

Bell Potter Unearthed

Corporate Presentation

February 2022





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Agenda

Business Update



NEIL KAPLAN
CHIEF FINANCIAL OFFICER

Operational & Development Update

Lithium Market Update

Outlook

01

02

03

04

Business Update



A major global lithium chemicals company with an industry leading growth profile

James Bay (100%)

Stage	Engineering
Type	Hard rock
Product	Spodumene concentrate

Naraha (75%)

Stage	Construction
Type	LiOH conversion facility
Product	Hydroxide

Olaroz (66.5%)

Stage	Operating / Development
Type	Brine
Product	Carbonate

Cauchari (100%)

Mt Cattlin (100%)

Stage	Operating
Type	Hard rock
Product	Spodumene concentrate

Sal de Vida 100%

Stage	Construction
Type	Brine
Product	Carbonate

Borax

Stage	Operating
Type	Borates

Brisbane corporate head office

Perth office

Head office

● OPERATING ASSET ● DEVELOPMENT ASSET ● OFFICE

Leading ESG Practices

Delivering sustainable products to accelerate a low carbon future



Safe & Sustainable Operations

- Operating within COVID-19 Bio-security Protocol
- Groupwide Health, Safety and Environmental standards implemented
- Roll out of integrated Health, Safety and Environmental reporting platform
- 12.5% reduction in total water intensity at Olaroz in FY21
- James Bay to use electricity sourced from hydro power in mine site operations



Thriving Communities

- Shared Value team works with local communities to create long-term benefits across five pillars: empowerment, transparency, education, health, local production and natural resources.
- Local hire philosophy across all operations with 40% Olaroz employees from local indigenous communities
- Focus on local procurement spend
- Strong working relations with the First Nations of Eastmain in Quebec



Responsible Products

- Transition towards cleaner energy systems is driving increased demand for our lithium products that are crucial for battery storage technologies
- Targeting transition of operational scope 1 and 2 emissions to **net-zero by 2035**
- Submitted second Modern Slavery Statement to the Australian Government in FY21
- Human rights training conducted organisation wide



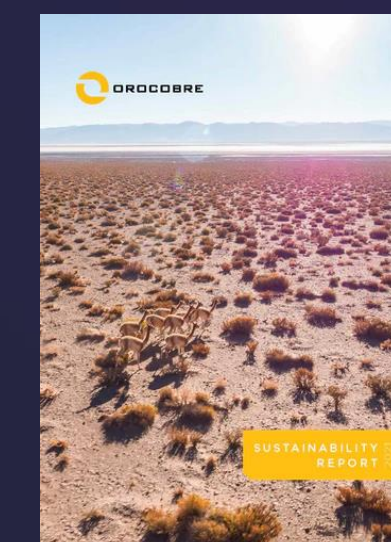
- Our long-term commitment to sustainability and transparent reporting is evident in recognition from ACSI and inclusion in the DJSI.

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

- Our FY21 Sustainability Report outlines our response to material topics identified by our stakeholders



Corporate Snapshot

Financial (at 31 December 2021)

Cash balance

US\$426.6m

Capital Structure (at 4 February 2021)

Shares outstanding	637.5M
Performance Rights and Options Outstanding	2.6M
Share price ASX/TSX	A\$9.23/C\$8.33
Market capitalisation	A\$5.9 billion/C\$5.4 billion
52 week share price range (close:)	
ASX	A\$3.95–A\$11.97
TSX	C\$3.89–C\$10.75

Major shareholders

Toyota Tsusho Corporation	6%
Ausbil Investment Management	5%
Executives and Directors	1.2%
Institutions, Banks and Brokers	57%

Share Price Performance – 12 Months



August 2021 - merger completed with Galaxy Resources

December 2021 - entered ASX /S&P100 index

Operational & Development Update



Mt Cattlin

LOCATION

Western
Australia

STATUS

Operation

PRODUCT

Spodumene
concentrate

OWNERSHIP

100%

Stable and mature operation producing high quality product

Strong operational and financial performance in CY21

- Annual production of 230,065 dmt at 5.7% Li_2O grade exceeded annual production guidance by 10%
- Total revenue of US\$171 million from sales of 206,127 dmt
- Competitive unit cash costs of US\$345¹/t was achieved in CY21, beating guidance by almost 12%

Outlook

- Robust customer demand and spodumene pricing momentum continues
- FY22 production forecast of 200-210k dmt
- March quarter shipments of 45kt are well advanced, indicative pricing of US\$2,500/t CIF for 6.0% Li_2O
- Volumes are contracted and price is negotiated quarterly on a spot pricing basis
- Exploration program planned to commence in March to test immediate extension to mine-life

1. Excluding marketing and royalties

Olaroz

📍 LOCATION

Jujuy Province,
Argentina

🏠 STATUS

Operation

⊕ PRODUCT

Lithium
Carbonate

➡ OWNERSHIP

66.5%

Long life, low cost and sustainable brine operation

Strong operational and financial performance

- 3,644 tonnes produced in December quarter, 30% higher QoQ
- Battery grade and technical grade split of 51%/49%
- Revenue increased by 68% QoQ to US\$41.1 million from sales of 5,915 tonnes
- Gross cash margin increased by 78% QoQ to US\$8,155/tonne

Outlook

- Lithium carbonate prices for H2 FY22 are expected to be ~ US\$20,000/t FOB, up ~80% on the H1 FY22
- For CY22, pricing for 1/3 of contracts to be linked to average monthly spot indices and 2/3 linked to contract indices that are priced on a bi-monthly/quarterly basis

Expansion – Olaroz Stage 2

- Expansion of an additional 25ktpa is well advanced and first production is anticipated by H2 CY22, subject to any COVID-19 related delays



Naraha

Designed to convert Olaroz lithium carbonate into battery grade lithium hydroxide

Status update

- Construction is largely complete
- Site training and plant pre-commissioning works are underway
- Completion and commission expected in H1 2022
- Domestic demand for hydroxide to produce high end battery technology
- JV with Toyota Tsusho Corporation will strategically market the product



10ktpa

Annual production

**Primary grade
Lithium carbonate**

Feedstock from Olaroz

**Battery grade
Lithium hydroxide**

⊕ Product quality

📍 LOCATION
Naraha, Japan

🏗️ STATUS
Construction

👉 OWNERSHIP
75%

Sal de Vida

Tier 1 asset with superior brine chemistry that readily upgrades to battery grade

Status update

- Construction for Stage 1 commenced in January 2022
- All 9 production wells have been completed
- Onsite piloting successfully produced battery grade lithium
- Piloting activities to continue in CY22 to support operational readiness
- Commissioning and first production is expected by H2 CY23
- Studies are progressing to expand Stage 1 to 15ktpa



LOCATION
**Catamarca Province,
Argentina**

STATUS
Construction

PRODUCT
Lithium Carbonate

OWNERSHIP
100%

James Bay

Sustainable hard-rock operation utilising renewable, clean energy

Status update

- The 2021 Feasibility Study demonstrates lowest quartile development capital and operating costs
- Hydro-power will predominantly be utilised for the processing plant
- Basic engineering is advancing alongside the procurement process
- Resource and sterilisation drilling commenced in January 2022
- Strong working relations and regular engagement with all stakeholders
- Progression of the ESIA, IBA and regulatory approvals
- Targeting construction to commence in Q3 CY22 and commissioning in H1 CY24



321ktpa

Annual production

US\$1.42B¹

NPV

US\$286M

CAPEX

US\$ 333/t

OPEX

1. Average selling price of 5.6% spodumene concentrate US\$1,001/t

Refer to Allkem's ASX announcement dated 21 December 2021 titled 'James Bay Feasibility Study Results' for further details including the material assumptions on which production capacity is based.

40.3Mt at 1.4% Li₂O²

Mineral resource Estimate

37.2Mt at 1.3% Li₂O²

Ore Reserve

19 years

Project Life



LOCATION

Quebec, Canada



STATUS

Design



PRODUCT

Spodumene concentrate



OWNERSHIP

100%

Refer to Appendix for Resource & Reserves Table and 'James Bay Feasibility Study Results' released on 21 December 2021

Lithium Market



Lithium Market Overview

Global stimulus & policies to support decarbonisation via electrification

EV demand forecast to increase by 43% from 2021-2022 and a CAGR of 24% over the coming decade

Canada

- Targeting 30% EV penetration by 2030
- Quebec targeting zero emissions by 2050

USA

- Rejoined UN Paris Agreement
- US\$2 trillion proposed Climate Change Plan
- Federal target of 50% EV sales share in 2030

Europe

- EU €2 trillion Green Recovery Deal
- Norway & Netherlands proposed to end ICE sales by 2035
- Attractive EV subsidies and tax penalties for ICE purchases

China

- US\$2 billion EV stimulus, subsidies extended to 2022
- Targeting 20% EV penetration rate by 2025
- Pledged to become carbon neutral by 2060

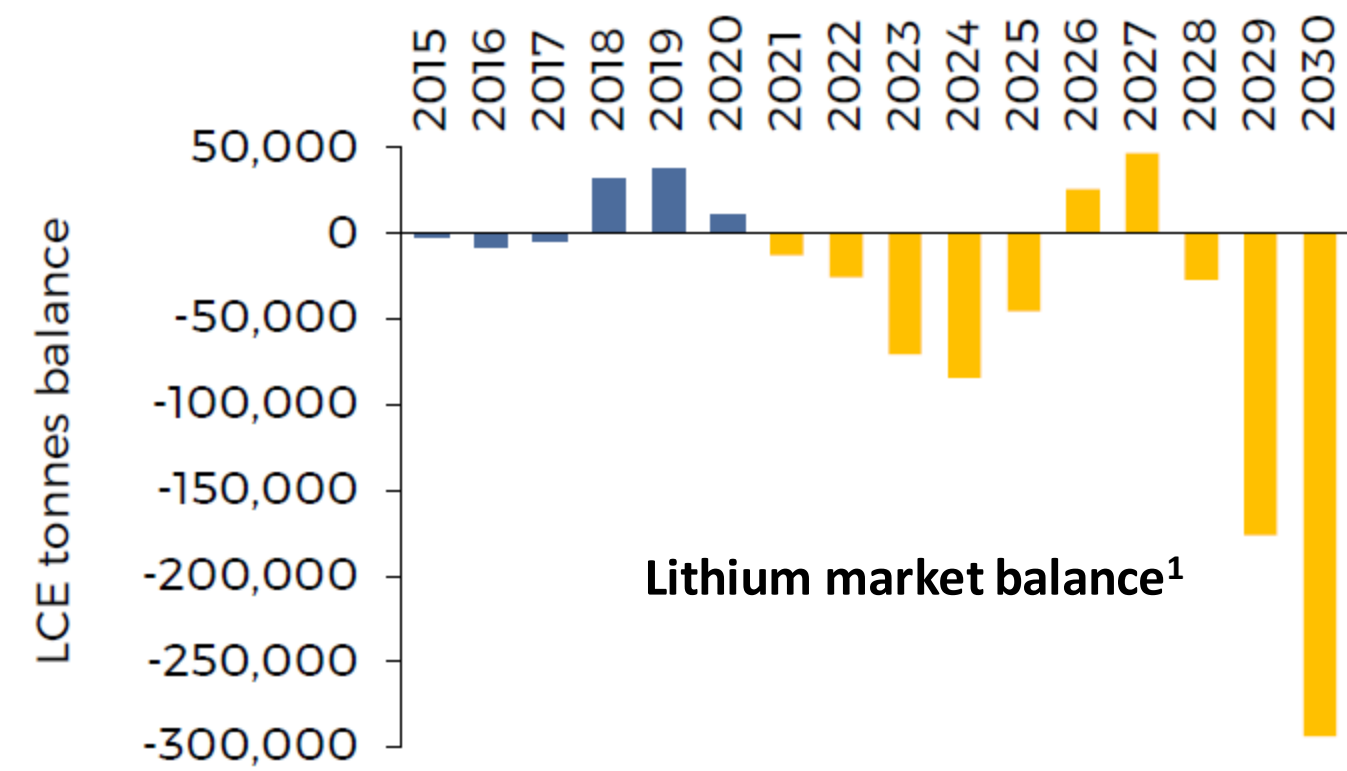
Growth underpinned by a global transition to carbon neutrality

- Carbon emission targets and penalties
- Government regulations and subsidies
- Increasing range of EV models by OEM's
- EV's approaching price parity with ICE vehicles

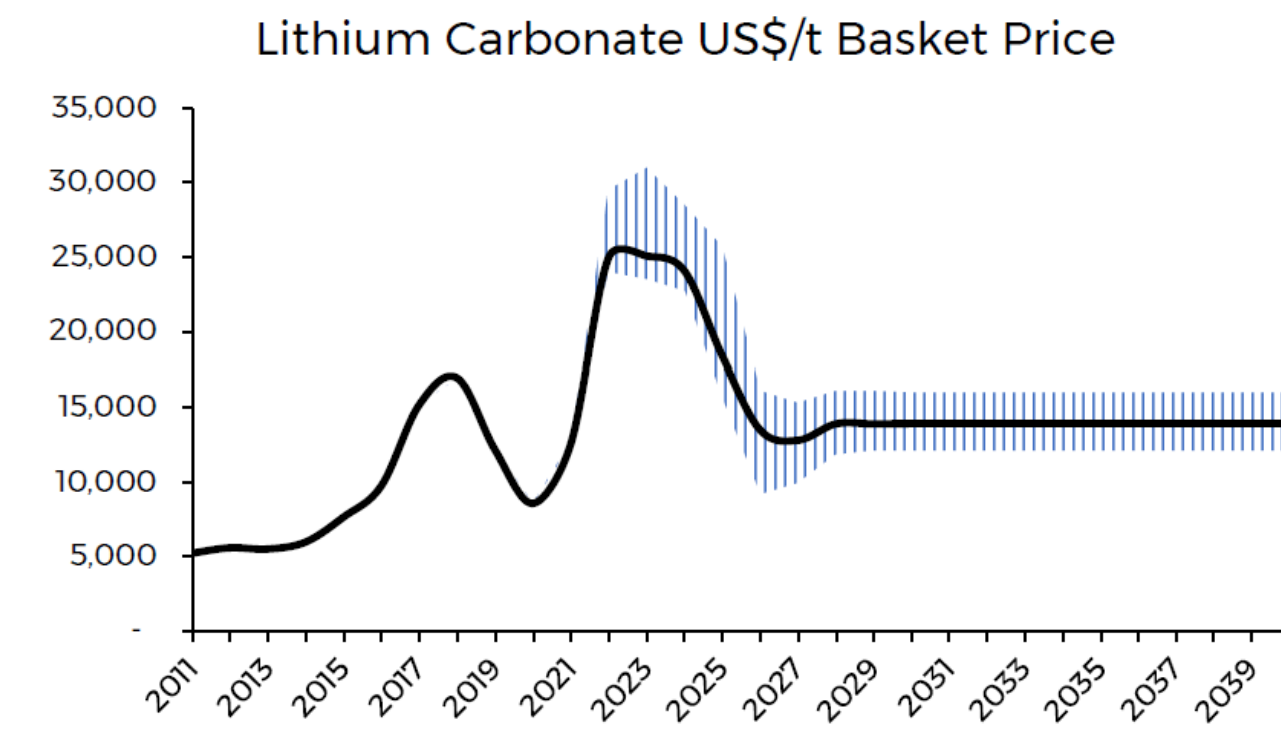
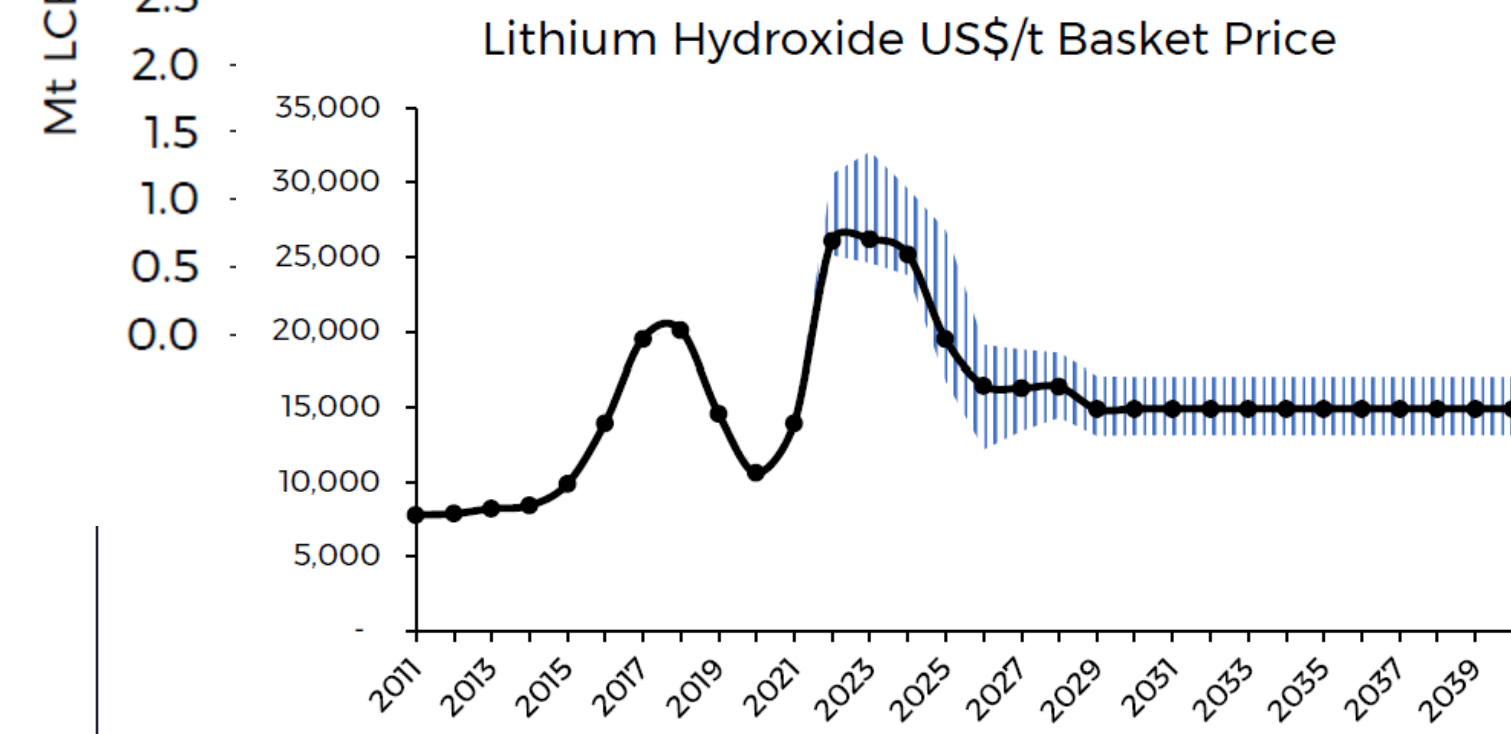
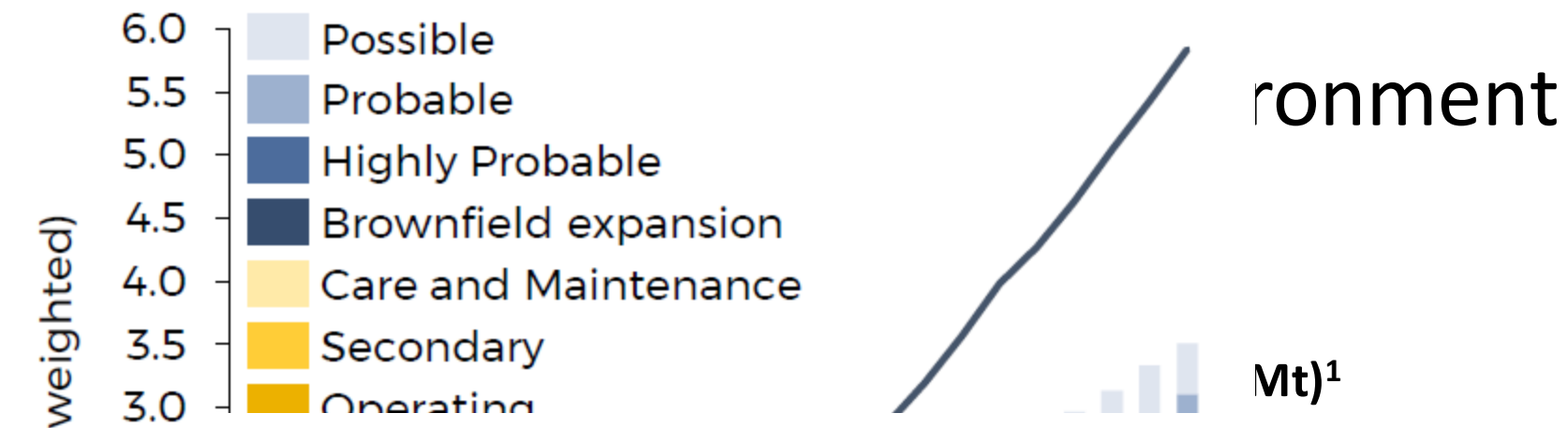
Significant build-out of capacity throughout the lithium-ion supply chain

- Pipeline global lithium-ion battery cell production capacity for 2031 rises to ~5,137 GWh in January 22, a ~60% YTD increase

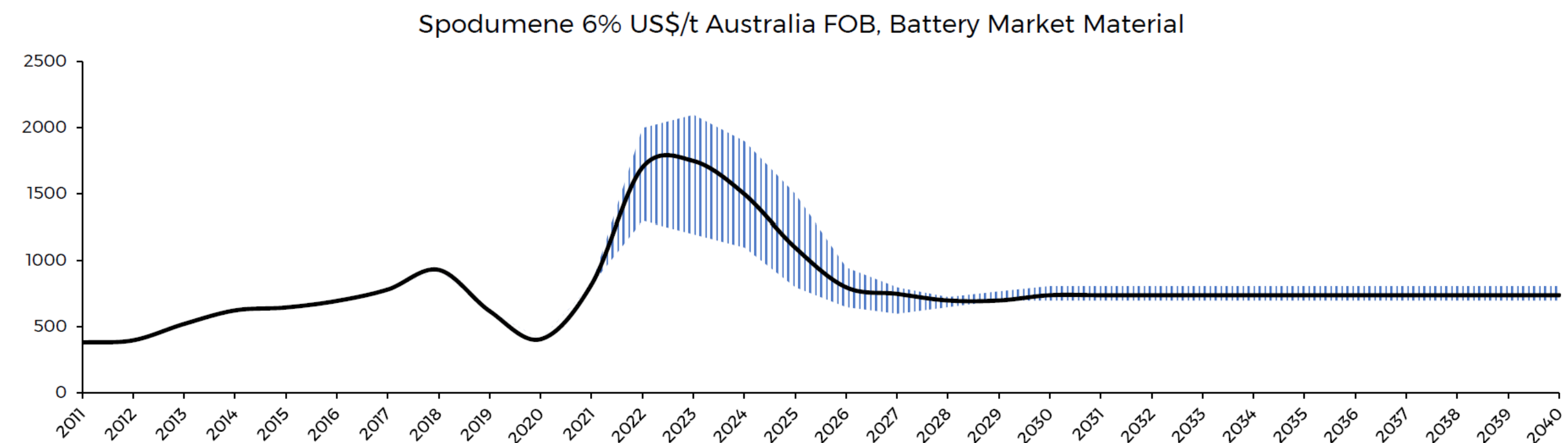
Lithium market balance



Lithium market balance¹



Spodumene price forecast, Real 2021 (USD/Mt)¹



Note: shading indicates the areas between bullish and conservative cases

- Global weighted average prices for lithium carbonate and lithium hydroxide in January 2022 increased by 402% and 297% over 12 months, respectively. Spodumene concentrate increased by 478% in the same period. ¹
- Current spot pricing exceeds forecasts and market researchers are forecasting long term price growth (right)
- Customers showing strong preference to enter long term supply agreements to reduce risk of forecast supply side deficit

1. Source: Benchmark Minerals Intelligence: Lithium Forecast Q4 2021

Creating a major global lithium chemicals company

Unlocking value from an industry leading growth pipeline

Highlights

- Merged entity has an unparalleled development profile
- Strong financial position with US\$427 million in cash at 31 December 21
- Industry supply/demand profile requires new development projects
- Customer demand exceeds production capacity

Key focus Areas 2022

- Continue delivering sustainable operations at Mt Cattlin and Olaroz
- Completion and commissioning of Naraha and Olaroz Stage 2
- Advance Sal de Vida construction and James Bay Basic engineering



Appendix

Mineral Resource Estimate and Ore Reserve
Competent Person Statement



Mineral Resource Estimate and Ore Reserve

James Bay

Mineral Resource Estimate

Category	Tonnage Mt	Grade % Li ₂ O	Contained Metal ('000) t Li ₂ O
Indicated	40.30	1.40	564.2
Total	40.30	1.40	564.2

Note: The Mineral Resource Estimate is reported at a cut-off grade of 0.62% Li₂O inside a conceptual pit shell optimised using spodumene concentrate price of USD 950/t containing 6.0% Li₂O, metallurgical and process recovery of 70%, overall mining and processing costs of USD 55/t milled and overall pit slope of 50 degrees. All figures are rounded to reflect the relative accuracy of the estimates. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Ore Reserve

Category	Ore tonnage (k dmt)	Lithium grade (%Li ₂ O)	Contained Metal ('000) t Li ₂ O
Proven	0	0	0
Probable	37,207	1.30	483.7
Proven + Probable	37,207	1.30	483.7

1. Effective date of the estimate is December 2021;
2. Mineral Reserves are estimated using the following long-term metal prices (Li₂O Conc = 950 USD/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. Cut-off grade of 0.62% Li₂O;
5. Bulk density of ore is variable, outlined in the geological block model and average 2.7 g/t;
6. The average strip ratio is 3.54:1;
7. The average mining dilution factor is 3.0% at 0.38% Li₂O.

James Bay

Any information in this Presentation that relates to James Bay Mineral Resources and Ore Reserves is extracted from the ASX announcement, entitled “James Bay Lithium Project – Feasibility Study & Maiden Ore Reserve” dated 21 December 2021 which is available to view on 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 announcement and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserves 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 Presentation 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 Lithium Project – Feasibility Study & Maiden Ore Reserve” dated 21 December 2021 which is available to view on the Company’s website and www.asx.com.au. The Company confirms that all the material assumptions underpinning the production target, and the forecast financial information derived from a production target, in the original market announcement continue to apply and have not materially changed.