



Elon Musk launches the Tesla Model X with rear gull wing doors. Pic: Getty

ASX lithium small caps make gains after Kidman's big deal with Tesla

Resources

May 18, 2018 | [Angela East](#)

ASX-listed lithium stocks rallied on Thursday after Elon Musk's electric car maker Tesla signed its first deal with an Australian miner.

Car makers around the world are rushing to lock down long-term supplies of material such as lithium that are needed in batteries and other electric car components.

In January **Toyota bought 15 per cent of Australian lithium miner Orocobre for \$292 million.**

Deutsche Bank predicts global battery consumption will increase five-fold over the next decade, placing pressure on the battery supply chain and lithium market.

On Thursday Kidman (ASX:KDR) locked in a three-year deal — with an option for six more years — to supply lithium hydroxide to Tesla.

Kidman — which is valued at about \$760 million — gained more than 8 per cent to trade at \$2.34 before cooling to \$2.22.

It's now up more than 400 per cent over the past year making it the best performing ASX lithium small cap over that period.

On Thursday about 80 per cent of the ASX's other 50 or so small cap lithium stocks either gained ground or remained steady following Kidman's Tesla announcement.

Dart Mining climbed 11 per cent. Galaxy Resources gained 8 per cent.

Lithium investors will be hoping for an Elon Musk-led turnaround.

Despite big gains over a 12-month period, lithium stocks have performed poorly this year amid concerns of pricing pressure. Morgan Stanley **reported that lithium supply would move into surplus by 2019.**

More than 35 small caps have lost ground since January — some significantly.

Reedy Lagoon is down 82 per cent for the year-to-date, while Anson, Pepinnini, Lake Resources, European Metals and Jadar Lithium have all lost more than half their value.

Still, most investors who got in at least a year ago are sitting on strong gains.

Apart from Kidman's five-bagger performance over the past year, AVZ Minerals is ahead 330 per cent, European Lithium is up 270 per cent and Lepidico has gained more than.

The West Australian government is now working with local players to develop a lithium and battery mineral industry.

West Australia mines 60 per cent of the world's lithium and produces all of the other minerals necessary to construct batteries.

A new Strategic Industrial Area (SIA) has opened up in Kwinana, 38km south of Perth, positioned next to the Fremantle Port's deep-water bulk materials facilities and associated road and rail networks.

Earlier this month Kidman and its joint venture partner secured a refinery site at the SIA.

"This is a revolution that's happening in the world and it's being driven by climate change," WA mines minister Bill Johnston told delegates at this week's Latin America Down Under conference in Perth.

"There's enormous opportunities for many countries in this space, but we just want to make sure that we're taking advantage of all the opportunities we have so that we can share in this new opportunity."

Here is a list of ASX stocks with exposure to lithium – and their share price performance over the past year:

ASX Code	Company	One-day price change	Price change since Jan 2	12-month price change	Price May 17	Market Cap
4CE	FORCE COMMODITIES	3%	-35%	186%	0.06	24.4M
ADN	ANDROMEDA METALS	13%	29%	80%	0.009	7.2M
ADV	ARDIDEN	6%	6%	13%	0.017	23.6M
AGY	ARGOSY MINERALS	0%	4%	226%	0.29	266.4M
AJM	ALTURA MINING	7%	-19%	161%	0.365	618.7M
AOU	AUROCH MINERALS	15%	-2%	-46%	0.098	8.2M
ARE	ARGONAUT	5%	-36%	133%	0.021	31.1M
ASN	ANSON RESOURCES	0%	-74%	70%	0.046	18.9M

ASX Code	Company	One-day price change	Price change since Jan 2	12-month price change	Price May 17	Market Cap
AVZ	AVZ MINERALS	6%	-30%	334%	0.165	289.6M
BGS	BIRIMIAN	2%	-33%	98%	0.475	107.2M
BMZ	BLACK MOUNTAIN	0%	73%	44%	0.026	5.2M
BOA	BOADICEA RESOURCES	-10%	13%	-10%	0.18	10.6M
CAZ	CAZALY RESOURCES	7%	18%	20%	0.06	12.9M
CGM	COUGAR METALS	0%	17%	0%	0.007	6.4M
CHK	COHIBA MINERALS	-10%	-10%	-36%	0.009	5.6M
DMI	DEMPSEY MINERALS	-4%	48%	114%	0.12	8.8M
DTM	DART MINING	11%	25%	100%	0.01	5.8M
EMH	EUROPEAN METALS	-4%	-50%	-58%	0.35	51.1M
ESR	ESTRELLA	0%	0%	-4%	0.023	9.9M
EUR	EUROPEANITHIUM	6%	-27%	280%	0.19	98.2M
GPP	GREENPOWER	0%	-44%	-67%	0.009	11.7M
GXY	GALAXY RESOURCES	8%	-13%	55%	3.37	1.3B
HNR	HANNANS	6%	-6%	31%	0.017	31.6M
JDR	JADARITHIUM	7%	-50%	-96%	0.015	5.5M
KDR	KIDMAN RESOURCES	3%	11%	410%	2.22	860.9M
KPC	KAZAKHSTAN POTASH	0%	48%	-34%	0.031	38.5M
KSN	KINGSTON	0%	0%	5%	0.021	25.5M
KTA	KRAKATOA	0%	-26%	15%	0.039	4.5M

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LI3	LITHIUM CONSOLIDATED	0%	-30%	-18%	0.098	8.8M
LIT	LITHIUM AUSTRALIA	0%	-33%	24%	0.13	54.1M
LKE	LAKE RESOURCES	-5%	-64%	85%	0.1	32.1M
LPD	LEPIDICO	2%	-30%	258%	0.043	121.9M
LPI	LITHIUM POWER	18%	-42%	14%	0.33	73.0M
LRS	LATIN RESOURCES	0%	-38%	60%	0.008	21.0M
MCT	METALICITY	-4%	-34%	-46%	0.025	15.0M
MIN	MINERAL RESOURCES	3%	-6%	101%	20	3.7B
MQR	MARQUEE RESOURCES	-5%	45%	85%	0.37	15.0M
MTC	METALSTECH	3%	-40%	-9%	0.16	17.9M
MZZ	MATADOR MINING	0%	-23%	22%	0.25	6.2M
NLI	NOVOITIO	-2%	-2%	-14%	0.049	18.6M
NMT	NEOMETALS	2%	-27%	30%	0.325	173.9M
NVA	NOVA MINERALS	0%	-39%	133%	0.028	19.9M
ORE	OROCOBRE	7%	-15%	77%	5.91	1.4B
PLL	PIEDMONTITHIUM	0%	-8%	107%	0.18	99.7M
PLS	PILBARA MINERALS	3%	-19%	126%	0.95	1.6B
PM1	PURE MINERALS	0%	-24%	-20%	0.016	4.3M
PNN	PEPINNINI	0%	-69%	8%	0.026	13.9M
PSC	PROSPECT	-2%	-26%	38%	0.04	81.2M

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RESOURCES						
PSM	PENINSULA MINES	0%	-31%	-50%	0.011	7.7M
RLC	REEDY LAGOON	-8%	-82%	-21%	0.011	4.8M
SI6	SIX SIGMA METALS	-18%	-12%	-42%	0.014	7.8M
SRK	STRIKE RESOURCES	0%	-8%	25%	0.055	8.0M
SYA	SAYONA MINING	4%	-38%	161%	0.047	76.4M
TAW	TAWANA RESOURCES	6%	-14%	85%	0.445	232.8M