

Plans to bring UK's first lithium hydroxide plant to Teesside Freeport

Plans to bring the UK's first lithium hydroxide plant to Teesside Freeport have taken a step forward.

Semcorp Energy UK (SEUK) has signed an exclusivity agreement with Alkemy Capital Investments plc, whose wholly-owned subsidiary Tees Valley Lithium Ltd intends to build a processing plant at Wilton International.

The six-month exclusivity deal – worth £50,000 – means Tees Valley Lithium could establish a facility to process chemicals used in electric vehicles batteries, subject to a feasibility study and a formal lease for the 20-acre plot.

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The plant will have an initial capacity of 24,000 tonnes per annum of lithium hydroxide, to be sold in the energy storage markets.

Alkemy is looking to develop the plant with a view to becoming a key supplier to the UK and European mobile energy market.

Upon finalisation of a formal lease, construction will begin during the course of this year, with the plant anticipated to be operational in late 2023, supporting 500 jobs during construction and 250 when in operation.

Andy Koss, CEO, UK & Middle East, Semcorp Industries, said: "I'm delighted that Tees Valley Lithium has chosen Wilton International for their new plant, having been attracted by the benefits of the Teesside freeport and the readily-available connectivity of our site.

“We welcome new customers and new low-carbon jobs that are supporting the UK’s transition to net zero, similar to Sembcorp’s strategic goals.”

In an update to investors, Alkemy said it is considering various funding options for the project including private equity, a structured bond and an institutional equity component.

It is also in discussions with potential providers of primary lithium sulphate feedstock and expects to make further announcements.

Sam Quinn, director at Alkemy, said: “We are delighted to have transitioned Alkemy into an operating company now focussed on the exciting lithium downstream processing sector to support the burgeoning electric vehicle and energy storage markets.

“Although we are in the early stages, our aim is to build the most sustainable significant producer of lithium hydroxide, utilising the advantages of the UK’s chemical processing skills, infrastructure, green energy and legislation. We expect to update the market shortly on further exciting developments as we continue to advance the project.”

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