



Industry welcomes government lithium assistance

The Association of Mining and Exploration Companies (AMEC) and the Chamber of Minerals and Energy of Western Australia (CME) welcome today's announcement by the WA Government of temporary assistance to three lithium mineral producers in Western Australia.

AMEC and CME have been working with member companies and the WA Government in recent months to secure this royalty relief.

In August, CME and AMEC released a report titled [*A case for building resilience into Western Australia's lithium industry*](#), outlining what was needed to ensure the immediate viability, growth and longer term sustainability of WA's burgeoning lithium industry.

The report identified that ongoing government support would be vital for the sector to remain sustainable in order to take advantage of growing global demand, and to preserve WA's leading position in the international market.

A key recommendation was for temporary cost relief for lithium spodumene producers during this unexpected and temporary low-price period.

As part of today's announcement, Galaxy Resources' Mt Cattlin operations, Pilbara Minerals' Pilgangoora operations and Altura Mining's Pilgangoora operations will receive a 50 per cent royalty rebate on spodumene concentrate for up to 12 months.

AMEC Chief Executive Officer, Warren Pearce, said "This assistance package comes as welcome relief for these operations, as they work through this challenging period and will help stop further job losses and mine closures in the lithium industry.

"Over the last several years the WA mining industry have been developing new lithium mines to meet the oncoming wave of demand. These efforts have been ably supported by the WA Government's Future Battery Industry Strategy, which aims to capitalise on this major economic opportunity for the State.

"A volatile global market, the currently low hard rock lithium price and the impact of COVID-19 on demand, has impacted the competitiveness of WA's upstream lithium sector, requiring short term government assistance.

"Industry is very appreciative of this support from the State Government".

CME Chief Executive Paul Everingham said the assistance package would help Western Australia retain its place as a global strategic player in the lithium ion battery supply chain.

It follows the announcement on Monday of the members of the WA Government's Future Battery and Critical Minerals Industry Strategy's Ministerial taskforce.

"Local lithium producers have come under significant price pressure in recent times, despite strong optimism for market demand in the medium term driven largely by EV batteries," Mr Everingham said.

"Eligible local producers can breathe a sigh of relief with today's announced royalty relief, along with the around 4,000 workers employed across the lithium supply chain in WA.

"Our report highlighted the critical challenges affecting the viability of upstream lithium in the near term, and recommended introduction of a needs-based royalty relief as a measure to support the competitiveness of WA's lithium producers currently in distress.

“We are very pleased to see this recommendation adopted by the government.”

“The future battery industry continues to engage collaboratively with government on a range of short to medium term policy initiatives to capture the huge potential for WA to be a major player in the global battery supply chain. The Ministerial Taskforce provides an ideal platform to progress these initiatives.”

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