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Geothermal Engineering Limited will invest around £43 million in a new lithium mine in Cornwall, backed by nearly £10 million through government's DRIVE35 fund.

- New lithium mine in Cornwall will ramp up UK's industrial resilience, support over 100 jobs and help make Britain better off.
- Government is taking action to ensure UK has strong supply of critical mineral to back key supply chains for AI, advanced manufacturing and clean energy sectors.
- Investments follows £1bn secured for UK automotive this month alone, supporting hundreds of jobs as part of the Prime Minister's mission to reindustrialise Britain.

A new mine in Cornwall is set to open as the government ramps up efforts to boost industrial resilience and help secure vital supply chains backing the automotive, clean energy and advanced manufacturing sectors.

Geothermal Engineering Limited (GEL) will invest around £43 million in a new cutting-edge lithium extraction facility in Cornwall. The investment will create nearly 50 direct jobs and support around 80 more across the supply chain, after receiving an Offer in Principle worth nearly £10 million through the Government's DRIVE35 Automotive Transformation Fund.

The move comes as demand for lithium is expected to increase by 1,100% by 2035 and will support hundreds of jobs and shore up Britain's supplies of lithium. This critical mineral is essential for powering electric vehicle batteries, which is why the government has now taken action to unlock nearly £230 million of private investment into two lithium projects in Cornwall and Teesside.

With the UK boasting amazing natural resources, and Cornwall at the centre of one of the most important historic mining regions in both the country and Europe – this investment will help unlock the South West's industrial potential as part of the Prime Minister's mission to reindustrialise this country.

This builds on Tees Valley Lithium's £185 million investment to establish one of Europe's largest lithium refineries in Teesside. This investment will support hundreds of jobs and strengthen the UK's battery supply chain, following a government Offer in Principle for £18.3 million through DRIVE35.

The investments are made possible by the Government's Modern Industrial Strategy and represent a major step forward in the UK's transition to electric vehicles and another strong vote of confidence in Britain's automotive sector. This is in addition to £1 billion of investment announced already this month from Bentley, McLaren and Nissan.

Business Secretary Jonathan Reynolds said:

> Cornwall has a proud mining heritage, and companies like Geothermal Engineering are helping to write its next chapter in unlocking the South West's industrial potential.
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> Britain isn't just a country for innovation and ideas. It's a country that produces, and we're building a modern economy rooted in the industries where we're already strong and that local communities are proud of.

> Hot on the heels of over £1 billion of automotive investment secured already this month, this latest win is a big step towards building our industrial resilience.

Dr Ryan Law, CEO of GEL said:

> Lithium is fundamental to the technologies underpinning the automotive sector's transition to zero-emission vehicles. At GEL, we are proud to be at the forefront of establishing a new UK lithium industry, demonstrating how Cornwall's geothermal brine can provide a reliable and sustainable source of this critical mineral.
>
> We believe the UK has an important opportunity to develop the resources, technology and expertise needed to establish a domestic lithium supply, giving the country greater control over an increasingly important raw material and we are proud to be building that capability here in Cornwall, bringing jobs and new investment to the local area.

With commercial production set to begin on GEL's Cornwall project in 2029, the facility is expected to produce around 1,500 tonnes of technical-grade lithium carbonate from geothermal brine underground each year – enough to power more than 180,000 typical EV car batteries.

The facility has the potential to scale to producing tens of thousands of tonnes in the future, and the lithium produced will give a huge boost to the UK's EV battery manufacturing, shoring up crucial supply chains and moving Britain forward in the transition towards net zero.

Julian Hetherington, Automotive Transformation & Engagement Director, APC and Zenzic, said:

> The project aligns with the UK's Critical Minerals Strategy 2035 by expanding domestic production of critical minerals, reducing reliance on imports. Extracting lithium in the UK is vital for several reasons: it diminishes dependence on supply chains dominated by China and supports the production of electric vehicle batteries, essential for the UK's transition to renewable energy use in zero emission vehicles.
>
> In addition, the lithium extraction is expected to spark significant economic growth, especially in Cornwall where a vibrant materials cluster is developing at pace, while enhancing resilience by diversifying the supply chain and mitigating risks tied to concentrated global lithium production and processing.

Background

- DRIVE35 Offers in Principle to Tees Valley Lithium and Geothermal Engineering remain subject to completion of due diligence and final approvals.
- The offers come via the Automotive Transformation Fund, which is part of the UK Government's DRIVE35 programme, delivered by the Department for Business, Innovation, Science and Trade (BIST), in partnership with the Advanced Propulsion Centre UK (APC) and Innovate UK.
- The latest investment builds on a wider pipeline of government-backed lithium projects and feasibility studies across the UK.
- Recent support through DRIVE35 has included R&D projects led by Cornish Lithium,

Watercycle Technologies, Weardale Lithium and Northern Lithium, helping to develop new extraction technologies, scale up domestic production and accelerate commercial deployment.
- DRIVE35 is the Government's flagship automotive programme, providing £4 billion to 2035 in capital and R&D grant funding to unlock transformational private investment and support the sector's transition to zero-emission vehicles.

https://www.gov.uk/government/news/new-lithium-mine-in-cornwall-to-unlock-britains-industrial-potential-and-support-skilled-jobs