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TRU Group Inc Press Statement Monday, January 17, 2011

**“Lithium Pipeline Projects cannot beat the Existing Lithium Chemical Big Three”
TRU Lithium Market Balance 2011 Presentation Uploaded to trugroup.com**

TRU Group Inc, Toronto ON, Tucson USA - Lithium consultants TRU Group Inc says that its updated lithium supply-demand forecast 2020 slideshow has been uploaded to its website trugroup.com. The outlook is shocking. The seemingly unstoppable supply growth will cause such huge overcapacity that the stability of the industry will be threatened. Pipeline projects and expansions could increase capacity by about 40,000 tpy Li-contained in the next decade – double what the industry needs. Existing lithium chemical producers have the in-ground resources and ability to meet nearly all market requirements by expanding capacity.

On the lithium chemicals demand side there has been some recovery in 2010 from recent dramatic declines. Demand and prices will continue weak this year. TRU president Edward R Anderson will tell the IM Toronto 3rd Lithium Supply & Markets conference: “Lithium carbonate prices fell precipitately to \$4500 per t in 2010 and will remain depressed. Long term there is no market-driven upward-price pressure so prices will remain stable and likely below \$5000 per t”. Lower prices and fierce competition through 2020 is bad news for the lithium new project promoters who will find it impossible to compete against the distinctive natural cost advantage of brine-based producers Chemetall-SCL, FMC and SQM. “Only a select few new projects could make it into profitable production and then only as marginal suppliers. Bottom line is if you do have a good resource make sure you also have the strongest possible lithium technical capability to develop it”.

TRU’s veteran lithium geologist Dr Ihor I. Kunasz is also presenting. He and will explain the technical reasons as to why existing producers have a natural advantage. Ihor Kunasz says: “It’s simple, the existing players have three times the lithium concentration and also reserves that dwarf any of the new players. In addition SQM by far the world’s lithium supplier has for many years re-injected excess lithium produced into the Salar de Atacama, adding to the lithium resource of the salar”. Kunasz is well known as the geologist who developed the original reserve model at Atacama from whence sixty per cent of the world’s lithium is currently produced.

TRU Group Inc are technical engineering consultants with a strong capability in lithium project development. The firm is a world leader in lithium resource evaluation, salar exploitation, brine & mineral lithium extraction processing technologies. TRU has evaluated and modeled most of the known existing lithium properties and advised a number of players on a wide variety of lithium resource, engineering, process, business and investment issues.

The TRU website is trugroup.com and the presentations can be viewed at the link trugroup.com/Lithium-Market-Conference.html.

Link to the presentation - <http://trugroup.com/Lithium-Market-Conference.html>

Link to PDF version - <http://trugroup.com/whitepapers/TRU-Lithium-Outlook-2020.pdf>

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