



# 5 Reasons to Invest in Lithium Miners

Lithium is a critical material that is essential in the production of electric vehicle (EV) and other rechargeable batteries. As countries around the world incentivize EV adoption to help achieve net-zero decarbonization goals, and consumers and automakers embrace EVs in greater numbers, demand for lithium is expected to increase substantially for decades to come.

## PROJECTED EVS

**790 million**

on the road by 2035<sup>3</sup>

## LITHIUM CLEAN ENERGY DEMAND

**14x growth**

Forecast, 2023 to 2040<sup>4</sup>

## LITHIUM BATTERIES

**90%**

of total lithium demand by 2035<sup>4</sup>

### 1 Demand for Lithium Is Increasing

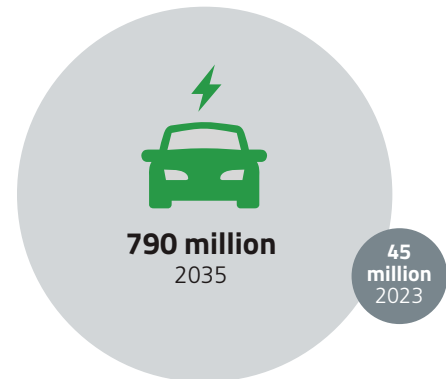
Lithium-ion batteries charge quickly, are long lasting and have high energy density, which allows for more power in a lighter package and makes these batteries essential for use in EVs. Fueled by EV adoption and clean energy storage, demand growth for lithium-ion batteries is expected to reach an annual rate of 31% for the rest of the decade.<sup>4</sup>

### 2 EVs Are on the Rise

EV adoption is a major component of global efforts to achieve net-zero carbon emissions goals. By 2035, the proportion of EVs in total vehicle sales may need to reach 95% to achieve net-zero goals by 2050. This could result in 790 million EVs on the road.<sup>3</sup>

While it's an aggressive goal, the world is well on its way. Investment in electrified transportation, which includes EVs and charging infrastructure, hit a record \$634 billion in 2023, an increase of 36% over 2022 levels.<sup>5</sup> EV adoption is finally reaching a historic tipping point in the United States as well, with EVs accounting for 10% of new car sales—representing a potential precursor for mass adoption in the country. All of these changes could translate to substantive long-term requirements for supplies of lithium.

#### Global electric vehicles on the road<sup>3</sup>



### 3 Legislation Is Accelerating the Transition

Global legislation is bolstering the energy transition and adoption of EVs. The European Parliament and European Council set a target of zero CO2 emissions in 2035 for cars and light commercial vehicles in the European Union (EU) as part of its Fit for 55 package,<sup>6</sup> which is essentially a ban on new internal combustion engine (ICE) vehicles in the 27 EU nations. In the U.S., individual states are working toward a similar policy. Similarly, the Inflation Reduction Act is the largest climate change legislation in U.S. history and includes tax credits for electric vehicles, incentives for clean energy development and loans for lithium miners to bring domestically sourced lithium to market. For example, Lithium Americas received a record \$2.26 billion loan from the U.S. Department of Energy to develop their Nevada lithium deposit. These loans represent a substantial step in strengthening various countries' critical materials supply chains, and we expect these to continue to bolster critical mineral miners.

<sup>1</sup> Based on Morningstar's universe of Natural Resources Sector Equity ETFs as of 9/30/2024.

<sup>2</sup> The term "pure-play" relates directly to the exposure that the Fund has to the total universe of investable, publicly listed securities in the investment strategy.

<sup>3</sup> Source: IEA, Global EV Outlook 2024.

<sup>4</sup> Source: "Global Critical Minerals Outlook 2024", International Energy Agency (IEA), May 2024. Data shown for Net Zero Emissions Scenario.

<sup>5</sup> Source: BloombergNEF, Energy Transition Investment Trends 2024.

<sup>6</sup> Source: Council of the EU, Press Release, March 28, 2023.

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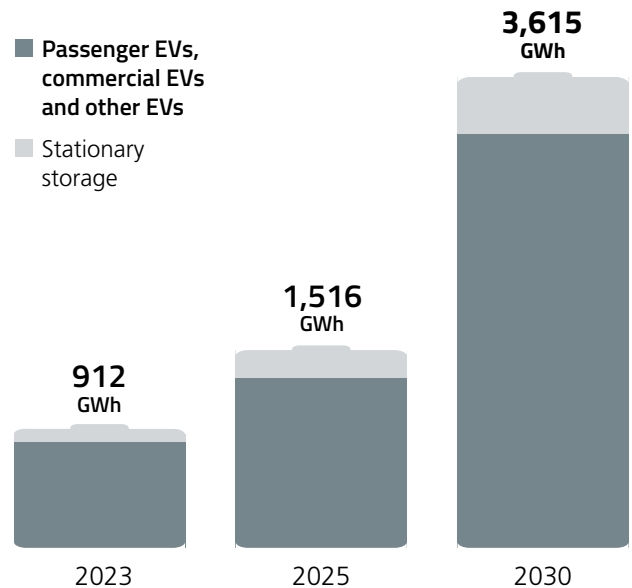
## Countries and Companies Are Racing to Secure Lithium Supplies

Nations and companies have realized the need for battery metals to reach net-zero goals. A resulting race to secure supplies of lithium is now underway.

With soaring EV demand, more than 400 gigafactories (lithium ion battery factories) are planned to be in operation by 2030, representing a cost in the hundreds of billions. Also, automakers are investing in the supply chain to ensure access to lithium and lithium-ion batteries. In early 2023, General Motors announced plans to invest \$650 million with Lithium Americas Corp. for the development of the Thacker Pass lithium project located in Nevada, which may become one of North America’s largest lithium mines.<sup>8</sup> In October 2024, GM followed up this investment by entering into a joint venture with Lithium Americas Corp. to receive a 38% asset-level ownership stake in Thacker Pass for \$625 million. GM joins automakers around the world, including Ford, Tesla and Volkswagen, that are investing hundreds of billions of dollars in lithium mining, lithium refiners and EV battery manufacturers.

Globally, developing countries are controlling their supplies of lithium and using lithium resources to grow their economies. Lithium-rich countries such as Chile, Bolivia and Argentina are discussing the creation of a lithium cartel,<sup>9</sup> and both Chile and Mexico have taken steps to nationalize the lithium mining industry in their countries. Namibia, Ghana and Zimbabwe have all announced plans to ban exports of unprocessed critical minerals, including lithium. The lithium arms race is on.

### Anticipated battery demand by end use, gigawatt hours<sup>7</sup>



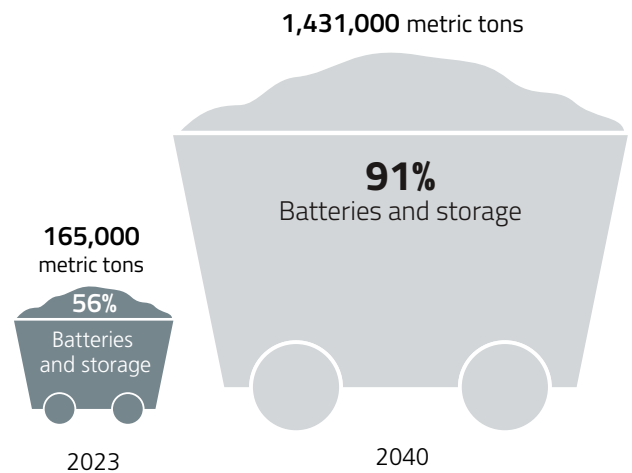
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## The Race to Secure Lithium Focuses on Miners

Expected lithium demand is anticipated to surpass supply from existing mines and projects under construction by over 50% by 2030.<sup>10</sup> Mining capacity needs to expand to meet the growing demand for lithium. Relative to 2023, production for the global energy transition may need to increase by 9 times for lithium to meet the expected demand by 2040.<sup>10</sup>

Mining equities offer pure-play access to the lithium opportunity because miners are “upstream” producers concerned with the extraction, procurement and refining of raw materials, instead of “downstream” manufacturers of consumer products. No matter which EV manufacturers win market share, they all require raw materials.

### Lithium demand may soar, driven by battery demand<sup>10</sup>



<sup>7</sup> Source: BloombergNEF, 7/8/2024.

<sup>8</sup> Source: General Motors, Press Release, January 31, 2023.

<sup>9</sup> Source: Mining.com, "South America Looks at Creating 'Lithium OPEC,'" March 6, 2023.

<sup>10</sup> "Global Critical Minerals Outlook 2024", International Energy Agency (IEA), May 2024. Data shown for Net Zero Emissions Scenario.

## SPROTT LITHIUM MINERS ETF

# LITP Is the Only ETF Offering Pure-Play Access to Lithium Miners

Sprott Lithium Miners ETF (Nasdaq: LITP) is the only<sup>1</sup> ETF to provide pure-play<sup>2</sup> exposure to the lithium miners that supply a critical material for batteries, especially those that store clean energy and support the electric vehicle revolution.

LITP seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the Nasdaq Sprott Lithium Miners™ Index (NSLITP™). The Index is designed to track the performance of a selection of global securities in the lithium industry, including lithium producers, developers and explorers.

LITP is part of the Sprott Critical Materials ETFs. Please visit [sprottets.com](http://sprottets.com) for more information.

## Performance: Average Annual Total Returns<sup>3</sup> (%)

QUARTER END AS OF 9/30/2024	1 MO	3 MO	YTD	1 YR	S.I. <sup>4</sup>
Sprott Lithium Miners ETF (Net Asset Value)	13.09	4.85	-34.94	-42.20	-40.88
Sprott Lithium Miners ETF (Market Price) <sup>5</sup>	12.98	4.60	-35.49	-42.21	-41.01
Nasdaq Sprott Lithium Miners™ Index (Benchmark) <sup>6</sup>	13.56	5.15	-35.05	-42.89	-41.03
MSCI All Country World Index <sup>6</sup>	2.32	6.61	18.66	31.76	19.32

## Fees and Expenses (%) as of the most recent prospectus<sup>7</sup>

Management Fee	0.65
Other Expenses	0.00
<b>Total Annual Fund Operating Expenses</b>	<b>0.65</b>

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be higher or lower than actual data quoted. Call 1.888.622.1813 or visit [www.sprottets.com](http://www.sprottets.com) for current month-end performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

<sup>1</sup> Based on Morningstar's universe of Natural Resources Sector Equity ETFs as of 9/30/2024.

<sup>2</sup> The term "pure-play" relates directly to the exposure that the Fund has to the total universe of investable, publicly listed securities in the investment strategy.

<sup>3</sup> Returns less than one year are not annualized.

<sup>4</sup> Inception Date: 2/1/2023.

<sup>5</sup> Market Price is based on the midpoint of the bid/ask spread at 4 p.m. ET and does not represent the returns an investor would receive if shares were traded at other times.

<sup>6</sup> The Nasdaq Sprott Lithium Miners™ Index (NSLITP™) was co-developed by Nasdaq® (the "Index Provider") and Sprott Asset Management LP (the "Sponsor"). The Index Provider and Sponsor co-developed the methodology for determining the securities to be included in the Index and the Index Provider is responsible for the ongoing maintenance of the Index. The Sponsor will provide certain services in connection with the Index including contributing inputs in connection with the eligibility and process to determine the initial selection and ongoing composition of the Index constituents. The MSCI All Country World Index (MSCI ACWI) includes stocks from 23 developed countries and 24 emerging markets, covering approximately 85% of the global investable equity opportunity set. One cannot invest directly in an index.

<sup>7</sup> Reflects Total Annual Operating Expenses as outlined in the most recent prospectus. For the services the Adviser (Sprott Asset Management USA, Inc.) provides to the Fund, the Adviser is entitled to receive an annual advisory fee from the Fund calculated daily and paid monthly at an annual rate of 0.65% of net assets.

## ABOUT SPROTT

Sprott is a global leader in precious metals and critical materials investments. We are specialists. Our in-depth knowledge, experience and relationships separate us from the generalists. Our investment strategies include Exchange Listed Products, Managed Equities and Private Strategies. Sprott has offices in Toronto, New York, Connecticut and California and the company's common shares are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol (SII). For more information, please visit [www.sprott.com](http://www.sprott.com).

## IMPORTANT DISCLOSURES & DEFINITIONS

**An investor should consider the investment objectives, risks, charges and expenses carefully before investing. To obtain a Sprott Lithium Miners ETF Statutory Prospectus, which contains this and other information, visit <https://sprottets.com/litp/prospectus>, contact your financial professional or call 1.888.622.1813. Read the Prospectus carefully before investing.**

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. The Fund is not suitable for all investors. The Fund is considered non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a diversified fund.

**Shares are not individually redeemable. Investors buy and sell shares of the Sprott Lithium Miners ETF on a secondary market. Only market makers or "authorized participants" may trade directly with the Fund, typically in blocks of 10,000 shares.**

Funds that emphasize investments in small/mid-cap companies will generally experience greater price volatility. Diversification does not eliminate the risk of investment losses. ETFs are considered to have continuous liquidity because they allow an individual to trade throughout the day. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses, affect the Fund's performance.

Reference to any specific company herein is meant only to highlight recent examples of industry activity by project and/or deal size. There is no guarantee the projects and/or deals have led or will lead to favorable and/or profitable outcomes.

The Sprott Lithium Miners ETF seeks to provide investment results that, before fees and expenses, generally correspond to the total return performance of the Nasdaq Sprott Lithium Miners™ Index (NSLITP™).

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