

Shaw and Partners Key Picks in Lithium

Shaw and Partners Sector Report

Demand Outpacing Supply – Raising Lithium Price Forecasts

Event

Between global supply curtailments, significant future Battery Energy Storage demand and turbo-charged Electric Vehicle demand, the underpinning fundamental outlook for Lithium remains long-term strenuously bullish. Shaw and Partners upgrades our Lithium price forecasts and target prices across our lithium coverage universe as follows:

Wildcat Resources, Buy, \$1.60 price target, up from \$1.20 previously: With Native Title and a mining lease already in place, Wildcat Resources is fast-tracking its world-class Tabba Tabba Lithium Project to achieve production during the current lithium price cycle.

Global Lithium Resources, Buy, \$1.75 price target, up from \$1.50 previously: Global Lithium is rapidly advancing its Manna Lithium Project toward production, where recently secured offtake financing, a streamlined flowsheet and optimized superior metallurgy will position the project's operating costs firmly within the lowest quartile of the global cost curve.

PMET Resources, Buy, \$1.50 price target, up from \$1.20 previously: PMET is advancing the Shaakichiuwaanaan Project in Quebec, which hosts the largest lithium pegmatite in the Americas and is positioned as a key Tier-1 supplier for the North American EV supply chain.

Highlights

- Demand compounding: Global EV sales grew 6% to 1.6m units in April 2026 to bring global EV penetration rate to just under 20%. Meanwhile, grid-scale battery storage is growing at nearly twice the rate of EVs. Together, this creates a sustained, multi-decade demand floor.
- Supply in retreat: Years of sub-economic prices forced widespread curtailments, deferred expansions, and slashed exploration budgets. With mine development lead times of 7-10 years, supply simply cannot respond quickly as prices recover.
- Policy headwinds tightening: Zimbabwe's February 2026 suspension of all lithium concentrate exports, around 10% of global primary production, removed meaningful swing supply overnight. Simultaneously, China revoked 27 mining permits, adding further upstream pressure.
- Geology not cooperating. High-quality, low-cost spodumene and brine deposits are geographically concentrated and increasingly depleted at surface. In a twist familiar to all Copper followers, newer resources are deeper, lower grade, or located in jurisdictions with elevated sovereign and permitting risk.
- The 2022-25 price collapse starved the pipeline of capital. Even with prices recovering, developers face higher financing, inflated capital expenditures, and higher operating expenditures, keeping new supply off the market longer.
- Deficit inflection 2026. Current high fuel prices have created a perfect storm for EV demand and we continue to expect the lithium market will fall back into deficit in 2026. With new supply unable to respond meaningfully given project lead times and ongoing permitting and capital constraints, prices are likely to remain elevated through the medium term. This points to a market where conditions for sustained high prices remain firmly intact well into 2028.
- We have upgraded our medium-term lithium price forecasts and present Shaw and Partners' Lithium price deck vs consensus below.

Spodumene Price Forecast	2022	2023	2024	2025	2026f	2027f	2028f	LT Real
Shaw and Partners 6% Spodumene price, old (US\$/t)	4,280	3,713	995	897	2,100	2,400	2,434	2,285
Shaw and Partners 6% Spodumene price, new (US\$/t)	4,280	3,713	995	897	2,200	2,500	2,700	2,300
- change					5%	4%	11%	1%
Factset Consensus 6% Spodumene price (US\$/t)					1,675	2,243	1,931	
Shaw and Partners AUD/USD	0.69	0.67	0.66	0.65	0.70	0.75	0.80	0.75

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Wildcat Resources Financial Summary

Profit & Loss	FY24	FY25	FY26f	FY27f	FY28f	Company Information					
Revenue	0	2	2	2	0	Financial Year End Date	30 June				
Expenses	-11	-13	-14	-14	-14	Share Price	\$0.56				
Underlying EBITDA	-11	-11	-12	-12	-14	Market Capitalisation (\$m)	\$676				
Depreciation & Amort	0	0	0	0	0	Valuation	\$1.60				
Underlying EBIT	-11	-11	-12	-12	-14	Recommendation	Buy				
Net Interest	2	3	1	0	2						
Profit Before Tax	-9	-8	-12	-11	-11	Per Share Data (c)					
Tax	0	0	0	0	0	FY24	FY25	FY26f	FY27f	FY28f	
NPAT (Underlying)	-9	-8	-12	-11	-11	Shares (m)	1,207	1,337	1,337	1,537	1,648
Exceptional items	0	0	0	0	0	Normalised EPS	-0.7	-0.6	-0.9	-0.8	-0.7
NPAT (reported)	-9	-8	-12	-11	-11	Dividends	0.0	0.0	0.0	0.0	0.0
						Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
						Book Value	0.21	0.19	0.18	0.21	0.25
						P/E (x)	-94.9	-43.4	-32.2	-35.2	-39.2
						EV/EBITDA (x)	-68.5	-29.0	-27.5	-25.5	-46.7
Balance Sheet	FY24	FY25	FY26f	FY27f	FY28f	DCF Valuation					
Cash	77	55	44	232	21						
Net Receivables	2	2	0	0	0						
Other	0	0	0	0	0						
Current Assets	79	58	44	232	21	Tabba Tabba				1,550	1.28
Property, Plant & Equipment	1	4	2	2	402	Net cash				50	0.04
Other	184	196	196	196	196	Exploration				350	0.18
Non Current Assets	185	200	198	198	598	Corporate costs				-25	-0.02
Total Assets	264	258	242	430	619	Total Valuation				1,925	\$1.60
Trade Creditors	6	4	0	0	0	Assumptions					
Borrowings	0	0	0	0	0	FY24	FY25	FY26f	FY27f	FY28f	
Other	2	0	0	0	0	Prices					
Current Liabilities	9	4	0	0	0	Li 6% Spodumene (US\$/t)	1,945	849	1,585	2,350	2,625
Borrowings	0	0	0	100	200	A\$/US\$	\$0.66	\$0.65	\$0.68	\$0.73	\$0.73
Other	2	0	0	0	0	Operating Metrics					
Non Current Liabilities	2	0	0	100	200	FY24	FY25	FY26f	FY27f	FY28f	
Net Assets	253	253	241	330	419	Tabba Tabba					
Shareholder Capital	225	263	263	363	463	Ore processed (ktpa)	0	0	0	0	0
Retained earnings	-43	-52	-63	-75	-86	Grade of mill feed (%)	0	0	0	0	0
Minorities/others	71	42	42	42	42	Li concentrate sold (kt)	0	0	0	0	0
Total Equity	253	253	241	330	419	C1 cost (\$/t)	0	0	0	0	0
Cash Flow	FY24	FY25	FY26f	FY27f	FY28f	Average sales (A\$/t)	0	0	0	0	0
Receipts	0	0	2	2	0	Average cost (A\$/t)	0	0	0	0	0
Payments	-5	-6	-14	-14	-14	Average margin (A\$/t)	0	0	0	0	0
Other Operating Cash Flow	2	3	1	0	2	Financial Metrics					
Operating Cash Flow	-3	-3	-11	-11	-11	FY24	FY25	FY26f	FY27f	FY28f	
Capex	-1	-2	0	0	-400	EBITDA margin	0	0	0	0	0
Other Investing Cash Flow	-25	-18	0	0	0	EBIT margin	0	0	0	0	0
Investing Cash Flow	-26	-19	0	0	-400	ROIC	0	0	0	0	0
Dividends Paid	0	0	0	0	0	Return on Assets	0	0	0	0	0
Net Borrowings	-1	-1	0	100	100	Return on Equity	0	0	0	0	0
Share capital raised	97	1	0	100	100	Balance sheet metrics					
Other	0	0	0	0	0	FY24	FY25	FY26f	FY27f	FY28f	
Financing Cash flow	97	0	0	200	200	Net Debt (m)	-77	-55	-44	-132	179
Total Cash Change	68	-22	-11	189	-211	ND / ND+E	0.0%	0.0%	0.0%	0.0%	30.0%

Global Lithium Resources Financial Summary

Profit & Loss	FY24	FY25	FY26f	FY27f	FY28f	Company Information					
Revenue	0	0	0	0	0	Financial Year End Date	30 June				
Expenses	-8	1	-4	-14	-14	Share Price	\$0.54				
Underlying EBITDA	-8	1	-4	-14	-14	Market Capitalisation (\$m)	\$140				
Depreciation & Amort	0	0	0	0	0	Valuation	\$1.75				
Underlying EBIT	-8	1	-4	-14	-14	Recommendation	Buy				
Net Interest	2	1	0	0	1						
Profit Before Tax	-6	1	-4	-14	-12	Per Share Data (c)					
Tax	0	0	0	0	0	Shares (m)	FY24	FY25	FY26f	FY27f	FY28f
NPAT (Underlying)	-6	1	-4	-14	-12	Normalised EPS	-1.7	-1.5	-1.5	-4.6	-3.5
Exceptional items	2	-5	0	0	0	Dividends	0.0	0.0	0.0	0.0	0.0
NPAT (reported)	-4	-4	-4	-14	-12	Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
						Book Value	0.64	0.64	0.63	0.62	0.63
Balance Sheet	FY24	FY25	FY26f	FY27f	FY28f	P/E (x)	-11.9	-33.9	-34.0	-10.8	-14.4
Cash	27	16	12	149	136	EV/EBITDA (x)	-3.1	206.0	-29.6	-8.3	-18.5
Net Receivables	0	0	0	0	0	DCF Valuation					
Other	0	0	0	0	0						
Current Assets	28	17	12	149	137	Manna				\$m	\$ps
Property, Plant & Equipment	0	0	0	0	150	Net cash				214	0.82
Other	142	152	152	152	152	Exploration				120	0.46
Non Current Assets	142	153	152	152	302	Corporate costs				150	0.18
Total Assets	170	169	165	301	439	Total Valuation				-25	-0.10
										459	\$1.75
Trade Creditors	2	0	0	0	0	Assumptions					
Borrowings	0	0	0	0	0		FY24	FY25	FY26f	FY27f	FY28f
Other	0	0	0	0	0	Prices					
Current Liabilities	3	1	0	0	0	Li 6% Spodumene (US\$/t)	1,945	849	1,585	2,350	2,625
Borrowings	0	0	0	100	200	A\$/US\$	\$0.66	\$0.65	\$0.68	\$0.73	\$0.73
Other	1	0	0	0	0	Operating Metrics					
Non Current Liabilities	1	0	0	100	200		FY24	FY25	FY26f	FY27f	FY28f
Net Assets	166	168	164	201	238	Manna					
						Ore processed (ktpa)	0	0	0	0	0
Shareholder Capital	180	180	180	230	280	Grade of mill feed (%)	0	0	0	0	0
Retained earnings	-14	-16	-20	-33	-45	Li concentrate sold (kt)	0	0	0	0	0
Minorities/others	1	3	3	3	3	C1 cost (\$/t)	0	0	0	0	0
Total Equity	166	168	164	201	238	Average sales (A\$/t)	0	0	0	0	0
						Average cost (A\$/t)	0	0	0	0	0
						Average margin (A\$/t)	0	0	0	0	0
Cash Flow	FY24	FY25	FY26f	FY27f	FY28f	Financial Metrics					
Receipts	0	0	0	0	0		FY24	FY25	FY26f	FY27f	FY28f
Payments	-5	-5	-4	-14	-14	EBITDA margin	0	0	0	0	0
Other Operating Cash Flow	2	2	0	0	1	EBIT margin	0	0	0	0	0
Operating Cash Flow	-3	-3	-4	-14	-12	ROIC	0	0	0	0	0
Capex	0	0	0	0	-150	Return on Assets	0	0	0	0	0
Other Investing Cash Flow	-32	-7	0	0	0	Return on Equity	0	0	0	0	0
Investing Cash Flow	-32	-7	0	0	-150	Balance sheet metrics					
Dividends Paid	0	0	0	0	0		FY24	FY25	FY26f	FY27f	FY28f
Net Borrowings	0	0	0	100	100	Net Debt (m)	-27	-16	-12	-49	64
Share capital raised	0	0	0	50	50	ND / ND+E	0.0%	0.0%	0.0%	0.0%	21.1%
Other	0	0	0	0	0						
Financing Cash flow	0	0	0	150	150						
Total Cash Change	-35	-11	-4	136	-12						

PMET Resources Financial Summary

Profit & Loss (C\$m)	FY24	FY25	FY26F	FY27F	FY28F	Company Information							
Revenue	30	22	20	20	20	Financial Year End Date					31-Mar		
Expenses	-22	-20	-20	-21	-21	Share Price (A\$)					0.73		
Underlying EBITDA	8	2	0	-1	-1	Market Capitalisation (A\$m)					1,049		
Depreciation & Amort	0	0	0	0	-2	Valuation (A\$)					1.50		
Underlying EBIT	8	2	0	-1	-3	Target price (A\$)					1.50		
Net Interest	5	3	3	3	2	Recommendation					Buy		
Profit Before Tax	13	5	3	2	-1								
Tax	-10	-12	-10	-10	-10								
NPAT (Underlying)	3	-6	-7	-8	-11								
Exceptional items	0	0	0	0	0								
NPAT (reported)	3	-6	-7	-8	-11								
Minorities	0	0	0	0	0								
Attributable NPAT	3	-6	-7	-8	-11								
Balance Sheet (C\$m)						Per Share Data (c)							
FY24	FY25	FY26F	FY27F	FY28F									
Cash	73	101	89	76	103	Shares (m)	1,356	1,437	1,562	1,645	1,812		
Net Receivables	10	7	7	7	7	Normalised EPS	0.2	-0.4	-0.5	-0.5	-0.6		
Other	1	2	2	2	2	Dividends	0.0	0.0	0.0	0.0	0.0		
Current Assets	84	110	98	85	112	Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%		
Property, Plant & Equipment	52	69	109	149	547	Book Value	0.15	0.22	0.26	0.30	0.41		
Other	112	188	262	337	412	P/E (x)	289.1	-146.4	-132.5	-127.3	-101.4		
Non Current Assets	164	256	371	486	959	EV/EBITDA (x)	16.1	64.1	-442.0	-170.4	-104.7		
Total Assets	248	367	469	571	1,070								
Trade Creditors	30	13	13	13	13	Valuation			C\$m	A\$m	A\$ps		
Borrowings	0	0	0	0	0	Shaakichiuw aanaan			1,787	2,003	1.37		
Other	0	11	11	11	11	Net cash / (debt)			80	90	0.06		
Current Liabilities	31	24	24	24	24	Undeveloped Resources			250	280	0.19		
Borrowings	0	0	0	0	250	Corporate costs			-200	-224	-0.15		
Other	14	26	36	46	56	Total Valuation			1,917	2,149	1.50		
Non Current Liabilities	14	26	36	46	306	Assumptions			FY24	FY25	FY26F	FY27F	FY28F
Net Assets	203	316	409	501	740	Prices							
Shareholder Capital	208	320	420	520	770	A\$/US\$			0.66	0.65	0.68	0.75	0.80
Retained earnings	-20	-27	-34	-42	-53	C\$/US\$			0.75	0.75	0.75	0.75	0.75
Minorities/others	16	23	23	23	23	Li 6% Spodumene (US\$/t)			1,945	849	1,585	2,500	2,700
Total Equity	203	316	409	501	740	Operating Metrics			FY24	FY25	FY26F	FY27F	FY28F
						Ore processed (ktpa)			0	0	0	0	0
						Grade of mill feed (%)			0%	0%	0%	0%	0%
						Li concentrate sold (kt)			0	0	0	0	0
						C1 cost (C\$/t)			0	0	0	0	0
						Average price (C\$/t)			0	0	0	0	0
						Average cost (C\$/t)			0	0	0	0	0
						Average margin (C\$/t)			0	0	0	0	0
Cash Flow (C\$m)						Financial metrics (%)							
FY24	FY25	FY26F	FY27F	FY28F									
Receipts	-30	-22	20	20	20	EBITDA margin			0.0%	0.0%	0.0%	0.0%	0.0%
Payments	0	0	-20	-21	-21	EBIT margin			0.0%	0.0%	0.0%	0.0%	0.0%
Other Operating Cash Flow	13	22	3	3	2	ROIC			0.0%	0.0%	0.0%	0.0%	0.0%
Operating Cash Flow	-16	-1	3	2	1	Return on Assets			1.5%	-2.0%	-1.7%	-1.6%	-1.3%
Capex	-38	-32	-40	-40	-400	Return on Equity			2%	-2%	-2%	-2%	-2%
Other Investing Cash Flow	-53	-75	-75	-75	-75	Balance sheet metrics			FY24	FY25	FY26F	FY27F	FY28F
Investing Cash Flow	-92	-107	-115	-115	-475	Net Debt (m)			-73	-101	-89	-76	147
Net Equity raised	105	142	100	100	250	ND / ND+E			0.0%	0.0%	0.0%	0.0%	16.6%
Dividends Paid	0	0	0	0	0								
Net Borrowings	0	0	0	0	250								
Financing Cash flow	124	142	100	100	500								
Total Cash Change	16	34	-12	-13	26								

Key Risks

Key risks to our view include:

- Rapid restart of idled Chinese capacity or accelerated African project ramp-ups could dampen the lithium market deficit faster than expected.
- Sodium-ion and solid-state chemistries could displace lithium-ion at the margin in cost-sensitive segments from 2030 onwards.
- EV subsidy rollbacks could soften near-term demand.

Rating Classification

Buy	Expected to outperform the overall market
Hold	Expected to perform in line with the overall market
Sell	Expected to underperform the overall market
Not Rated	Shaw has issued a factual note on the company but does not have a recommendation

Risk Rating

High	Higher risk than the overall market – investors should be aware this stock may be speculative
Medium	Risk broadly in line with the overall market
Low	Lower risk than the overall market

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Distribution of Investment Ratings

Rating	Count	Recommendation Universe
Buy	77	91%
Hold	7	8%
Sell	1	1%

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