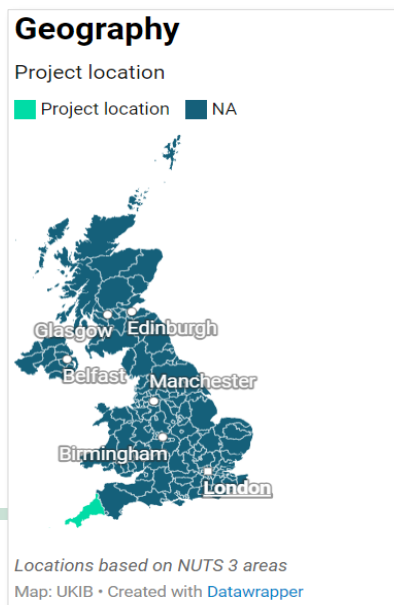


# Cornish Lithium Plc deal: factsheet

Deal Information	
Deal closed	August 2023
Sector	Supply chain
Location	Cornwall
Counterparty	Cornish Lithium Plc <sup>i</sup>
Total cost	£53.6m <sup>ii</sup>
UKIB Finance	£24m <sup>iii</sup>
Product	Equity



## Summary

UK Infrastructure Bank invests £24m in Cornish Lithium Plc to support a first of a kind lithium extraction and exploration project. This project contributes to our climate change objective via establishing an upstream supply chain for battery production required for the decarbonisation of transport and therefore Net Zero. It is also aligned with our local economic growth objective as this project is expected to create skilled jobs in a region with one of the lowest rates of productivity in the UK. UKIB investment is needed to ensure the demonstration phase and explore the opportunity for the continuation of lithium extraction beyond the testing phase in Cornwall.

## Sector context

Domestic transport is the largest contributor of UK GHG emissions: accounting for 22% of UK emissions in 2019. To meet the Sixth Carbon Budget, emissions from transport will need to fall by over 70%. In line with the UK’s Net Zero targets, the Climate Change Committee (“CCC”) estimates that the take up of (electric vehicles) EV and plug-in hybrids for passenger vehicles will need to increase from 400,000 today, to 23.2m by 2032 and possibly up to 49m by 2050.<sup>iv</sup>

Lithium is crucial for producing batteries and EVs. Around 95% of lithium demand is expected to be for EV batteries by 2030.<sup>v</sup> However, the global lithium supply is outpaced by the increasing demand. UK demand is forecast to rise to 80,000 tonnes in 2030.<sup>vi</sup>

## Impact and additionality

If the demonstration is successful, this project will deliver 8kt of lithium per year, roughly equivalent to 190 to 300k EV batteries. This supply will support the production of batteries in the UK and demonstrate a more environmentally friendly extraction method. Further, the demonstration phase is expected to bring 30 jobs to Cornwall with more than 200 jobs expected at commercialisation stage for operation and more construction jobs.

By investing in this project, UKIB will support Cornish Lithium Plc in the construction of their demonstration plant, showing the feasibility of the undertaking.

Evidence from the company and the market shows that UKIB participation increased market confidence and crowded in private capital. Evidence from Faraday, the CCC, and the Department for Transport all highlight the need for more EV and battery production.

## ESRG considerations<sup>vii</sup>

External consultants have carried out the ESRG assessment on our behalf. No red flags were identified at this stage of the project.

The company has strong ESG management and has demonstrated good community engagement.

UKIB will monitor the development of the project and the management of material issues and the company's ESG policies over time.

## Impact metrics

<b>1</b>	# Deals in the supply chain sector
<b>£24m<sup>iii</sup></b>	Total Investment in Sector
<b>30 FTE<sup>viii</sup></b>	Direct jobs created
<b>180,000 tCO<sub>2</sub><sup>ix</sup></b>	Emissions
<b>£29.6m</b>	Private Finance Mobilised

<sup>i</sup> Tremough Innovation Centre Penryn, Cornwall, TR10 9TA

<sup>ii</sup> GBP equivalent of USD 67m

<sup>iii</sup> GBP equivalent of USD 30m

<sup>iv</sup> The-UKs-transition-to-electric-vehicles.pdf (theccc.org.uk)

<sup>v</sup> [How lithium mining is fueling the EV revolution | McKinsey](#)

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<sup>vi</sup> [Cornish Lithium Set for a Momentous 2023 Following Significant Progress in 2022 | Cornish Lithium Plc.](#)

<sup>vii</sup> By partnering with us, companies agree to reference ESG best practice guidance and report on their Environmental, social, resilience and governance (ESRG) approach. We will check projects have incorporated the relevant recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) and the International Sustainability Standards Board.

<sup>viii</sup> Jobs at demonstration phase only. 13 jobs attributable to UKIB finance

<sup>ix</sup> Estimate of the emissions from mining during the demonstration phase only. Enables emission savings from EVs have not been included. 81,000 tCO<sub>2</sub> attributable to UKIB finance.