

September 2023 Quarterly Activities Report

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BRISBANE, Oct. 25, 2023 - [Allkem Ltd.](#) (ASX|TSX: "AKE", the "Company") provides an update on its global lithium portfolio, business activities and financial position¹ as at 30 September 2023.

HIGHLIGHTS OPERATIONS

- The Olaroz Lithium Facility² achieved above budget quarterly production of 4,453 tonnes of lithium carbonate, up 35 % on the previous corresponding period ("PCP")
- Record lithium carbonate sales volume of 4,554 tonnes for the quarter, generating Olaroz revenue³ of ~US\$118 million with average realised price of US\$25,981/tonne⁴ FOB and a gross cash margin of 77% or US\$19,893/tonne
- Mt Cattlin achieved record quarterly production of 72,549 tonnes of spodumene concentrate at 5.3% Li₂O grade, a ~25% increase quarter on quarter ("QoQ") and in line with full year guidance
- Strong Mt Cattlin recovery of 68% across the quarter demonstrates favourable grade and mineralisation as mining continues in the main part of the orebody
- Mt Cattlin received approval from the Western Australian regulator to proceed with the mining of Stage 4 cutback which supports the previously announced extension of mining activities
- Spodumene sales of 76,631 dmt generated record revenue of ~US\$201.1 million⁵ with a gross cash margin of 71% at average sales price of approximately US\$3,000/dmt on a SC6 CIF basis

DEVELOPMENT PROJECTS

- Material growth profile underpinned by 40 million tonnes ("Mt") of lithium carbonate equivalent ("LCE") Allkem Group Resource with plans to deliver 179kt LCE production capacity by FY28
- Olaroz Stage 2 achieved first wet production in mid-July with commissioning continuing and production scheduled for H2 CY23. Ramp up is on track and expected to take approximately 15 months
- At Naraha, 526 tonnes of lithium hydroxide were sold and after completing work on product quality and operational improvements, battery grade qualification with customers has continued throughout the quarter
- Sal de Vida's Mineral Resource increased to 7.17Mt LCE and the Reserve increased 43% to 2.49Mt LCE, supporting a 40 year project life. OPEX remains highly competitive; Stage 1 was updated to US\$4,529 per tonne LCE, and Stage 1 and 2 combined is US\$4,003 per tonne LCE. Stage 1 CAPEX was updated to US\$374 million and Stage 2 to US\$657 million
- The first two strings of ponds at Sal de Vida Stage 1 are complete. Process plant engineering was 66% complete, procurement was 70% and construction was 13% by quarter end
- James Bay resource increased by 173% to 110Mt @ 1.3% Li₂O solidifying the tier 1, long life nature of the asset. OPEX and CAPEX were updated to US\$407 per tonne of 5.6% Li₂O concentrate and US\$381.5 million respectively, in line with industry conditions while economics remain robust
- Detailed engineering and procurement at James Bay have reached 84%
- A recent project update of the Cauchari Resource defined a 25ktpa LCE production capacity with competitive OPEX of US\$4,081/t LCE, CAPEX of US\$659 million and first production expected in H2 CY27

FINANCIALS AND CORPORATE

- The notice of meeting and explanatory statement for the 2023 Annual General Meeting (8 November, 2023) was dispatched to shareholders in early October
- The notice of meeting and explanatory statement ("Scheme Booklet") for the proposed merger with Livent Corporation, is expected to be dispatched to shareholders in November 2023. The date of the meeting will be confirmed once all approvals of the merger and Scheme documentation have been received
- Allkem and Livent have agreed that the name of the combined company will be Arcadium Lithium plc upon a successful merger of equals transaction
- Group revenue for the quarter was approximately US\$327 million and group gross operating cash margin¹ was approximately US\$237 million (72%)

- At 30 September group net cash⁶ was US\$671.7 million up US\$23.3 million from 30 June 2023

SUSTAINABILITY

Allkem continues to focus on a long-term commitment to environmental and social performance and transparent reporting across its operations and growth projects.

In July a US\$130 million sustainability-linked green project financing facility was signed with the International Finance Corporation ("IFC") for Sal de Vida Stage 1. Allkem is in discussions with another lender to increase the project finance facility by a further \$50 million, for a total financing package of \$180 million. The facility recognises Allkem's level of commitment to sustainability and alignment with the globally recognised IFC environmental and social performance requirements.

Decarbonisation - Net zero commitment

A key performance metric of the IFC loan is linked to achieving low emissions intensity targets for the Sal de Vida Project. Allkem has also become part of the Electric Mine Consortium in Australia which promotes development and testing of new technology for mine site emissions reduction.

Human Capital - Safety performance

Allkem recorded a 12-month moving average Total Recordable Injury Frequency Rate of 2.03 (per million hours) at the end of September, slightly higher than the closing rate of FY23. The 12-month moving average Lost Time Injury Frequency Rate was 0.72 (per million hours). Three recordable Injuries were incurred by contractors during the quarter with one resulting in a lost time injury. Investigations have been carried out and corrective actions are being implemented.

Additional Safety initiatives during the quarter have included continued roll out of the Field Critical Control Check at Mt Cattlin and special focus on deployment of actions to improve Driving Safety performance in Argentina (e.g., related campaign, development of vehicle monitoring technologies and drivers focused training).

Natural Capital - Impact assessment & Rehabilitation

Environmental monitoring related activities on the James Bay territory were suspended by the government during forest fires that continued to impact the region until late August.

At Mt Cattlin, winter 2023 rehabilitation earthworks were completed, with final profiles and cover soil systems constructed over approximately 7.5 hectares of south facing Waste Dump 1 slopes.

Shared Value - Community initiatives

A new physiotherapy room at Susques Hospital (near Olaroz) was completed as a donation by the company following a collaborative effort with COAS (Cooperation for Social Action) and the Ministry of Health of the province. This followed a joint assessment of the hospital's needs and the impact on the community.

At Sal de Vida, Allkem continued delivering Health and Wellbeing programs to local communities by supporting visits by medical professionals to all the villages of Antofagasta de La Sierra. During August, 65 people from the villages participated in the program.

Community engagement with key Cree stakeholders for the James Bay project continues and remains positive.

OPERATIONS

OLAROZ LITHIUM FACILITY

Lithium Carbonate Jujuy Province, Argentina

Production

Production for the September quarter of 4,453 tonnes was up 35% on the previous corresponding period. Approximately 42% of quarterly production was battery grade lithium carbonate, higher than previous quarter and in line with customer requirements.

Excellent operational performance continues reflecting robust plant reliability, low downtime and improved energy efficiency with high brine feedstock concentration.

Sales and financial performance

Record quarterly product sales volume was up 33% QoQ to 4,554 tonnes of lithium carbonate of which 31% was battery grade.

Total sales revenue was ~US\$123 million including US\$4.6 million related to sales of a lithium carbonate by-product. The average price received from third party sales was US\$25,981/tonne on an FOB basis.

Cost and margins

Cash cost of goods sold for the quarter was US\$6,088/tonne up 4% from prior quarter. Cost of sales have increased over the last year due to the removal of export incentives, material increases in the price of soda ash, lime and natural gas as well as employment costs being affected by inflation. These increases have in part been mitigated by strong operational performance with high brine concentration and high process recovery. Gross cash margin for the quarter was 77% or US\$19,893/tonne.

Table 1: Olaroz September quarter production and sales metrics

Metric	Units	Sep Q FY24	Jun Q FY24	QoQ %	PCP Sep FY23	PCP %
Production	tonnes	4,453	5,059	-12%	3,289	35%
Sales	tonnes	4,554	3,430	33%	3,721	22%
Third party price received	US\$/tonne	25,981	38,062	-32%	43,237	-40%
Cash cost of goods sold ¹	US\$/tonne	6,088	5,882	4%	4,563	33%
Revenue	US\$M	123	132	-7%	150	-18%
Gross cash margin (Av. Price)	US\$/tonne	19,893	32,172	-38%	35,754	-44%
Gross cash margin	%	77%	85%	-9%	89%	-13%

1. Excludes royalties, export tax and corporate costs

Stage 2 expansion

The Olaroz Stage 2 lithium facility achieved first production in mid-July, with wet lithium carbonate cake produced at the filter presses. Commissioning activities continue and production is on track for H2 CY23, with ramp-up expected to take approximately 15 months.

Project update

Allkem reviewed and updated the Mineral Resources and economics for Olaroz Stage 1 and Stage 2.

Results are summarised below.

Metric	Units	
Mineral Resource Estimate	Mt LCE	22.63
Annual Production Capacity Stage 1 and 2	Tonnes LCE/ year	42,500
Pre-tax NPV for Stage 1 and 2 @ 10% discount rate	US\$ billion	7.01
OPEX Stage 1 and 2	US\$/ tonne LCE	4,149

Total Mineral Resource Estimate of 22.63 Mt LCE is a 10% increase from the previous estimate in March 2023 with a 52% increase in Measured Mineral Resources. The Mineral Resource now comprises 11.54 Mt of LCE, as Measured, and 3.83 Mt as Indicated for a combined 15.38 Mt of Measured & Indicated Mineral Resource. There is an additional 7.25 Mt of Inferred Resources for a total resource of 22.6Mt (Measured, Indicated and Inferred).

Pre-tax Net Present Value ("NPV") of US\$7.01 billion at a 10% discount rate and long term operating costs for the combined Stage 1 and Stage 2 operation are estimated at US\$4,149 per tonne LCE over the life-of-mine considering synergies from the joint operation of Stages 1 and 2.

MT CATTLIN

Spodumene concentrate Ravensthorpe, Western Australia

Production

Production in the September quarter was a record 72,549 dmt of spodumene concentrate at 5.3% Li₂O grade, a 25% increase from the prior quarter and in line with FY24 production forecast of 210-230kt. Recovery of 68% demonstrates favourable grade and favourable mineralisation as mining has moved into the central zones of the main ore body.

Sales and financial performance

76,631 dmt of spodumene concentrate were shipped during the quarter at an average grade of 5.3% Li₂O. Revenue generated for the quarter was US\$201.1 million at an average realised sales price of US\$2,625/dmt CIF which corresponds to approximately US\$3,000/dmt CIF on an SC6 equivalent.

An additional US\$2.7 million of revenue was generated from a delayed shipment of low grade spodumene concentrate.

Cost and margins

The FOB cash cost of production for the quarter of US\$636/dmt was 23% lower QoQ due to higher production volumes and recoveries compared to previous quarters. The gross cash margin for the quarter was 69% or approximately US\$142 million.

Table 2: Mt Cattlin quarterly operational and sales performance

Metric	Units	Sep 23	Jun 23
Production			
Recovery	%	68	67
Concentrate produced	dmt	72,549	58,059
Grade of concentrate produced	% Li ₂ O	5.3	5.3
Sales			
Concentrate shipped	dmt	76,631	46,787
Grade of concentrate shipped	% Li ₂ O	5.3	5.3

Realised price	<i>US\$/dmt CIF</i>	2,625	4,297
Revenue ¹	<i>US\$ million</i>	201.1	201.0
Costs of production			
Cash cost of production ²	<i>US\$/t FOB</i>	636	830

1. Excludes tantalum and low grade sales
2. Excluding marketing and royalties.

Mining activities

As previously announced, the next mining stage (Stage 4) consists of two separate cutbacks (Stage 4-1 and 4-2) to optimise ore presentation. Regulatory approval was obtained on 30 September for the Stage 4 cutback and mining commenced at Stage 4-1 in early October.

In the second cutback (Stage 4-2), the increasing waste/ore strip ratio at depth via open pit mining methods is being evaluated against an alternate underground mining option in the form of a Feasibility Study.

Mineral resource and reserve update

Allkem reviewed and updated the Mt Cattlin Mineral Resource Estimate to 12.1Mt at 1.3% Li₂O and Ore Reserve to 7.1Mt at 1.2% Li₂O. The update incorporates infill drilling results from the 2NW deposit, depleted mined material and site stockpiles at 30 June 2023 and material to be mined after this date.

DEVELOPMENT PROJECTS

NARAHHA

Lithium Hydroxide Naraha, Japan

The operational focus continues to be on progressively increasing product quality and volumes to design capacity. The scheduled maintenance shutdown was complete during the quarter and plant performance demonstrated capability to run at 100% capacity.

526 tonnes of lithium hydroxide were sold to third party customers during the quarter. The battery grade hydroxide qualification process with customers continues with samples produced in early July.

SAL DE VIDA

Lithium Carbonate Catamarca Province, Argentina

Sal de Vida is designed with a nameplate capacity of 45ktpa of predominantly battery grade lithium carbonate through an evaporation and processing operation at the Salar del Hombre Muerto site. Development will be delivered in two stages with Stage 1 currently in construction targeting 15ktpa production capacity.

Project Update

Allkem released an update to Sal de Vida's Mineral Resource Estimate and Ore Reserves, project costs, schedule estimates and project economics in the announcement titled 'Sal de Vida Delivers Improved Economics, Resource, Reserves' on 25 September 2023. The results are summarised below.

Metric	Units	Total
Mineral Resource Estimate	<i>Mt LCE</i>	7.17
Ore Reserve Estimate	<i>Mt LCE</i>	2.49

Project Life	Years	40
Annual Production Capacity Stage 1	Tonnes LCE/ year	15
Annual Production Capacity Stage 1 and 2	Tonnes LCE/ year	45
Pre-tax NPV for Stage 1 and 2 @ 10% discount rate	US\$ billion	5.51
OPEX stage 1	US\$/ tonne LCE	4,529
OPEX Stage 1 and 2	US\$/ tonne LCE	4,003
CAPEX Stage 1	US\$ million	374
CAPEX Stage 2	US\$ million	657

The total Mineral Resource Estimate increased by 5% to 7.17 Mt LCE from the previous estimate in 2022, with a 41% increase in Measured Mineral Resource. The total Ore Reserve Estimate of 2.49 Mt LCE supports a 40-year project life based on Ore Reserves only, a 43% increase from the previous statement due to a revised point of reference for Ore Reserve reporting of 'brine pumped to the evaporation ponds.

Pre-tax NPV for Stage 1 and 2 increased ~82% from the previous study to US\$5.51 billion at a 10% discount rate. Operating costs for Stage 1 and 2 increased from US\$3,280 per tonne LCE to US\$4,003 per tonne LCE due to increases in the price of soda ash, lime and labour costs since the previous study.

Stage 1 operating costs increased to US\$4,529 per tonne LCE due and CAPEX for Stage 1 increased to US\$374 million, for mechanical completion, representing a 38% increase which is in line with inflationary conditions.

The prefeasibility study update confirms the Stage 2 expansion will be completed on the same design basis as Stage 1 with a twofold modular replication of the Stage 1 design. Stage 2 CAPEX is estimated at approximately US\$657 million, with Stage 2 benefiting from Stage 1 detailed engineering, established on site infrastructure and established regional construction teams and facilities.

Project execution

Construction of the first two strings of ponds reached completion and they are now filled with brine. The third string of ponds has reached 63% of construction completion. The brine distribution system is complete and the booster station has been commissioned.

Figure 1: First 2 strings of evaporation ponds complete (left), plant construction underway (right)

The process plant engineering is at 66% completion, procurement is at 70% and construction is at 13%. Camp construction was also complete with 888 beds available. Long lead equipment procurement is well advanced with the majority of equipment forecast for arrival prior to end of CY23.

Substantial mechanical completion, pre-commissioning and commissioning activities are expected by H1 2025 with first production expected in H2 2025 and ramp up expected to take one year. The schedule change relates to improved understanding of the current execution plan, the ongoing import challenges and delays experienced in country by Allkem and its contractors and vendors as well as an improved understanding of regional productivity factors.

Stage 2 construction is anticipated to commence upon receipt of applicable permits and substantial mechanical completion of Stage 1 with Stage 2 first production approximately 2.5 - 3 years thereafter.

JAMES BAY

Spodumene Concentrate Québec, Canada

Project Update

Allkem released an update to the project's Mineral Resources and Ore Reserves, project cost and project economics in the announcement titled "James Bay Update Confirms Strong Project Economics" on 25 September 2023. The results are summarised below.

Metric	Units	Total
Mineral Resource Estimate	-	110.2 Mt @ 1.30% Li ₂ O
Ore Reserve Estimate	-	37.3 Mt at 1.27% Li ₂ O
Project Life	Years	19
Annual Production Capacity	ktpa	311
Product grade	% Li ₂ O	5.6
Pre-tax NPV @ 8% discount rate	US\$ billion	2.9
OPEX	US\$/ tonne	407
CAPEX	US\$ million	381.5

The Total Mineral Resource increased by 173% from the previous estimate to 110.2 Mt at 1.30% Li₂O, including 54.3 Mt at 1.30% Li₂O in the Indicated Category, and 55.9 Mt at 1.29% Li₂O in the Inferred Category. Ore Reserve of 37.3 Mt at 1.27% Li₂O provides a long life, low cost spodumene operation and remains in line with permitting considerations.

Material ~108% increase in pre-tax NPV to US\$2.9 billion with a strong internal rate of return and short payback period. CAPEX was revised to US\$381.5 million, representing a 33.8% increase on the December 2021 FS, in line with inflationary conditions. Cash operating costs (FOB Montreal) of US\$407 per tonne of 5.6% Li₂O concentrate also reflects inflationary conditions.

Project execution

Detailed engineering continues alongside procurement activities including ordering of key long lead items and equipment packages (temporary camps, primary sub-station, process equipment, etc).

Engineering and procurement progressed to 84% completion by the end of the quarter with engineering of the process plant package at 87%. Procurement of various equipment (mechanical, mobile, electrical, etc) are mostly completed. The bidding process for contract packages (including services) are mostly completed including final negotiations in progress.

Permitting

The Impact Benefit Agreement with The Grand Council of the Crees (Eeyou Istchee), the Cree Nation Government and the Cree Nation of Eastmain remains in progress and has resumed after the last approval process was paused due to a State of Emergency declared in relation to forest fires in the region.

Comex approval (Quebec government and CREE Nation) of the ESIA and procedural construction permitting also remain in progress. The ESIA draft report was completed in August by Quebec government personnel and submitted to COMEX for review and final evaluation. Engagement remains positive with community stakeholders including community consultations, meetings with key Cree stakeholders and discussions with the Eastmain community economic development branch to agree local economic benefits.

Once permits are secured, construction will commence, and the Company will update guidance for first production. Work is ongoing with engineering contractors to progress alternative commencement dates and evaluate opportunities to accelerate the construction schedule, including use of prefabricated modules.

Drilling

A 40,000m drilling campaign commenced in late September, 30,000m of which will target further definition of the ore body to convert Inferred to Indicated Resources. The remainder of the program will commence later in the calendar year, largely targeting possible extensions to mineralisation in the East, North-West and at depth as well as new targets identified from geophysics.

CAUCHARI

Lithium Carbonate Jujuy Province, Argentina

Project update

Allkem released an update to Cauchari's Mineral Resources and Ore Reserves, project cost and project economics which supports a 25ktpa LCE production capacity. The announcement titled "Cauchari Mineral Resource, Ore Reserve and Project Update" was released on 25 September 2023 and is summarised below.

Metric	Units	Total
Mineral Resource Estimate	Mt LCE	5.95
Ore Reserve Estimate	Mt LCE-	1.13
Project Life	Years	30
Annual Production Capacity	ktpa	25
Pre-tax NPV @ 10% discount rate	US\$ billion	2.52
OPEX	US\$/ tonne	4,081
CAPEX	US\$ million	659

Total Mineral Resource Estimate of 5.95 Mt LCE, a 6% decrease from the previous estimate in 2019 due to slight changes in mining parameters. The total Ore Reserve Estimate of 1.13 Mt LCE supports a 30-year project life based on Ore Reserves only, a 11% increase from the previous statement due to a revised point of reference for Ore Reserve reporting of 'brine pumped to the evaporation ponds.'

Pre-tax NPV increased ~200% to US\$2.52 billion from the previous study at a 10% discount rate. Cash operating margin stayed constant at ~85%, with the increased realised price projections being proportionally offset by increased operating costs. Operating costs increased to US\$4,081 per tonne LCE due to material increases in the price of soda ash, lime, natural gas and employment costs since the previous study.

CAPEX increased to US\$659 million from the previous study, for mechanical completion. Substantial mechanical completion, pre-commissioning and commissioning activities are expected by H1 CY27 with first production expected in H2 CY27 and ramp up expected to take 1 year.

EXPLORATION UPDATE

3,427m of RC drilling was conducted in late September at James Bay, incurring total drilling costs of ~CA\$390k. No exploration drilling was undertaken at Mt Cattlin during the quarter.

LITHIUM MARKET

Demand

Demand during the quarter was somewhat softer than expected. Procurement activity has been conservative as customers have kept a wait-and-see approach, putting renewed downward pressure on lithium prices. OEMs are increasing pressure on battery makers who have not passed on their materials cost decreases to help reduce the EV premium vs ICE vehicles to consumers. This supports the view that the anticipated demand uptick is merely delayed, as EV demand fundamentals remain strong.

EV sales have continued to grow year on year, with August showing the highest EV penetration to date in

China and US at 36% and 10% respectively and September reaching a new record in China for EV unit sales. Global EV sales remain on track to reach 14 million this year, with China set to account for over 8 million units. Medium to longer term demand drivers remain resilient despite short term sentiment and volatility.

Supply

New supply sources are balancing their cash requirements with limited profitability at current prices, while a number of projects recently announced delays and increased capital and operating costs. Some higher-cost production has been curtailed and some new production delayed as a result of the lower prices, again highlighting the risk of deficit should trade continue at current levels.

CORPORATE AND FINANCIALS

Proposed Merger with Livent

On 10 May, Allkem and Livent announced a definitive agreement to combine in an all-stock merger of equals to create a leading global integrated lithium chemicals producer.

During the quarter, the following progress had been made in relation to the Transaction:

- Antitrust/competition and investment screening/foreign investment regime notifications and applications or draft filings (as applicable) were lodged in all required jurisdictions.
- All competition and foreign investment approvals required to be obtained prior to completion have been obtained or are expected to be received prior to the proposed closing of the Transaction.
- Allkem expects to dispatch the Scheme Booklet to shareholders in November 2023. The Scheme Booklet will contain information about the Transaction, including the basis for the Allkem Board's recommendation, as well as the Independent Expert's Report. Allkem Shareholders are encouraged to consider the Scheme Booklet in full, once it is available, and to have regard to the disclosures included in the Scheme Booklet when making any decision to vote for or against the scheme proposal.
- Subject to receipt of all necessary regulatory, shareholder and Australian Court approvals, and the satisfaction or waiver of other closing conditions, Allkem and Livent are currently still targeting completion of the Transaction around the end of CY2023.

Upon closing of the all-stock merger of equals, Allkem shareholders will own approximately 56% and Livent shareholders will own approximately 44% of the merged entity. The name for the merged entity will be Arcadium Lithium plc.

Annual General Meeting

Allkem's Annual General Meeting will be held at 10:30am AWST on 8 November 2023. The Notice of Meeting is available [here](#).

Executive Management team

The executive team was bolstered with the appointment of Robert Edwardes as Chief Projects Officer. Mr Edwardes' most recent roles were as Executive Vice President Development at Woodside from 2012 to 2019, and Managing Director, US & Latin America at Worley from 2008 to 2012. James Connolly has been appointed as Chief Technical Officer.

Financial position

At 30 September 2023 group net cash⁵ was US\$671.7 million up US\$23.3 million from 30 June 2023. Net cash generated from operations and corporate, net of the effects of devaluation of Argentine Peso balance, was US\$204.5 million. Expenditure during the quarter included:

- capital expenditure of US\$109.1 million and increase in working capital of US\$17.9 million;

- Naraha project cash utilisation of US\$19.4 million to fund ramp up of operation;
- payments of income tax of US\$28.9 million; and
- merger costs US\$5.9 million.

At 30 September 2023, Allkem had available cash of US\$817.7 million. US\$1.1 million and US\$76.7 million have been set aside as guarantees for the Naraha debt facility and Olaroz expansion debt facility respectively.

This release was authorised by Mr Martin Perez de Solay, CEO and Managing Director of [Allkem Ltd.](#)

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This investor ASX/TSX release (Release) contains general information about the Company as at the date of this Release. The information in this Release should not be considered to be comprehensive or to comprise all of the material which a shareholder or potential investor in the Company may require in order to determine whether to deal in Shares of Allkem. The information in this Release is of a general nature only and does not purport to be complete. It should be read in conjunction with the Company's periodic and continuous disclosure announcements which are available at [allkem.co](#) and with the Australian Securities Exchange (ASX) announcements, which are available at [www.asx.com.au](#).

Forward Looking Statements

Forward-looking statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performances or achievements expressed or implied by such forward-looking statements, including but not limited to, the risk of further changes in government regulations, policies or legislation; the risks associated with the continued implementation of the merger between the Company and [Galaxy Resources Ltd.](#), risks that further funding may be required, but unavailable, for the ongoing development of the Company's projects; fluctuations or decreases in commodity prices; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with development of the Company Projects; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Company's Projects; risks associated with investment in publicly listed companies, such as the Company; and risks associated with general economic conditions.

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Competent Person Statement

Mt Cattlin

Any information in this announcement that relates to Mt Cattlin's Mineral Resources and Ore Reserve is extracted from the report entitled "Allkem confirms material growth profile underpinned by 40 Mt Resource" released on 25 September 2023 which is available to view on www.allkem.co and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserve estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Information in this announcement relating to Mt Cattlin scientific or technical information, production targets or forecast financial information derived from a production target is extracted from the report titled "Allkem confirms material growth profile underpinned by 40 Mt Resource" released on 25 September 2023 available at www.allkem.co and www.asx.com.au and the technical report entitled "Mt Cattlin Stage 4 Expansion Project" (Mt Cattlin Technical Report) which has been reviewed and approved by Albert Thamm, F.Aus.IMM (who is an employee of Galaxy Resources Pty. Ltd) as it relates to geology, drilling, sampling, exploration, QA/QC and mineral resources and Daniel Donald F.Aus.IMM (an employee of Entech Pty Ltd) as it relates to mining methods, Ore Reserves, site infrastructure, capital cost, operating cost estimates, mining cost, financial modelling and economic analysis in accordance with National Instrument 43-101 - Standards for Disclosure for Mineral Projects. The Mt Cattlin Technical Report is available for review under Allkem's profile on SEDAR at www.sedarplus.ca. The Company confirms that all the material assumptions underpinning the scientific or technical information, production targets or the forecast financial information derived from a production target in the original market announcement continue to apply and have not materially changed.

James Bay

Any information in this announcement that relates to James Bay's Mineral Resources and Ore Reserves is extracted from the report entitled "James Bay Update Confirms Strong Project Economics" released on 25 September 2023 which is available to view on www.allkem.co and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserve estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Any information in this announcement relating to James Bay scientific or technical information, production targets or forecast financial information derived from a production target is extracted from the ASX Announcement entitled "James Bay Update Confirms Strong Project Economics" released on 25 September 2023 which is available to view on www.allkem.co and www.asx.com.au and from the technical report entitled "James Bay Project - Feasibility Study Update" (Technical Report) which has been reviewed and approved by Luke Evans, P.Eng. (SLR Consulting (Canada) Ltd.) as it relates to property, geology, drilling, sampling, exploration, QA/QC and mineral resources: Joel Lacelle, P. Eng. (G-Mining Services Inc.); as it relates to site infrastructure and capital cost estimate: Normand Lecuyer, P. Eng. (SLR Consulting (Canada) Ltd.); as it relates to mining methods, mining cost, mining opex, financial modelling and economic analysis: Jeremy Ison, P.Eng. (Wave International); as it relates to mineral processing and related infrastructures: Darrin Johnson, P. Eng. (WSP Canada Ltd.); as it relates to waste rock and tailings management related infrastructures: Joao Paulo Lutti, Eng. (WSP Canada Ltd); as it relates to water management infrastructures: Pierre Groleau Eng. (WSP Canada Inc.); as it relates to environmental and permitting in accordance with National Instrument 43-101 - Standards for Disclosure for Mineral Projects. The Technical Report is available for review under the Company's profile on SEDAR at www.sedar.com. The Company confirms that all the material assumptions underpinning the scientific or technical information, production targets or the forecast financial information derived from a production target in the original market announcement continue to apply and have not materially changed.

Olaroz

Any information in this announcement that relates to Olaroz's Mineral Resource Estimate is extracted from the report entitled "Olaroz Mineral Resource and Stage 1&2 Operations Update" released on 25 September 2023 which is available to view on www.allkem.co and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources estimates in the relevant market announcement continue to apply and have not materially

changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Any information in this announcement relating to Olaroz scientific or technical information, production targets or forecast financial information derived from a production target is extracted from the ASX Announcement entitled "Olaroz Mineral Resource and Stage 1&2 Operations Update" released on 25 September 2023 which is available to view on www.alkem.co and www.asx.com.au. The Company confirms that all the material assumptions underpinning the scientific or technical information, production targets or the forecast financial information derived from a production target in the original market announcement continue to apply and have not materially changed. The scientific and technical information contained in this announcement has been reviewed and approved by, Murray Brooker (Hydrominex Geoscience Pty Ltd), as it relates to geology, modelling, and Mineral Resource estimates; Michael Gunn, BSc. Chemical Engineering (Gunn Metallurgy), as it relates to processing, facilities, infrastructure, project economics, capital and operating cost estimates. The scientific and technical information contained in this release will be supported by a technical report to be prepared in accordance with National Instrument 43-101 - Standards for Disclosure for Mineral Projects. The Technical Report will be filed within 45 days of the original release and will be available for review under the Company's profile on SEDAR at www.sedar.com.

Sal de Vida

Any information in this announcement that relates to Sal de Vida's Mineral Resource Estimate and Ore Reserve is extracted from the report entitled "Sal de Vida Delivers Improved Economics, Resource, Reserves" released on 25 September 2023 which is available to view on www.alkem.co and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserve estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Any information in this announcement relating to Sal de Vida scientific or technical information, production targets or forecast financial information derived from a production target is extracted from the ASX Announcement entitled "Sal de Vida Delivers Improved Economics, Resource, Reserves" released on 25 September 2023 which is available to view on www.alkem.co and www.asx.com.au. The Company confirms that all the material assumptions underpinning the scientific or technical information, production targets or the forecast financial information derived from a production target in the original market announcement continue to apply and have not materially changed. The scientific and technical information contained in this announcement has been reviewed and approved by, Michael Rosko, MSc. Geology (Montgomery and Associates) and Brandon Schneider, MSc. Geological Sciences (Montgomery and Associates), as it relates to geology, modelling, and resource and reserve estimates; Michael Gunn, BSc. Chemical Engineering (Gunn Metals), as it relates to processing, facilities, infrastructure, project economics, capital and operating cost estimates. The scientific and technical information contained in this release will be supported by a technical report to be prepared in accordance with National Instrument 43-101 - Standards for Disclosure for Mineral Projects. The Technical Report will be filed within 45 days of this release and will be available for review under the Company's profile on SEDAR at www.sedar.com.

Cauchari

Any information in this announcement that relates to Cauchari's Mineral Resource Estimate and Ore Reserve is extracted from the report entitled "Cauchari Mineral Resource, Ore Reserve and Project Update" released on 25 September 2023 which is available to view on www.alkem.co and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserve estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Any information in this announcement relating to Cauchari scientific or technical information, production targets or forecast financial information derived from a production target is extracted from the ASX Announcement entitled "Cauchari Mineral Resource, Ore Reserve and Project Update" released on 25 September 2023 which is available to view on www.alkem.co and www.asx.com.au. The Company confirms that all the material assumptions underpinning the scientific or technical information, production targets or the forecast financial information derived from a production target in the original market announcement continue

to apply and have not materially changed. The scientific and technical information contained in this announcement has been reviewed and approved by Frederik Reidel, CPG (Atacama Water SpA) as it relates to geology, modelling, and Mineral Resource and Ore Reserve estimates; Marek Dworzanowski, FSAIMM, FIMMM, Chartered Engineer with the Engineering Council of the United Kingdom registration (Metallurgical Engineer, Independent Consultant), as it relates to processing, facilities, infrastructure, project economics, capital and operating cost estimates. The scientific and technical information contained in this release will be supported by a technical report to be prepared in accordance with National Instrument 43-101 - Standards for Disclosure for Mineral Projects. The Technical Report will be filed within 45 days of the original release and will be available for review under the Company's profile on SEDAR at www.sedar.com.

APPENDIX 1 - GROUP METRICS AND RESOURCE SUMMARY

Allkem Group Key Metrics

Asset	Location	Production capacity conc. ('000) t	Production ⁷	Capacity LCE ('000) t	Operating cost US\$/t conc.
<i>James Bay</i>	<i>Quebec, Canada</i>	311	39		407
<i>Mt Cattlin</i>	<i>Western Australia</i>	220	27		850
Total Hard Rock		531	66		590
				Production Capacity LCE ('000) t	Operating cost US\$/t L
<i>Sal de Vida</i>	<i>Catamarca, Argentina</i>		45		4,003
<i>Olaroz</i>	<i>Jujuy, Argentina</i>		42.5		4,149
<i>Cauchari</i>	<i>Jujuy, Argentina</i>		25		4,081
Total Brine			113		4,075
Total Allkem (LCE basis) ⁹			179		

Allkem Group Total Resources¹⁰

Asset	Location	Ore Tonnes (Mt)	Grade Li ₂ O (%)	Contained ('000) t LCE
<i>James Bay</i>	<i>Quebec, Canada</i>	110.2	1.3	3,540
<i>Mt Cattlin</i>	<i>Western Australia</i>	12.1	1.3	390
Total Hard Rock Resource		122.3	1.3	3,930
		Brine volume (m3)	Average Li mg/l	Contained ('000) t LCE
<i>Sal de Vida</i>	<i>Catamarca, Argentina</i>	1.9 x 10 ⁹	724	7,172
<i>Olaroz</i>	<i>Jujuy, Argentina</i>	6.7 x 10 ⁹	636	22,630
<i>Cauchari</i>	<i>Jujuy, Argentina</i>	2.2 x 10 ⁹	475	5,950
Total Brine Resource				35,752
Total Allkem Resource (LCE)				39,682

¹ All figures are unaudited and contain non-IFRS metrics and exclude Borax as a discontinued operation. Gross operating cash margin is calculated as revenue less cash cost of goods sold, freight and insurance (and excludes corporate and non-operating costs).

² All figures 100% Olaroz Project basis.

³ Excludes lithium carbonate by-product revenue of US\$4.6 million

⁴ "FOB" (Free On Board) excludes insurance and freight charges included in "CIF" (Cost, Insurance, Freight) pricing. Therefore, the Company's FOB reported prices are net of freight (shipping), insurance and sales commission.

⁵ Revenue excludes tantalum sales and low grade spodumene concentrate (US\$2.7 million) from Mt Cattlin.

⁶ Net cash includes Naraha cash balances and project loans at 75% interest, and Olaroz cash deposits to

secure project borrowing and deposits that are held as guarantees. Related party loans are excluded.

⁷ Spodumene concentrate production amounts shown as metric tons of spodumene at a Li₂O% grade.

Conversion to LCE is 0.02552 metric tons of lithium metal to 1 metric ton of spodumene concentrate at 5.5% Li₂O. Conversion to LCE is 0.02784 metric tons of lithium metal to 1 metric ton of spodumene concentrate at 6.0% Li₂O.

⁸ NPV figures are from each project ASX release utilising Wood McKenzie pricing forecasts. Net Present Value ("NPV") for Hard Rock assets at 8% real discount rate. NPV for Brine assets at 10% real discount rate

⁹ Production is on 100% basis, attributable production is 165ktpa

¹⁰ Resources are presented as the sum of Measured, Indicated and Inferred Resource and are reported in line with the JORC Code (2012). The confidence categories assigned under the JORC Code are comparable to the confidence categories in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards on Mineral Resources and Mineral Reserves, May 2014. The reader should be cautioned that under NI 43-101 guidelines, Inferred Mineral Resources cannot be grouped with Measured and Indicated categories and that the JORC code is considered an "accepted foreign code" as described in Part 7 of the NI 43-101 Standards of Disclosure. See individual project releases dated as per this release for further information

APPENDIX 2 - RESOURCES & RESERVES

Mt Cattlin

Mt Cattlin Ore Reserve Update at 30 June 2023

Classification	Location	Ore Tonnes (Mt)	Grade Li ₂ O (%)	Grade Ta ₂ O ₅ (ppm)	Contained Metal ('000) t Li ₂ O	Contained Metal ('000) t Ta ₂ O ₅
<i>Proved</i>	<i>In-situ</i>	0.2	0.9	120	1	45
<i>Probable</i>	<i>In-situ</i>	5.2	1.3	130	69	1,500
	<i>Stockpiles</i>	1.8	0.8	95	13	396
Total Ore Reserve		7.1	1.2	120	84	1,900

Notes: Ore Reserves mine designs were conducted on a 0.4% Li₂O cut-off grade and Ore Reserves are reported above a marginal cut-off grade of 0.3 % Li₂O. Estimates have been rounded to a maximum of two significant figures, thus sum of columns may not equal.

Mt Cattlin Mineral Resource Update as at 30 June 2023, depleted for mining

Classification	Location	Ore Tonnes (Mt)	Grade Li ₂ O (%)	Grade Ta ₂ O ₅ (ppm)	Contained Metal ('000) t Li ₂ O	Contained Metal ('000) t Ta ₂ O ₅
<i>Measured</i>	<i>In-situ</i>	0.2	1.0%	172	2	75
<i>Indicated</i>	<i>In-situ</i>	8.8	1.4%	165	121	3,197
<i>Inferred</i>	<i>In-situ</i>	1.3	1.3%	181	17	518
<i>Indicated</i>	<i>Stockpiles</i>	1.8	0.8%	95	13	396
Total Mineral Resource		12.1	1.3%	167	153	4,186

Notes: Global Insitu Mineral Resource as at 30 June, 2023. COG 0.3% lithia. Depleted for mining 1.2Mt @ 1.2% lithia January-June, 2023. 'Inferred In-situ' and 'Indicated stockpiles' have been edited from ASX Release "Allkem confirms material growth profile underpinned by 40 Mt Resource" published on 25 August, 2023 which contained a typographical error and showed the numbers juxtaposed with the alternate description.

Mt Cattlin Mineral Resource Update as at 30 June 2023, depleted for mining, within a RPEEE shell USD 1,500

Classification	Location	Ore Tonnes (Mt)	Grade Li ₂ O (%)	Grade Ta ₂ O ₅ (ppm)	Contained Metal ('000) t Li ₂ O	Contained Metal ('000) t Ta ₂ O ₅
<i>Measured</i>	<i>In-situ</i>	0.2	1.0	171	2	44
<i>Indicated</i>	<i>In-situ</i>	7.2	1.4	147	98	2,221
<i>Inferred</i>	<i>In-situ</i>	0.2	1.1	133	2	48
<i>Indicated</i>	<i>Stockpiles</i>	1.8	0.8	95	13	396

Total Mineral Resource	9.4	1.2	137	115	2,700
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Notes: RPEEE optimisations were conducted on a 0.4% Li₂O cut-off grade and are reported above a marginal cut-off grade of 0.3 % Li₂O. Estimates have been rounded to a maximum of two significant figures, thus sum of columns may not equal

Mt Cattlin Mineral Resources Update as at 30 June 2023, depleted for mining, exclusive of Ore Reserves

Classification	Location	Ore Tonnes (Mt)	Grade Li ₂ O (%)	Grade Ta ₂ O ₅ (ppm)	Contained Metal ('000) t Li ₂ O	Contained Metal ('000) t LCE
Measured	In-situ	0.1	1.0	179	1.0	39
Indicated	In-situ	3.2	1.4	201	44.8	1417
Inferred	In-situ	0.6	1.1	207	6.6	273
Total Mineral Resource		3.9	1.3	201	52.4	1,700

Notes: Mineral Resources, exclusive of Ore Reserves are reported above a marginal cut-off grade of 0.3 % Li₂O. Estimates have been rounded to a maximum of two significant figures, thus sum of columns may not equal. Not constrained by the RPEEE USD1,500 shell.

James Bay

James Bay Mineral Resource Estimate - Effective date 30 June 2023

Category	Tonnage Mt	Grade % Li ₂ O	Contained lithium oxide/LCE ('000) t Li ₂ O	Contained lithium oxide/LCE ('000) t LCE
Measured	-	-	-	-
Indicated	54.3	1.30	706	1,746
Measured + Indicated	54.3	1.30	706	1,746
Inferred	55.9	1.29	724	1,790
Total Mineral Resource	110.2	1.30	1,430	3,537

1. The Independent Competent Person, as defined by the JORC Code 2012, responsible for the preparation of this MRE is Mr. Luke Evans, P.Eng, a full-time employee of SLR. Mr. Evans is a member of L'Ordre des Ingénieurs du Québec, a Recognised Professional Organisation defined by the JORC Code 2012. The effective date of the mineral resource is the 30th June 2023 (erroneously identified as Aug. 9, 2023 in the earlier news release).
2. The Mineral Resource Estimate has been reported within a conceptual pit shell at a cut-off grade of 0.50% Li₂O
3. The Mineral Resources are Inclusive of Ore Reserves.
4. The conceptual pit shell used to constrain the MRE has been defined using a spodumene concentrate price of US\$1,500 per tonne, an exchange rate of CAD:US\$ of 1.33, a total ore-based cost of CAD33.92 per tonne, a mining cost of CAD4.82 per tonne, a concentrate transport cost of CAD86.16 per tonne, and a metallurgical recovery of 70.1%.
5. The statements of Mineral Resources conform to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition.
6. Mineral Resources are not Mineral Reserves, as they do not demonstrate economic viability.
7. The Competent Persons are not aware of any problem related to the environment, permits or mining titles, or related to legal, fiscal, socio-political, commercial issues, or any other relevant factor that could have a significant impact on this MRE.
8. The number of tonnes has been rounded to the nearest 100,000 tonnes, with any discrepancies observed in the totals due to rounding effects.
9. All tonnages reported are dry metric tonnes.

James Bay Ore Reserve - Effective date 30 June 2023

Category	Tonnage Mt	Grade % Li ₂ O	Contained Metal ('000) t Li ₂ O
Proven	-	-	-
Probable	37.3	1.27	474

Proven + Probable 37.3 1.27 474

1. The Independent Competent Person, as defined by the JORC Code 2012, responsible for the preparation of the Ore Reserve estimate is Mr. Normand Lecuyer, P.Eng., an employee of SLR. Mr. Lecuyer is a member of L'Ordre des Ingénieurs du Québec (License No. 34914), a Recognised Professional Organisation defined by the JORC Code 2012. Effective date of the estimate is June 30th, 2023.
2. Ore Reserves are estimated using the following metal prices (Li₂O Conc = US\$ 1,500/t Li₂O at 6.0% Li₂O) and an exchange rate of CAD/US\$ 1.33.
3. A minimum mining width of 5 m was used.
4. A cut-off grade of 0.62% Li₂O was used.
5. The bulk density of ore is variable, is outlined in the geological block model, and averages 2.7 g/cm³.
6. The average strip ratio is 3.6:1.
7. The average mining dilution factor is 8.7% at 0.42% Li₂O.
8. Numbers may not add due to rounding

Olaroz

Olaroz Mineral Resource Estimate at August 2023

Category	Brine volume <i>m³</i>	Average <i>mg/l</i>
Measured	3.3 x 10 ⁹	659
Indicated	1.2 x 10 ⁹	592
Measured & Indicated	4.5 x 10 ⁹	641
Inferred	2.2 x 10 ⁹	609
Total	6.7 x 10 ⁹	636

1. The Competent Person(s) for these Mineral Resources estimate is Hydrominex Geoscience for Olaroz
2. Comparison of values may not add up due to rounding or the use of averaging methods
3. Lithium is converted to lithium carbonate (Li₂CO₃) with a conversion factor of 5.323
4. The cut-off grade used to report Olaroz Mineral Resources is 300 mg/l
5. Mineral Resources that are not Ore Reserves do not have demonstrated economic viability, there is no certainty

Sal de Vida

Sal de Vida Mineral Resource Estimate at August 2023

Category	Brine volume <i>m³</i>	Average Li <i>mg/l</i>	In Situ Li <i>tonnes</i>	Li ₂ CO ₃ Equivalent <i>Tonnes</i>	Li ₂ CO ₃ Variance to 2022 <i>%</i>	
Measured	8.8 x 10 ⁸	752	660,595	3,516,000	41	%
Indicated	7.6 x 10 ⁸	742	564,375	3,004,000	-20	%
Measured & Indicated	1.6 x 10 ⁹	747	1,224,970	6,520,000	5	%
Inferred	2.2 x 10 ⁸	556	122,497	652,000	5	%
Total	1.9 x 10 ⁹	724	1,347,467	7,172,000	5	%

Note: Cut-off grade: 300 mg/L lithium. The reader is cautioned that Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. Values are inclusive of Ore Reserve estimates, and not "in addition to".

Sal de Vida Ore Reserve Estimate at August 2023

Category	Wellfield	Time Period <i>years</i>	Li Total Mass <i>tonnes</i>	Li ₂ CO ₃ Equivalent <i>tonnes</i>	Li ₂ CO ₃ Variance to 2022 <i>%</i>
Proved	Stage I East	1-7	30,541	163,000	81
Proved	Stage II Expansion	3-9	53,046	282,000	57

Total Proved		1-9	83,587	445,000	65	%
Probable	Stage I East	8-40	146,520	780,000	53	%
Probable	Stage II Expansion	10-40	236,947	1,261,000	31	%
Total Probable		8-40	383,467	2,041,000	39	%
Total Proved and Probable		40	467,054	2,486,000	43	%

Note: Assumes 300 mg/L Li cut-off grade

Cauchari

Cauchari Mineral Resource Estimate at August 2023

Category	Brine volume <i>m</i> ³	Average Li <i>mg/l</i>
Measured	6.5 x 10 ⁸	527
Indicated	1.1 x 10 ⁹	452
Measured & Indicated	1.8 x 10 ⁹	476
Inferred	6.0 x 10 ⁸	473
Total	2.4 x 10 ⁹	475

1. The Competent Person(s) for these Mineral Resources and Ore Reserves estimate is Atacama Water

1. Comparison of values may not add up due to rounding or the use of averaging methods
2. Lithium is converted to lithium carbonate (Li₂CO₃) with a conversion factor of 5.323
3. The cut-off grade used to report Cauchari Mineral Resources is 300 mg/l
4. Mineral Resources that are not Ore Reserves do not have demonstrated economic viability, there is no certainty

Cauchari Project Reserve Estimate at 30 June 2023

Category	Year	Brine Vol (Mm ³)	Average Lithium Grade (mg/L)	Lithium (kt)	Li ₂ CO ₃ Equivalent (kt)
Proved	1-7	76	571	43	231
Probable	8-30	347	485	169	897
Total	1-30	423	501	212	1,128

1. The Competent Person(s) for these Mineral Resources and Ore Reserves estimate is Atacama Water.
2. Comparison of values may not add up due to rounding or the use of averaging methods.
3. Lithium is converted to lithium carbonate (Li₂CO₃) with a conversion factor of 5.323.
4. The cut-off grade used to report Cauchari Ore Reserves is 300 mg/l.
5. Mineral Resources that are not Ore Reserves do not have demonstrated economic viability, there is no certainty that any or all of the Mineral Resources can be converted into Ore Reserves after application of the modifying factors.
6. The Lithium Ore Reserve Estimate represents the lithium contained in the brine produced by the wellfields as input to the evaporation ponds. Brine production initiates in Year 1 from wells located in the NW Sector. In Year 9, brine production switches across to the SE Sector of the Project.
7. Approximately 25% of M+I Mineral Resources are converted to Total Ore Reserves.
8. Potential environmental effects of pumping have not been comprehensively analysed at the PFS stage. Additional evaluation of potential environmental effects will be done as part of the next stage of evaluation.
9. Additional hydrogeological test work will be required in the next stage of evaluation to adequately verify the quantification of hydraulic parameters in the Archibarca fan area and in the Lower Sand unit as indicated by the sensitivity analysis carried out on the model results. Ore Reserves are derived from and included within the M&I Mineral Resources in the Mineral Resource.

A photo accompanying this announcement is available at
<https://www.globenewswire.com/NewsRoom/AttachmentNg/d6d3053d-3284-4bfb-ba11-79ea824d67b3>

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