

Claims to Have the Best Technology for Extracting the Metal

Lithium King?: Teague Egan's Ambitious Plans for Chile

The entrepreneur aims for his company, EnergyX, to become the largest lithium company in the world. In Chile, they plan an initial investment of \$1 billion.

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By Catalina Muñoz-Kappes

He wants to have the largest lithium company, become President of the United States, and live to be 150 years old. Teague Egan, founder and CEO of EnergyX, was dubbed by The Wall Street Journal as a contender for the title of "Lithium King." If he succeeds, his throne will be in Chile.

EnergyX's largest project in the world is being developed in the Salar Punta Negra, south of the Salar de Atacama, in the Antofagasta Region. The company's goal is to develop the most cost-efficient direct lithium extraction technology—not only to extract the metal but also to supply the technology to other players in the industry.

"We've spent the last six years developing what we believe to be the best-in-class lithium extraction technology," Egan told El Mercurio, a claim they are seeking to prove through their project in the country.

— What are the investment plans for Chile?

"The Gigante Negro project, our first and most important project, has an initial plan that will cost us approximately \$1 billion. So far, we've already invested \$50 million into the initiative through mining sites, exploration, drilling, camp construction, and employing people. There's a lot of trust in Chile as a partner (...) Chile is critical—it's our most advanced project."

Despite Egan's enthusiasm for lithium, he had no prior experience in the industry before founding EnergyX. A graduate in Entrepreneurship from the Marshall School of Business at the University of Southern California, he previously founded Factory VC, a venture capital fund focused on technology and life sciences.

— Why Venture into Lithium?

"I felt that what I was doing before didn't have as big an impact on the world as I wanted. My father (Michael Egan, the former largest shareholder of Alamo Rent A Car) suggested I write down five passions and five industries I thought would have the

greatest impact. Then, by chance, I took a trip to South America in 2018. I visited the Salar de Uyuni (Bolivia). At that moment, I knew that was my calling—that lithium would be a truly important component of the energy transition, something that has a massive impact on the world.”

— No Lithium Experience—How Did You Choose a Direction for the Company?

“One of my greatest talents is building a team of people. I think we have a great team here (...) We’ve made many mistakes in hiring. Some people only lasted a couple of months—it was the wrong decision, and you have to fail fast. Others, like our Chief Technology Officer, who came from Rio Tinto, have been with me for five years.”

“I’m an entrepreneur and a problem solver. I’m not a lithium expert. Honestly, I’m not an expert in anything. But I believe any entrepreneur who solves problems can look at evaporation ponds and at least feel there must be a better way to do it.”

The Technology

Egan explained that, at the start of EnergyX, they focused solely on membrane separation technology but encountered the issue of limited applicability across different types of brines.

“We realized our goal was to be the number one company in direct lithium extraction technology. To achieve this, we needed two things. One was to treat all, if not the vast majority, of brines. Secondly, we realized we needed to turn brine into battery-grade lithium—not just perform one step and leave the rest to the customer,” Egan said.

As a result, the company created a platform of technologies: solvent extraction, adsorption, and direct lithium extraction, among others. “We’ve tested over 30 brines from major resource owners and producers worldwide, achieving a recovery rate of over 90%, and have produced battery-grade lithium,” he detailed.

Plans for Chile

In Chile, EnergyX controls over 40,000 hectares of mining concessions near the Salar de Punta Negra, one of the salt flats included in the National Lithium Strategy. The company has already submitted its expression of interest to develop a project in the area.

— How Soon Can You Extract Lithium?

“We’re conducting exploratory drilling and have obtained excellent results. We also have a pilot plant in Chile where we’re processing our brine and extracting lithium on a pilot scale.”

“We’re building larger demonstration facilities capable of producing approximately 50 to 100 tons per year. The purpose of the demonstration plant is to validate our process

with commercial-grade equipment (...) This is the final step before we move on to full commercial-scale plants. Our goal is to be operational by 2027. We're also considering other locations in Chile for the final refinery."

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Juan Carlos Barrera, PRESIDENT OF LITHIUM FOR SOUTH AMERICA AT ENERGYX.

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Juan Carlos Barrera: EnergyX Could Be the "Lowest-Cost and Most Sustainable Producer" in the World

Juan Carlos Barrera, President of Lithium for South America at EnergyX, is one of the experts Teague Egan has recruited for his company. The Chilean executive worked for 28 years at SQM, where he held the position of Senior Vice President of Lithium and Potassium Operations.

Barrera admits that he was initially skeptical about the claims of what EnergyX promised to achieve. However, after seeing the results achieved in Bolivia, he changed his mind. "If you have this, you can make a big change," he told Egan.

The executive states that EnergyX has the lowest consumption in the industry, with extremely low capital and operating expenses. "If the numbers we've seen are correct, we will be the lowest-cost producer and will produce the most sustainable lithium in the world. With those two factors, we can be number one. This could be a paradigm shift," he asserts. He also mentions that they are already working on submitting an environmental study with one of the two largest engineering firms.

Regarding the national lithium strategy, Barrera comments, "In 2023, the government opened the door to something that had been closed for 44 years. So, it's a big change."

Lithium Production in the Salar de Atacama Will Reach 300,000 Tons

PROJECTION. Meanwhile, lithium prices are expected to reach \$14,000 per ton starting in 2026, according to the latest data released by Cochilco.

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By Cristián Venegas M.

Cochilco has released its projections for the lithium market in 2025, shedding light on what could happen in the short and medium term regarding demand, production, and prices for this mineral, which in Chile is exclusively produced in the Salar de Atacama, where SQM Salar and the U.S.-based Albemarle operate.

According to the report, the production of lithium carbonate equivalent (LCE) is expected to reach 305,000 tons in 2025, marking sustained growth over the past five years. For 2024, while data is not yet available, production is expected to have reached approximately 285,000 tons.

INTERNATIONAL DEMAND

Regarding global demand, Cochilco indicated that lithium consumption for batteries will continue to dominate in the coming years, with projections of 982,000 tons in 2024, equivalent to 87% of total demand. The automotive battery segment is expected to account for 62% of this demand, while consumption for industrial/chemical use will make up just 13%.

By 2025, the battery industry is anticipated to further increase its share of demand, reaching 89% of the total, while consumption for industrial/chemical uses (such as glass, ceramics, greases, lubricants, pharmaceuticals, and others) is expected to decline to 11%.

PRICE PROJECTION

For 2024 and 2025, lithium price projections indicate significant declines, reflecting a substantial adjustment in market expectations. For 2026 and 2027, the decrease is less pronounced, with reductions of 21.6% and 15.9% (to \$14,177 and \$15,950, respectively), suggesting a gradual recovery by the end of the decade. In 2028, projections stabilize and even show a slight 1% increase, indicating signs of long-term optimism.

Unlike short- and medium-term projections, long-term lithium prices show an upward adjustment of 5.8%, rising from \$15,783 per ton of LCE in January to \$16,706 per ton in November. This increase suggests that while short- and medium-term projections for

lithium have been revised downward, the long-term outlook remains optimistic, reflecting market confidence in lithium's strategic role in the global energy transition.

Sierra Gorda Municipality Establishes the Communal Mining Strategic Committee

INDUSTRY. Mayor Adriana Rivera brought together executives from companies and the Regional Government for an unprecedented meeting.

El Mercurio de Antofagasta. January 25, 2025.

For the first time, the meeting of the Sierra Gorda Mining Strategic Committee took place, a platform created by the municipality of this commune to develop a portfolio of projects and works for the area, promoting territorial development and consolidating a public-private partnership focused on the well-being of local residents.

Sierra Gorda is one of the most important mining districts in the world, hosting several of the planet's leading companies.

Notable among these are Lomas Bayas (Glencore); Centinela (AMSA); Spence SA (BHP); Sierra Gorda SCM; Mantos Blancos (Capstone Copper); SQM Yodo; and Minera Gaby (Codelco).

Mayor Adriana Rivera, along with her team, organized the event, successfully bringing together representatives of the mining companies operating in the area as well as executives from the Antofagasta Regional Government.

This meeting—held on Wednesday, January 22—was particularly significant, said the mayor, as it provided the opportunity to hear firsthand the municipal authority's perspective on the needs, challenges, and issues facing the commune.

"Moreover, it highlighted the commitment of the participating companies to local development and their active role in the community's well-being."