

20 April 2023

Alkemy Capital Investments Plc

Corporate Update

Alkemy Capital Investments plc ("Alkemy") (ALK:LSE) (JV2:FRA) and its wholly-owned subsidiary Tees Valley Lithium Limited ("TVL") are pleased to provide a corporate update on recent activities and milestones.

HIGHLIGHTS

- **Macro outlook for lithium processing remains extremely robust with 700GW of gigafactory capacity planned for Europe with currently limited lithium refining capacity in the UK and Europe.**
- **TVL's world class Wilton lithium hydroxide refinery, one of Europe's largest and most advanced, has received environmental and planning permission, is shovel ready, with final FEED engineering studies now underway.**
- **Alkemy's Port Hedland lithium sulphate refinery is advancing rapidly with land secured at the Boodarie Strategic Industrial Area alongside multinationals BP, POSCO and Fortescue Metals, with the environmental and planning approvals process and feasibility and engineering studies underway.**
- **Lithium offtake secured with Recharge Industries, the new owners of Britishvolt, to supply tolled low-carbon lithium hydroxide, with other European offtake deals currently being advanced**
- **Feedstock identified for both the Port Hedland and Wilton refineries with Alkemy in late-stage discussions for supply deals with multiple potential suppliers including well known automakers, miners and commodity trading houses.**
- **Project financing discussions advancing with multiple potential providers of debt, strategic equity and green bond finance.**

Director Sam Quinn commented:

"Since the inception of our company little over a year ago, we have made incredible progress in advancing both of our lithium refinery projects, including securing key sites in Teesside and Port Hedland, receiving planning and environmental permissions, establishing offtake and other key strategic partnerships along with key governmental, industry and media recognition.

We continue to advance discussions with several key potential feedstock suppliers and consider that a binding deal with any one or more of these parties would be a company-maker.

We firmly believe that the quality of our offering as one of the world's lowest-carbon and Europe's largest refiners of zero waste battery-grade lithium hydroxide, together with the rapid project advancements made to date, stand us in good stead in these negotiations."

Macro outlook for lithium processing remains extremely robust

The European Commission and the UK have announced the ban on sales of all combustion engine cars by 2035 and several governments are offering financial incentives to buy electric vehicles ("EVs") which has seen the demand for EVs in Europe breaking new records. Norway is leading the charge where a remarkable 86% of all new vehicles registered late year were EVs with Sweden 47%, Denmark 35% and

Finland 32% not far behind. Globally, under the IEA's Stated Policies Scenario, the stock of EVs is forecast to increase 11-fold from today's levels to over 200 million vehicles.

As Europe's car makers make the switch to EVs to meet this burgeoning demand there is over 700GW of gigafactory capacity either in construction or planned to provide the batteries for these electric vehicles.

These gigafactories will require over 650,000 tonnes of locally refined lithium per year in the form of either hydroxide or carbonate depending on the type of vehicle. Currently the UK and Europe has very limited lithium refining capacity.

Building a European lithium processing facility will reduce the regional dependence on China, which currently controls 90% of the world's lithium refining capacity, however, is expected to require all of this production domestically in order to deliver its US\$11 trillion Carbon Neutral 2060 plan.

TVL's processing refinery is expected to produce enough lithium hydroxide to supply 100% of the forecasted automotive demand in the UK by 2030, with a further 35% of its total production available for export to other countries in Europe and elsewhere.

Alkemy's Teesside and Port Hedland refineries continue to advance at a rapid pace

TVL is looking to address this problem by providing the UK and Europe with a supply of lithium from its recently approved refinery at the Wilton Chemicals Park in the Teesside Freeport.

The state-of-the-art Wilton refinery will process imported high content lithium in the form of a technical grade carbonate from brine producers in South America and lithium sulphate from its Port Hedland refinery in Western Australia, which will convert low grade spodumene into high grade lithium sulphate.

The Wilton refinery has received planning approval for 96,000 tonnes per annum and is currently undergoing engineering studies ahead of financing.

In January 2023, the Western Australian Government allocated Alkemy an area of approximately 43.7 hectares within the Boodarie Strategic Industrial Area for the construction of its Port Hedland refinery. Wave Engineering and GHD have been engaged to undertake the engineering and planning approvals for the Boodarie operation.

Port Hedland, Western Australia is the largest bulk export port in the world, the largest container port in Australia and with the planned US\$470 million multi-user logistics hub at Lumsden Point it is expected to become the world's biggest exporter of lithium.

Alkemy has been allocated land along with BP, POSCO, Fortescue Metals and Alinta Energy with the aim of making Boodarie part of an A\$70 billion globally competitive Pilbara green industrial precinct.

Building the Port Hedland LSM refinery will provide Australian spodumene producers with a complete mid-stream lithium refining solution with direct access to the premium European market through TVL's refinery at the Wilton International Chemicals Park in Teesside, UK.

This new Pilbara to Teesside supply chain will embody the new critical minerals supply chains possible under the recently signed free trade agreement between Australia and the UK and leverage the competitive strengths of Australia in mining and critical minerals processing and the UK in chemical refining.

By sourcing low carbon feedstock and powering an electrochemical refining process with offshore wind and green hydrogen supplied by energy multinational bp's HyGreen Teesside project, TVL aims to supply its UK and European customers with the world's lowest-carbon lithium hydroxide, commencing in 2025.

Offtake has been secured with more lithium supply deals expected

Recharge Industries Pty Ltd ("Recharge"), an Australian Lithium-ion battery company, has now completed the acquisition of Britishvolt, a planned £3.8 billion lithium-ion gigafactory in Northern England. TVL and Recharge have signed an MOU and will now seek to negotiate and finalise a definitive offtake agreement to supply tolled low-carbon lithium hydroxide into Recharge's qualified supply chain and to potentially jointly source spodumene for TVL's processing facilities. Recharge is currently developing Australia's first large-scale lithium-ion cell production facility in Geelong, Australia.

Under plans presented by Recharge, Britishvolt will be the UK's first gigafactory, creating a strategic economic and security asset which will play a critical role in the UK's industrial and net zero strategies. Britishvolt will provide thousands of green, skilled and local jobs that will drive local and national benefits.

Under its MOU with Recharge, TVL has agreed to supply tolled lithium hydroxide to Britishvolt from its

Under its MOU with Recharge, TVL has agreed to supply toned lithium hydroxide to Brushvolt from its facility in Teesside. Both companies will continue good-faith negotiations, with the aim of concluding a definitive offtake and supply agreement. In addition, both TVL and Recharge have agreed to work together to jointly source lithium spodumene to be used in TVL's refinery in Port Hedland, Western Australia for conversion to lithium sulphate to be shipped to Teesside, UK for conversion into lithium hydroxide.

TVL is also in discussions with several other European gigafactories and electric vehicle OEMs to supply lithium hydroxide and carbonate and expects more offtake deals to be signed in due course. These customers are increasingly focussed on price, transparency and low embedded carbon, when sourcing high grade lithium products.

Government and industry continue to recognise the importance of Alkemy's refineries

The Critical Minerals Association United Kingdom, a key interlocutor between the UK Government and the critical minerals industry, has recently identified TVL's lithium refinery in Teesside as a case study project that in its opinion will form a key strategic component of the UK's critical minerals midstream processing and refining sector.

In addition, the UK Automotive Transformation Fund ("ATF"), which is designed to help fund the UK's automotive supply chain, has approved TVL's initial expression of interest with a formal decision due in the coming months. The ATF is a funding programme created to support large-scale industrialisation and will invest up to £1 billion to develop a high-value end-to-end electrified automotive supply chain in the UK. The ATF is a long-term programme designed to enable the UK to build the world's most comprehensive and compelling electrified vehicle supply chain, supporting over 160,000 jobs and creating export opportunities

TVL's world-class zero waste lithium hydroxide refinery will form a significant component of the UK's transition to EVs and is expected to produce enough lithium hydroxide to supply 100% of the forecasted automotive demand in the UK by 2030.

Discussions regarding feedstock supply and offtake are rapidly advancing and nearing completion

Alkemy is currently in advanced discussions with a number of potential key feedstock suppliers, including both technical grade carbonate suppliers from South America (to supply TVL's lithium hydroxide refinery in Teesside) and spodumene suppliers from Australia (to supply the Port Hedland refinery).

TVL's merchant refinery design is able to accommodate multiple feedstock sources on a train-by-train basis, thereby opening up various feedstock, partnership and funding options.

Advanced detailed discussions are ongoing with several industry-leading lithium producers (miners), well known automakers, global commodity trading houses and battery recyclers, to supply Alkemy's available trains and Alkemy is confident of completing on one or more of these feedstock supply deals in the short term.

Project funding discussions underway with several strategic groups

Alkemy is in discussions with a number of groups and financial institutions for the financing of both of its refineries.

The \$600m approximate capital cost of trains 1 for both refineries is expected to be financed largely through green bonds (for which Alkemy will seek accreditation) combined with a mix of debt and strategic equity finance at project level.

As securing feedstock is a key component for each project, these financing discussions are expected to be concluded following the signing of one or more feedstock deals.

Whilst Alkemy's goal has always been to minimise dilution in the listed topco, it may also seek to introduce one or more long term strategic partners who share in our vision of building a global leader in lithium downstream processing and refining.

Further information

For further information, please visit Alkemy's website: www.alkemycapital.co.uk or TVL's website www.teesvalleylithium.co.uk.

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Alkemy Capital Investments Plc
Sam Quinn

Tel: 0207 317 0636
info@alkemycapital.co.uk

VSA Capital Limited
Andrew Monk (Corporate Broking)
Andrew Raca (Corporate Finance)

Tel: 0203 005 5000

Shard Capital Partners LLP
Damon Heath

Tel: 0207 186 9952
damon.heath@shardcapital.com
Tel: 0207 186 9927
isabella.pierre@shardcapital.com

Isabella Pierre

NOTES TO EDITORS

Alkemy is seeking to establish the world's leading independent and sustainable lithium hydroxide production by developing state-of-the-art lithium sulphate and lithium hydroxide facilities in Australia and the UK.

Alkemy, through its wholly-owned subsidiary Tees Valley Lithium, has secured a 9.6 ha brownfields site with full planning permission at the Wilton International Chemicals Park in Teesside, a major UK Freeport, to build the UK's first and Europe's largest lithium hydroxide processing facility.

Tees Valley Lithium has completed a Class 4 Feasibility Study for its proposed lithium hydroxide refinery which will process feedstock imported from various sources to produce 96,000 tonnes of premium, low-carbon lithium hydroxide annually, representing around 15% of Europe's projected demand.

Alkemy has also secured a site near Port Hedland, Western Australia to build a world-class sustainable lithium sulphate refinery that will provide reliable feedstock for Tees Valley Lithium.

Forward Looking Statements

This news release contains forward-looking information. The statements are based on reasonable assumptions and expectations of management and Alkemy provides no assurance that actual events will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Although Alkemy believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those projected. Mining exploration and development is an inherently risky business. In addition, factors that could cause actual events to differ materially from the forward-looking information stated herein include any factors which affect decisions to pursue mineral exploration on the relevant property and the ultimate exercise of option rights, which may include changes in market conditions, changes in metal prices, general economic and political conditions, environmental risks, and community and non-governmental actions. Such factors will also affect whether Alkemy will ultimately receive the benefits anticipated pursuant to relevant agreements. This list is not exhaustive of the factors that may affect any of the forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on forward-looking information.

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