock: (UBS, Analyst) Yes, okay. That's great. Thanks.

Operator: Thank you. Once again, if you wish to ask a question, please press star one. Your next question comes from Harsh Bardia from Citi. Please, go head.

Harsh Bardia: (Citi, Analyst) Hi, Simon and team. Thanks for the opportunity. One question on Sal de Vida partnering process or minority sale process. Any update on that? I know the focus is right now on phase 1 execution but is there any renewed interest in terms of parties and just given macro environment is much stronger now versus 2019, 2020? Thanks.

Simon Hay: Yes, thanks, Harsh. Look, we continue to have very strong interest from the parties who we are engaged with. I was speaking with a number of them over the last few weeks and they reaffirmed their strong desire to participate in Sal de Vida. That being said, our capital raise really takes the imperative of us doing a deal down quite a few notches. We don't have to do a deal, but we are continuing to look for partners that bring something substantial to the table.

I think the key thing for us is the Sal de Vida feasibility study update, which we will release to the market in early Q2. That's when we'll provide a lot of detail around the project, which will be of course very useful for the potential partners in Sal de Vida. Overall, Harsh, it continues, the interest is really strong and we don't expect any major movement until the second quarter when we release the feasibility study update.

Harsh Bardia: (Citi, Analyst) Okay, thanks, Simon and just as a follow up, you mentioned that LFP batteries, change of direction for Sal da Vida. Is there a way to think about it down the line in terms of partnership because China is a big market, with any Chinese manufacturer on those lines?

Simon Hay: Look, I think that what I was trying to get at there is that just the scale of the LFP demand is really, really large and Sal de Vida will be coming online just at the right time as this demand really, really takes off and those numbers there are just Chinese numbers so we haven't really taken into account what's happening in the rest of the world. The partnering opportunities facing Galaxy or open to Galaxy are numerous, we haven't locked into any of those as yet but it's certainly in our thinking about how we position Sal de Vida product and market it in the next year or so. So really, too early to answer your question.

Harsh Bardia: (Citi, Analyst) Okay, no, that makes sense. Thanks for that. I'll pass it on.

Operator: Thank you. Your next question is a follow up from Peter at Bell Potter Securities. Please, go ahead.

Peter Arden: (Bell Potter Securities, Analyst) Thanks. Simon, it just occurred to me that in regard to possible partnering for Sal de Vida, as you've always said, you really look for a partner that brought something special or something meaningful to the relationship. But as you progressed the development of Sal de Vida, particularly your novel simplified processing, have you reduced or largely reduced the need for technical input there? What you would be looking for in partnering, presumably, is more on the downstream side. Is that a reasonable summary?

Simon Hay: Yes, broadly, Peter, I'd agree. What we are looking for, downstream partnering opportunities, offtake or in-country expertise. If any of that comes with brine processing capability, I think that would be an added bonus on top but the top three are downstream, offtake and Argentina.

Peter Arden: (Bell Potter Securities, Analyst) Okay, I understand. Thank you.

Operator: Thank you. There are no further questions at this time. I'd now like to hand back to Mr Hay for closing remarks.

Simon Hay: Look, just to summarise, a very strong quarter for Galaxy but a really positive outlook. We are seeing strong demand and positive pricing moment leading us to ramp up Mt Cattlin operations to full rate.

Sal de Vida project continues to advance on schedule and all our test work demonstrates we are getting closer to meeting battery grade specifications. James Bay is accelerating to construction-ready status in a strategically located environment and the next three months are a really exciting time for Galaxy as both projects reach major milestones and we bring detailed information about them to the market.

Overall, we are in a really strong financial position and well on the way towards our stated ambition of building a sustainable large-scale global lithium chemicals business. Thank you everyone for your time today.

Operator: Thank you. That does conclude your conference for today. Thank you for participating, you may now disconnect.

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