

Tesla Inc

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Manganese producers set to strike gold after Tesla unveils shift to new generation of batteries

Manganese producers are set to strike the proverbial pot of gold after the world's biggest electric car maker, Tesla Inc (NASDAQ:TSLA) (FRA:TL0) announced a major shift in its battery strategy - the move to manufacture its own batteries incorporating manganese and nickel.

Tesla's aim to drive down the cost of its electric cars will see the company producing its own new generation of batteries that will be more powerful, longer-lasting and half as expensive than the company's current cells.

More power and greater range

Tesla's new larger cylindrical cells will provide five times more energy, six times more power and far greater driving range, according to Tesla chief executive officer Elon Musk.

Full production is about three years away, Musk said at Tesla's Battery Day on Wednesday.

Manufacture own batteries

We intend to increase, not reduce battery cell purchases from Panasonic, LG & CATL (possibly other partners too). However, even with our cell suppliers going at maximum speed, we still foresee significant shortages in 2022 & beyond unless we also take action ourselves.

— Elon Musk (@elonmusk) September 21, 2020

Tesla aims to manufacture its own battery cells at several highly automated factories around the world and source its own raw materials, including manganese.

Musk disclosed several technological advances that it plans to implement to substantially lower the cost of producing lithium-ion batteries and electric vehicles.

This plan includes to start manufacturing at a very large scale, an innovative type of lithium-ion battery with a cathode that contains around 33% manganese, made directly from manganese metal.

Affordable electric car

The switch is aimed at delivery an 'affordable' electric car by slashing battery costs in half with new technology and processes.

Building an affordable electric car "has always been our dream from the beginning of the company", Musk told an online audience of more than 270,000.

Price: 567.6

Market Cap: \$538.03 billion

1 Year Share Price Graph



December 2019 June 2020 November 20

Share Information

Code: TSLA

Listing: NASDAQ

52 week High Low
607.77 65.45

Sector: Manufacturing & engineering

Website: www.tesla.com

Company Synopsis:

Tesla Inc. was founded in 2003 by a group of Silicon Valley engineers who set out to develop a new electric vehicle company. Tesla Inc. uses proprietary technology, world-class design and state-of-the-art manufacturing processes to create a new generation of highway capable electric vehicles. We utilize an innovative distribution model based on company-owned sales and service centers.

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In January, Musk had said that in order to ramp-up production of the Tesla Model Y vehicle, introduce the new Cybertruck and launch its semi-electric truck, a lot more batteries would be needed.

"The thing we're going to be really focused on is increasing battery production capacity because that's very fundamental - because if you don't improve battery production capacity, then you end up just shifting unit volume from one product to another and you haven't actually produced more electric vehicles," Musk said.

Euro Manganese shares soar

Euro Manganese Inc (ASX:EMN) (CVE:EMN) (FRA:E06) saw unusually high volume and price levels on the ASX on Wednesday after Tesla unveiled its battery plans.

Shares reached a new 11-month high of 22 cents, up from 13.5 cents at the close on the previous day.

The Canadian-based resource developer, which is advancing the development of its 100%-owned Chvaletice Manganese Project in the Czech Republic, Europe's largest manganese deposit, is expected to become a major primary producer of high-purity manganese products in Europe.

EMN said: "The introduction of manganese in Tesla batteries is expected to result in a material increase in high-purity manganese demand."

The proposed Chvaletice project entails re-processing a significant manganese deposit hosted in historic mine tailings, strategically located in the Czech Republic.

EMN's goal is to become a leading, competitive and environmentally superior primary producer of ultra-high-purity manganese products in the heart of Europe, serving both the lithium-ion battery industry, as well as other high-technology applications.

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