

Lithium, Leadership and Vision 2035

TEES
VALLEY
LITHIUM

Delivering the UK's Vision 2035:

- 50,000 tonnes of domestic lithium production by 2035
- 20 percent of lithium sourced from recycling by 2035
- TVL can deliver both, and more, thanks to Teesside's chemical cluster and offshore wind power



Introduction

"The publication of the UK's refreshed **Critical Minerals Strategy: Vision 2035** marks an important moment for the country's industrial future. As the UK accelerates its transition to cleaner energy, electrified transport and advanced manufacturing, access to secure and responsibly sourced critical minerals has become one of the defining strategic challenges of this decade.

The new strategy recognises this urgency. It sets out a clear vision for how the UK will strengthen its resilience, mobilise private investment, and build a competitive, future-facing critical minerals industry. The scale of the opportunity is significant. Critical minerals now sit at the heart of everything from electric vehicles and grid-scale batteries to wind turbines, digital technologies and national defence capabilities. The strategy acknowledges that meeting this demand requires not just importing raw materials, but building world-leading refining, processing and recycling capacity here in the UK.

This is exactly where Tees Valley Lithium fits in. As we progress with construction in 2026, the alignment between this national strategy and our mission on Teesside could not be clearer. The government's **focus on domestic midstream processing, regional industrial strengths and secure international partnerships** directly underpins the approach we have taken from day one.

In this article, we explore the key elements of the updated strategy and what they mean for the UK, for the North East, and for TVL as we build the country's flagship lithium refinery."

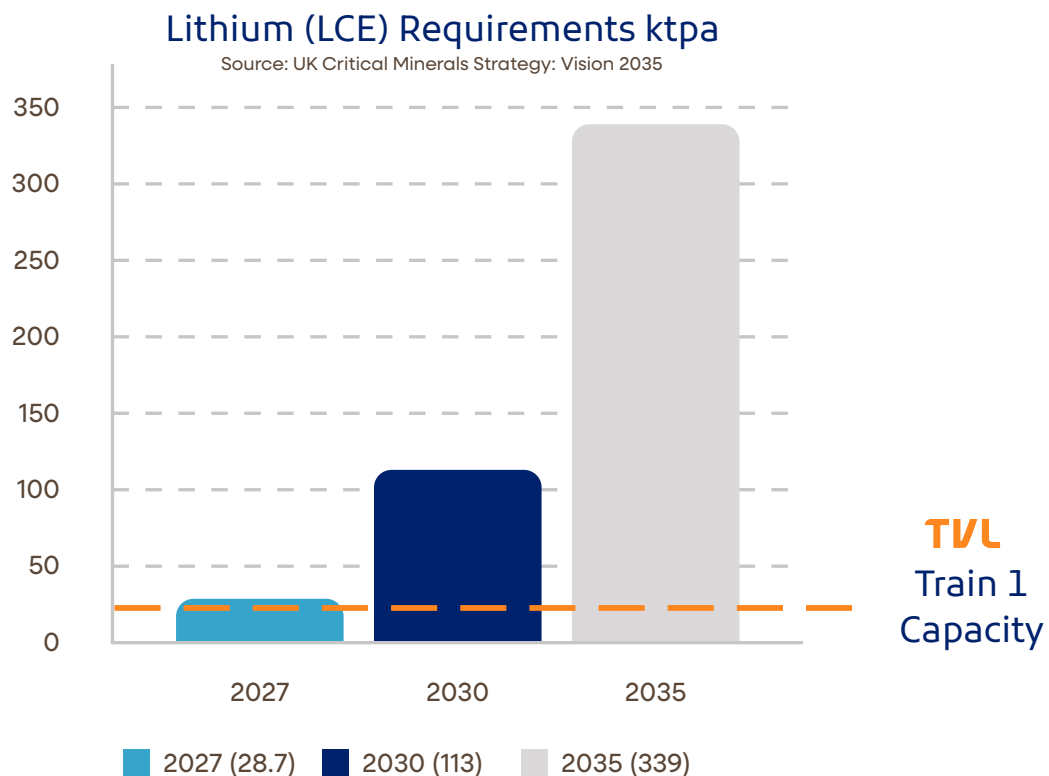


Vikki Jeckell
CEO, Tees Valley Lithium

A Surge In Demand

Lithium Requirements Rising by 1100%

The scale of the UK's future lithium requirement is made unambiguously clear in the updated Critical Minerals Strategy. In the Ministerial Foreward, the government highlights a striking figure: **UK lithium demand is expected to rise by 1,100 percent by 2035**. This is one of the most direct and urgent demand signals yet issued by a UK government, reflecting not only the acceleration of electric vehicle production, but also the rapid growth of battery energy storage, consumer electronics, and the wider clean energy ecosystem.



This scale of growth cannot be met through international markets alone, particularly as global supply chains continue to experience volatility, concentrated refining capacity, and exposure to non-market practices. It reinforces the importance of establishing secure, domestic refining capacity that can supply battery-grade materials to UK manufacturers at scale.

The strategy does more than set out a challenge: it clearly acknowledges the **need for UK midstream capability to keep pace with this demand**. For TVL, this provides national-level validation of the pathway we are already pursuing, creating a world-class lithium refinery that supports the UK's industrial transition and helps secure a stable, long-term supply of battery-grade lithium chemicals for the decade ahead.

Domestic Production Targets

Lithium Prioritised at 15 Percent



Domestic Lithium Production

The UK has set a dedicated target for lithium, aiming to produce at least **50,000 tonnes of lithium (LCE) domestically by 2035**. This represents around **15%** of the UK's projected demand, acknowledging lithium's exceptional strategic importance in EV's energy storage and advanced manufacturing.



Recycled Content

By 2035, **20 percent of the UK's critical mineral needs should be met through recycling**. For lithium, this creates a significant opportunity for UK-based recyclers, but only if midstream refining capacity exists to convert recovered material into battery-grade products. **TVL can support this from first production.**



Supply Chain Resilience

The strategy sets a diversification threshold: **no more than 60 percent** of any critical mineral can be imported from **a single country by 2035**. This aims to reduce national exposure to concentrated refining markets and geopolitical risk, a challenge particularly relevant to lithium given today's China-dominant supply chains

These three targets collectively form the backbone of the UK's approach to securing the minerals essential for its clean energy transition. Whilst most critical minerals have been set at a **10 percent domestic production target, lithium stands apart with a higher 15 percent ambition**. This distinction reflects the UK's recognition that it can, and must, build a significantly stronger domestic presence in lithium specifically, given its central importance to EVs, energy storage and advanced manufacturing.

To meet its 2035 goals, the UK will need large-scale flexible refining capacity at home, the integration of recycled feedstock into commercial operations, and diversified international feedstock partnerships. TVL sits at the centre of this effort, helping build a resilient, transparent and future-proof lithium supply chain for the UK.

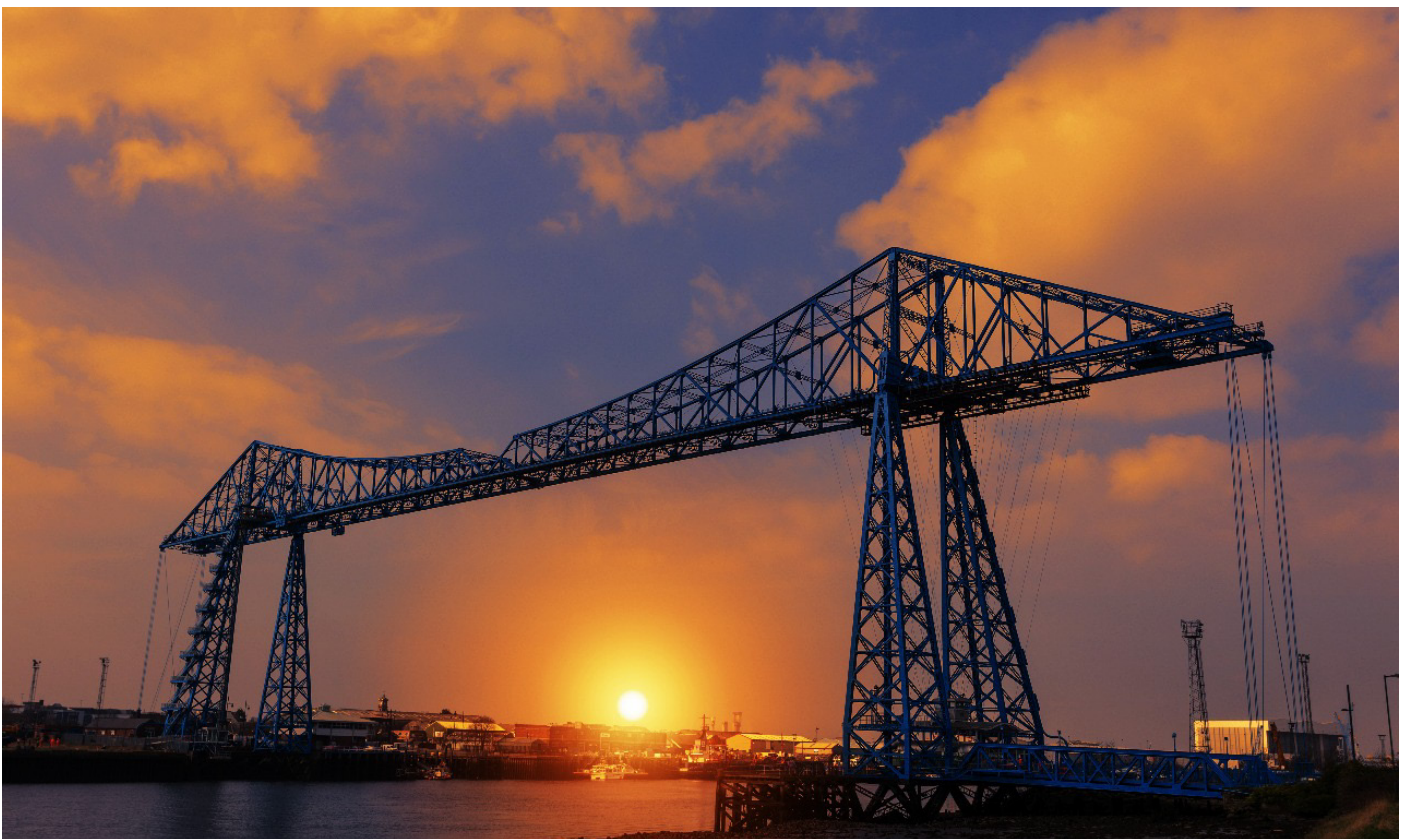
Teesside

A Recognised Hub of National Strength

The updated Critical Minerals Strategy makes it clear that the UK's future industrial resilience will be built around regional clusters with the skills, infrastructure and geography to support critical mineral production. **Teesside is explicitly identified as one of these national strengths**, a region with deep industrial capability, established expertise in chemical processing, world-class logistics, and the port infrastructure needed to support globally connected supply chains.

This recognition is significant. Teesside has long been home to the industries that shaped the UK's industrial identity, and this strategy positions the region at the heart of the country's next industrial chapter: the clean energy transition. With access to Freeport advantages, low-carbon energy pathways and a growing ecosystem of advanced manufacturing, Teesside provides the ideal environment for the scale and complexity of midstream refining.

For TVL, this is more than policy alignment, it is validation of the approach we have taken since inception. Our decision to base the UK's flagship lithium refinery in Teesside Freeport reflects the region's strengths: **skilled people, modern infrastructure, supportive regional leadership, and connectivity to global feedstock routes**. The government's strategy reinforces that Teesside is not just a suitable location, it is a strategic one.



Energy Cost Relief

Acknowledging the Challenge and Supporting Competitiveness

The updated Critical Minerals Strategy directly recognises one of the most persistent barriers facing UK midstream projects: the high cost of industrial energy. Lithium refining, along with nickel, cobalt and other hydro-metallurgical processes, relies on consistent, competitively priced electricity to operate at scale. For years, UK energy costs have placed domestic processors at a structural disadvantage compared to international competitors.

The strategy confirms an important policy shift. Through the British Industrial Competitiveness Scheme, now entering consultation, and the expansion of the British Industry Supercharger Scheme, the government aims to narrow the energy cost gap and support the very businesses that will form the backbone of the UK's future critical minerals sector. With additional discounts reducing electricity prices for the most energy-intensive industries, the policy framework is evolving in the right direction.

For TVL, these measures matter. Our lithium refinery will operate at significant scale and will rely on stable, predictable energy pricing to support long-term contracts. Government recognition of these challenges, and the commitment to address them, is essential for major midstream investments to proceed with confidence.



Global Partnerships

Strengthening Supply Through Trusted Relationships



The strategy is clear that the UK will continue to rely on international raw materials, but with a stronger focus on trusted, long-term partnerships with countries such as Canada, Australia, the US, Japan and India. These relationships are designed to secure stable supply while allowing the UK to specialise in high-value midstream processing.

This approach aligns directly with TVL's model: use domestic and imported responsibly sourced lithium feedstock, upgrade it domestically, and create value here in the UK. By refining lithium on Teesside, TVL supports industrial sovereignty, reduces exposure to global volatility and ensures UK manufacturers have access to reliable, ESG-aligned supply.

As competition for raw materials intensifies, the UK's emphasis on partnership-based supply chains reinforces the need for large-scale refining capacity at home, and TVL is positioned to play a central role in delivering it.

Strengthening Market Transparency

Reducing Exposure to Volatility and Non-Market Practices

The updated strategy highlights the need for greater price transparency and market stability across critical minerals. This reflects the volatility seen in global lithium markets, where concentrated refining capacity allows non-market behaviours to influence pricing. A recent example came just last week: after an uptick in lithium prices; China introduced new restrictions on certain forward trades, showing how quickly market dynamics can be influenced by a single region.

Lithium Price and Inventory Forecast

Source: SC Insights, Webinar Jul 2025



However, this kind of non-market manipulation is only effective during periods of oversupply. With global inventories now diminishing and demand rapidly catching up with supply, analysts expect lithium deficits to emerge as early as 2026. Once the market shifts into deficit, China's ability to distort prices reduces significantly, as tight supply naturally limits the impact of unilateral interventions. In this environment, transparent and reliable pricing mechanisms become essential for industry stability.

The UK strategy reflects this need by exploring ways to strengthen transparent market structures, including expanded contracts through the London Metal Exchange (LME) and Intercontinental Exchange (ICE). These tools will help UK manufacturers and investors operate with greater certainty as the global lithium market enters a new, more supply-constrained phase.

Crucially, TVL's tolling model will shield it from much of this volatility. Creating predictability and providing the stability required for the UK's growing battery and automotive sectors.

Conclusion

Delivering the UK's Vision 2035



"The UK's updated Critical Minerals strategy sends a clear signal: domestic midstream refining is now recognised as essential to national resilience and industrial growth. This directly aligns with TVL's model. TVL was established well before this strategy was published, and our rapid progress now stands firmly validated by the government's direction.

The new Critical Minerals Fund and measure to improve energy competitiveness are welcome steps in supporting projects like ours, even if the overall level of funding will fall short of what is needed to meet the government's own 2035 success benchmarks. What matters is that the policy environment is strengthening, and the role of midstream is being formally acknowledged.

For us, this strategy reinforces the strength of TVL's approach. We are already moving at pace, we are aligned with national priorities, and we are positioned to deliver exactly the capability the UK government now says it needs."

Vikki Jeckell
CEO, Tees Valley Lithium