US$130M Project Financing for Sal de Vida signed

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BRISBANE, July 24, 2023 - Allkem Ltd. (ASX|TSX: AKE, "Allkem" or the "Company") advises the signing of a project financing facility with the International Finance Corporation ("IFC") for Allkem's Sal de Vida Project located in Catamarca Province, Argentina.

HIGHLIGHTS

- An IFC project financing facility for the development of Sal de Vida Project Stage 1 ("SDV") has been signed for up to US$130M over a ten-year period consisting of an A loan of up to $100M and B loan of up to $30M. Allkem is in discussions with another lender to increase the project finance facility by a further $50M, for a total financing package of $180M.
- This project financing facility has been structured as a green and sustainability-linked loan. IFC's environmental and social performance requirements are globally recognised and the awarding of a sustainability-linked, green loan to the facility is recognition and validation of the high ESG standards already adopted at Sal de Vida by Allkem.
- A sustainability-linked green loan combines ambitious environmental and social targets. These targets and commitments support the responsible and sustainable development of lithium by Allkem for a greener future and regional economic growth in the province of Catamarca.

Managing Director and CEO, Martin Perez de Solay said, *"We are proud to partner with IFC to ensure long-term safe and sustainable operations, responsible products, and thriving communities. We are committed to the highest sustainability standards for Sal de Vida so that it will contribute to the economy of Catamarca via local employment, the development of local supply chains, and community development program*s."

PROJECT FINANCING

Due Diligence and Approval

The financing was approved by the Allkem Board of Directors, the IFC Management, and the IFC Board of Directors.

IFC's Performance Standards are globally recognized as a benchmark for environmental and social risk management in the private sector. The SDV project's ambitious sustainability targets-linked to the Sustainable Development Goals ("SDGs")-include reducing Scope 1 and 2 operational greenhouse gas emissions intensity and expanding the use of renewable energy in the production process by 2030.

A robust and detailed environmental assessment was conducted by IFC, including the assessment of brine extraction and water usage and the associated monitoring and mitigation plan. Allkem technical teams participated in the process and have worked to agree to the IFC's Environmental and Social Action Plan ("ESAP") for implementation.

Structure and Key Terms

IFC project financing support of up to US$130M is provided over a ten-year period and contains a two-year grace period. The loan does not benefit from a parent guarantee following the fulfillment of certain conditions and parameters, including the achievement of project Financial Completion. The interest rate is reflective of this type of financing within the region.

About IFC

IFC - a member of the World Bank Group - is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2022, IFC committed a record US$32.8 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises. For more information, visit www.ifc.org.

This release was authorised by Mr Martin Perez de Solay, CEO and Managing Director of Allkem Ltd..

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