Appendix 4E

1. Results for announcement to the market

For the year ended	30 Jun 2023	30 Jun 2022	Up	Change	Variance
	US$'000	*US$'000*	*Down*	*US$'000*	
Revenues from ordinary activities	**1,207,801**	744,683	up	463,118	62%
Profit/(loss) from continuing operations after income tax, attributable to members	**444,989**	303,137	up	141,852	47%
Net profit/(loss) attributable to members	**441,711**	305,674	up	136,097	45%

Record annual group revenue of US$1,207.8 million was achieved with gross profit of US$1,065.8 million. The increase in revenue and profit was a result of:

- record revenue at Olaroz increased 102% to US$592.2 million on sales of 13,186 tonnes of lithium carbonate including US$12.3 million of revenue generated from by-product sales. Average realised pricing for lithium carbonate almost doubled year on year to US$43,981/t FOB[1].
- record revenue at Mt Cattlin of US$615.6 million, a 36% increase which includes US$513.7 million generated from spodumene sales of 105,291 dmt and US$99.7 million from low grade product. Average price for spodumene increased by ~2.2x year on year to US$4,879/ tonne CIF.

The performance of the business is detailed in the Directors' Report included in the Allkem Limited Annual Report for the year ended 30 June 2023.

2. Dividends

The Directors have determined that there will be no payment of a dividend for the year ended 30 June 2023.

3. Net tangible asset

As at	30 June 2023	30 June 2022
	US$	*US$*
Net tangible asset backing per ordinary security	**4.78**	3.97

4. Control gained or lost over entities during the year

On 16 December 2022, Allkem Limited completed the sale of the Borax operating segment comprising the Borax Argentina S.A, Borax Argentina Holding No 1 Pty Ltd and Borax Argentina Holding No 2 Pty Ltd entities. The disposed operations are treated as discontinued operations. Refer to note 2 of the Financial Statements for the year ended 30 June 2023.

5. Additional disclosures

The reporting period is the year ended 30 June 2023. The previous corresponding period is the year ended 30 June 2022.

Additional Appendix 4E disclosure requirements can be found in the Allkem Limited Annual Report for the year ended 30 June 2023.

[1] "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.

Allkem

The Annual Report should be read in conjunction with any market or public announcements made by Allkem Limited during the reporting year in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

The financial statements and Remuneration Report have been audited.

ENDS

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

Allkem Limited

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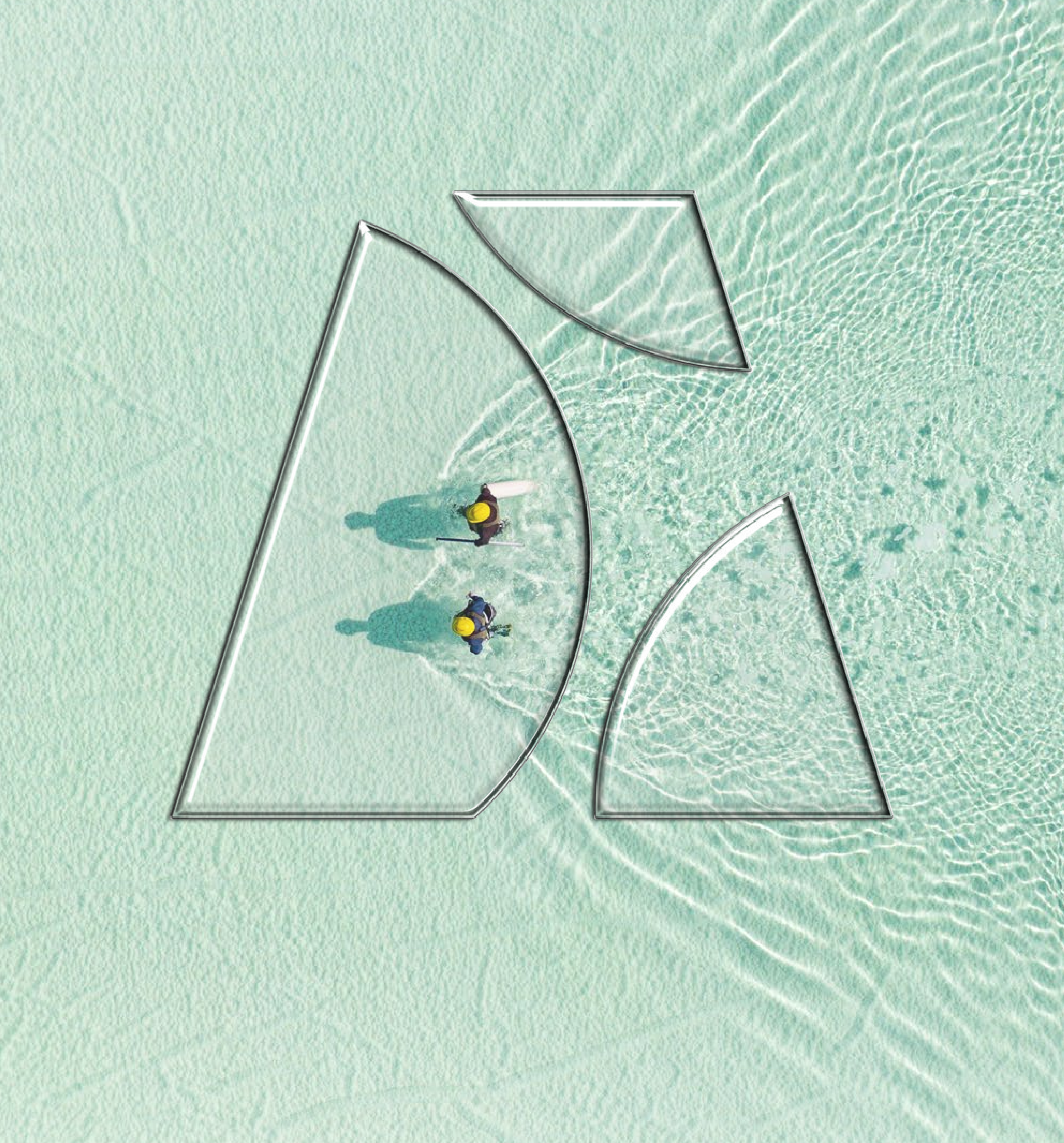
Annual Report
2023



Sal de Vida, Argentina

Allkem

Corporate information

Directors

Non-Executive Chairman

- Mr Peter Coleman
  (appointed on 15 November 2022)
- Mr. Martin Rowley
  (retired on 15 November 2022)

Non-Executive Deputy Chairman

- Mr. Robert Hubbard
  (retired 3 October 2022)

Managing Director and CEO

- Mr. Martín Pérez de Solay

Non-Executive Directors

- Mr. Richard Seville
- Mr. Fernando Oris de Roa
- Ms. Leanne Heywood
- Mr. Alan Fitzpatrick
- Mr. John Turner
- Ms. Florencia Heredia

Joint Company Secretary

- Mr. John Sanders
- Mr Dylan Roberts
  (appointed 3 October 2022)
- Mr. Rick Anthon
  (resigned as Joint Co. Sec. 3 October 2022)

Company

Allkem Limited

ACN 112 589 910

Registered Office

Riparian Plaza – Level 35, 71 Eagle Street
Brisbane QLD 4000 AUSTRALIA

Principal Office

Riparian Plaza – Level 35
71 Eagle Street
Brisbane QLD 4000 AUSTRALIA

Postal Address

GPO Box 3024
Brisbane QLD 4001 AUSTRALIA

Telephone

+61 7 3064 3600

Facsimile

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Email

info@allkem.co

Website

allkem.co

Share Registries

Computershare Investor Services Pty Limited

Level 1 – 200 Mary Street
Brisbane QLD 4000 AUSTRALIA

Computershare Investor Services Inc.

100 University Avenue – 8th Floor
Toronto ON M5J 2Y1 CANADA

Auditors

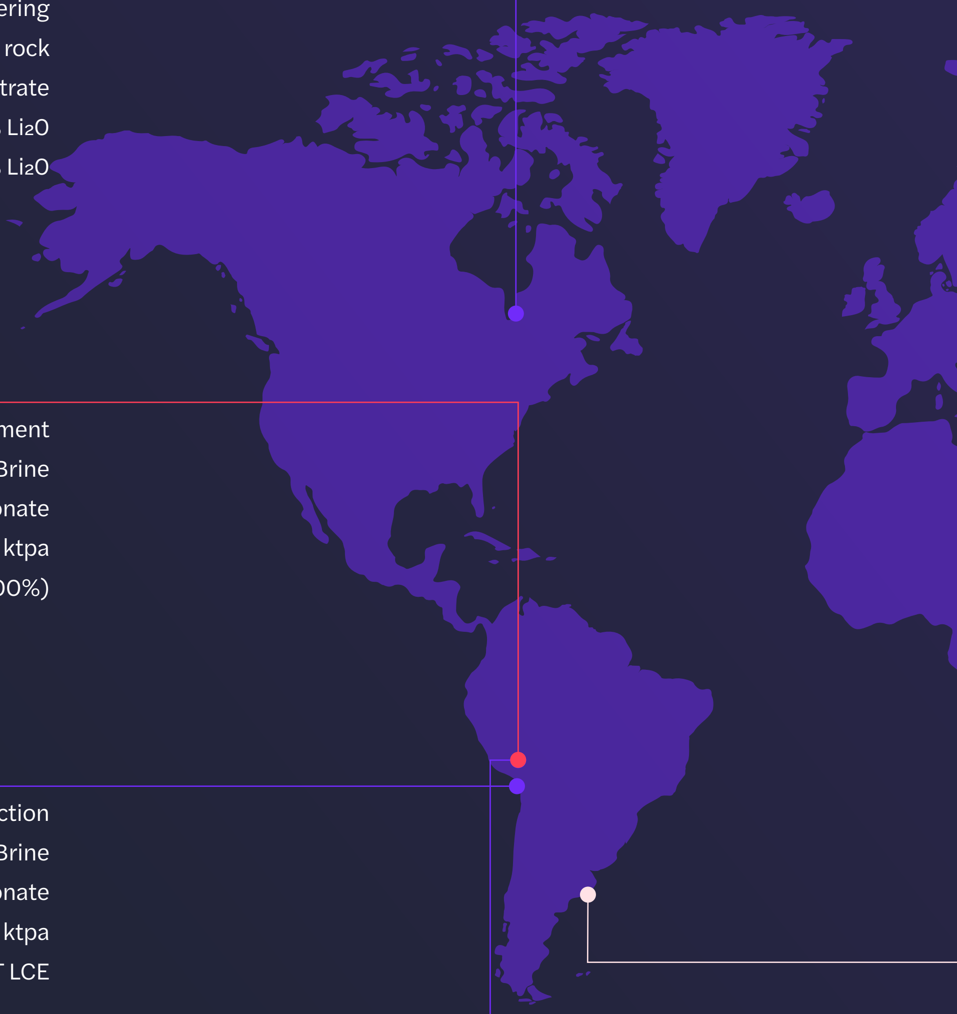
Ernst & Young

Level 51 – 111 Eagle Street
Brisbane QLD 4000 AUSTRALIA

Contents

About Allkem

Allkem is a highly successful speciality lithium company, formed from the merger of Orocobre Limited ("**Orocobre**") and Galaxy Resources Limited ("**Galaxy**") in August 2021. Our company has a diverse global portfolio of high-quality lithium assets that produce critical battery materials used in decarbonising our economies.



James Bay (100%)

Stage	Engineering
Type	Hard rock
Product	Spodumene concentrate
Production Capacity	321 ktpa @ 5.6% Li_2O
Resources[1]	110.2 Mt @ 1.3% Li_2O

Olaroz (66.5%)

Stage	Operating/development
Type	Brine
Product	Carbonate
Production Capacity	42.5 ktpa
Resources[1]	20.7 MT LCE (100%)

Sal de Vida (100%)

Stage	Construction
Type	Brine
Product	Carbonate
Production Capacity	45 ktpa
Resources[1]	6.85 MT LCE

Cauchari (100%)

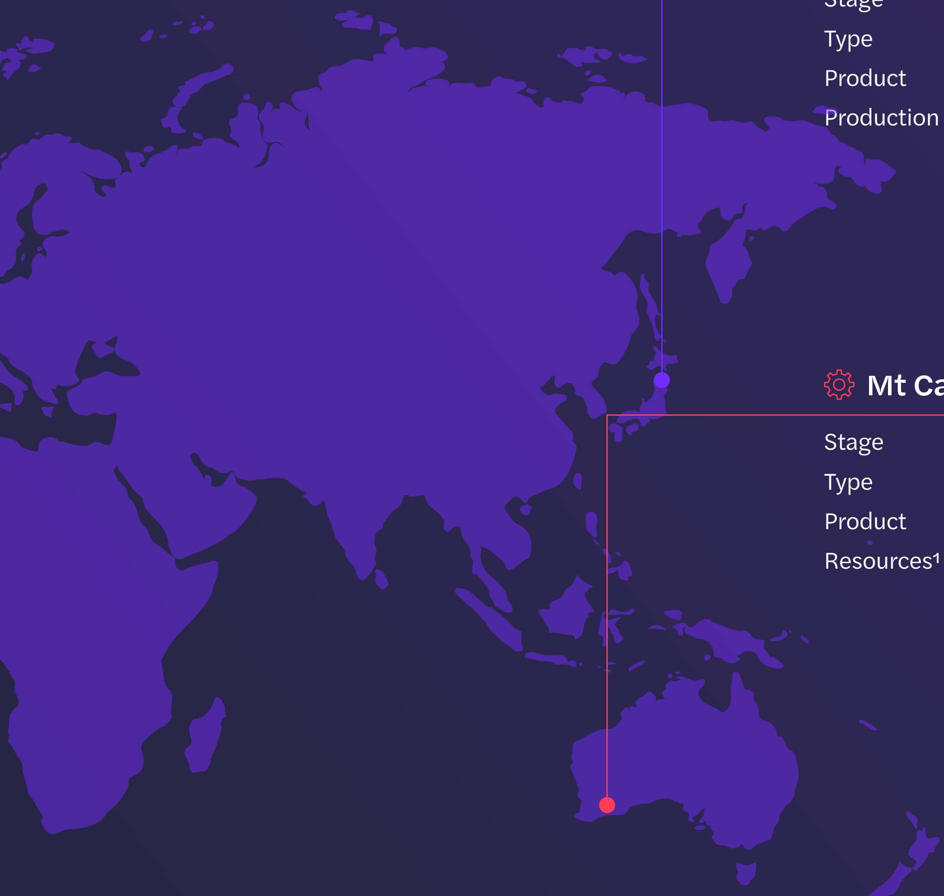
Stage	Early studies
Type	Brine
Resources[1]	6.3 MT LCE

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

Our unique portfolio includes lithium brine operations in Argentina, a hard-rock lithium operation in Australia and a lithium hydroxide conversion facility in Japan.

New project developments are underway in Argentina and Canada that enhance Allkem's scale and product flexibility to meet significant growth in demand that is underpinned by the global transition to a net zero carbon future.

We are dual listed on the Australian Securities Exchange and Toronto Stock Exchange, and have established partnerships with Toyota Tsusho Corporation and the Jujuy and Catamarca Provincial Governments.



Nahara (75%)

Stage	Commissioning
Type	LiOH conversion facility
Product	Hydroxide
Production Capacity	10 ktpa LiOH

Mt Cattlin (100%)

Stage	Operating
Type	Hard rock
Product	Spodumene concentrate
Resources[1]	12.1Mt @ 1.3% Li_2O

Buenos Aires (Head Office)

Key

- Operating Asset
- Development Asset
- Office

1 Refer to Appendix for Resource and Reserve information

Our Board and Executive Team

The composition of Allkem's Board and Executive team reflects diverse skills and experience which delivers value to shareholders through the sustainable development and operation of our assets.

Collectively the Directors possess a mix of skills, knowledge and experience that enables the Board to discharge its responsibilities and deliver the Company's corporate objectives.

Allkem's Board is comprised of Independent Non-Executive Chairman, Peter Coleman, six Non-Executive Directors and Managing Director and Chief Executive Officer, Martin Perez de Solay.

Peter Coleman
Independent Non-Executive Chairman

Martín Pérez de Solay
Managing Director and
Chief Executive Officer

Fernando Oris de Roa
Independent Non-Executive Director

Leanne Heywood
Independent Non-Executive Director and
Chair of the Audit and Risk Committee

Alan Fitzpatrick
Independent Non-Executive Director

John Turner
Independent Non-Executive Director
and Chair of the People and
Remuneration Committee

Florencia Heredia
Independent Non-Executive Director

Richard Seville
Non-Executive Director and
Chair of the Sustainability Committee

The executive team is led by Martin Perez de Solay who brings to his role expertise in the fields of engineering, operational improvement, banking, finance and executive management. The collective team is unique as it possesses expertise in hard-rock and brine assets from both an operational and development perspective, plus a wealth of experience necessary in delivering Allkem's growth strategy.

The team is bolstered with additional executives who bring a range of international and executive experience. Karen Vizental is our Chief Sustainability and External Affairs Officer, Christian Barbier is our Chief Sales and Marketing Officer, James Connolly is our Chief Technical Officer and Dr Robert Edwardes is our Chief Projects Officer.

Martín Pérez de Solay
Managing Director and Chief Executive Officer

Christian Cortes
Acting Chief Financial Officer

Illeana Freire
Chief Human Resources Officer

Liam Franklyn
Head of Australian Operations

John Sanders
Chief Legal Officer and Company Secretary

Rick Anthon
Corporate Development

Karen Vizental
Chief Sustainability and External Affairs Officer

Christian Barbier
Chief Sales and Marketing Officer

Hersen Porta
Head of Argentina Operations

James Connolly
Chief Technical Officer

Denis Couture
Head of Canadian Operations

Dr Robert Edwardes
Chief Projects Officer

Year in Review

2023, another record-breaking year in production and revenues.

Corporate

MOE with Livent

Proposed Merger of Equals ("MOE") to create a leading global integrated lithium chemicals producer

Strategic acquisition of Maria Victoria Lithium tenement

Completed sale of Borax Argentina S.A

US$130m IFC Green and Sustainability Linked Loan

Completed post reporting period for Sal de Vida Stage 1

Safety

1.98

Total Recordable Injury Frequency Rate ("TRIFR")
at 30 June 2023 for the rolling 12 months

0.62

Lost Time Injury Frequency Rate ("LTIFR")
at 30 June 2023 for the rolling 12 months

Sustainability

Inclusion in the S&P Global Sustainability Yearbook, recognising performance in the top 15% of the industry

Maintained "AA" ESG Rating from MSCI in 2023

Continues to be a constituent of the FTSE4Good Index Series

Allkem's Net Zero Action Plan

6 projects evaluated for inclusion

Life Cycle Assessment Completed

for Lithium Carbonate produced at Olaroz

Operations

Record production at Olaroz

Olaroz

16,703 tonnes

Record annual Lithium carbonate produced

Significant operational improvements at Mt Cattlin

Mt Cattlin

130,984 dmt

Annual spodumene concentrate produced

Financials

Record financial results and robust financial position to support future growth

US$1,207.8 m

Group Revenue

US$909.8 m

EBITDAIX

US$524.6 m

NPAT from continuing operations

US$821.4 m

Cash and cash equivalent

Growth Pipeline Highlights[1]

- The Naraha lithium hydroxide plant achieved first production
- Olaroz Stage 2 achieved first wet production post reporting period
- Mt Cattlin's Ore Reserve Update confirmed an additional 4–5 year mine life to 2027–2028
- The Olaroz Mineral Resource increased 27% to 20.7Mt LCE, making the combined Olaroz-Cauchari Resource one of the largest resources in the world at 27Mt LCE
- Sal de Vida reached 98% completion on the first 2 string of ponds
- James Bay obtained federal approval for the ESIA and identified a new high grade zone of mineralisation
- Post reporting period the total resource at James Bay increased 173% to 110.2 Mt @ 1.30% Li_2O

1 For further information, see Resource and Reserve section.

"This year our team has reached significant milestones to capture global growth by increasing our production capacity and product offering. We remain committed to accelerating our growth strategy to create a leading global integrated lithium chemicals producer."

Martin Perez de Solay
Managing Director and CEO

Chairman and Chief Executive Officer Letter

Dear Shareholders,

Welcome to Allkem Limited's second Annual Report since the successful merger of Galaxy Resources Limited and Orocobre Limited in 2021. Since this integration we have remained focussed on unlocking significant value and synergies across our assets and people. We are extremely proud to have continued to achieve major milestones in the 2023 financial year.

While acknowledging our achievements we also recognise the loss of our former CFO, Neil Kaplan who sadly passed away during the year. He will be remembered as a respected leader over his 10 years of service to the Company. We also recognise the retirement of Deputy Chairman, Rob Hubbard and Chairman, Martin Rowley who both left Allkem in the strongest position of its history with a platform for future success.

Key drivers of our success is our ability to increase our lithium production capacity in the near term from our current growth projects, and our ability to expand and vertically integrate further and remain relevant to our customers in a market that is growing so rapidly. In doing this, our project execution philosophy is based on enhancing sustainability performance, productivity and quality in all areas of our business.

Sustainability and climate change continues to be a strong focus for the Board and is central to how we build shared value with our stakeholders. In line with our own commitment to achieving net zero carbon emissions by 2035, our approach is to design and develop assets with lower carbon intensity, maximise the use of renewable energy and support the development of low carbon technology.

FY23 Revenue and EBITDAIX hit new records of US$1,207.8 million and US$909.8 million and were underpinned by strong operational performance and robust pricing.

Our ongoing commitment to enhance our sustainability performance led to achievement of our FY23 group level safety targets, continued Shared Value with our communities and the identification of six projects as part of our Net Zero Action Plan. Post-reporting period we completed a US$130m project financing facility with the IFC for Sal de Vida Stage 1 which will extend and de-risk our financing capability. This facility has been structured as a green, sustainability linked loan which validates the high ESG standards already adopted by Allkem and also combines our ambitious environmental and social targets.

FY23 Revenue and EBITDAIX hit new records of US$1,207.8 million and US$909.8 million and were underpinned by strong operational performance and robust pricing. Together as a team we delivered record production volumes of high-quality lithium carbonate product at Olaroz and successfully turned Mt Cattlin around to achieve record run rates towards the end of the year after experiencing some initial challenges.

With our partner TTC, we reached a major milestone in successfully producing lithium hydroxide at Naraha, further delivering our vertical integration strategy and the diversification of our product offering. This facility is the first of its kind in the region and we have proven the technology of converting Olaroz technical grade lithium carbonate. In achieving first production at Olaroz Stage 2, not only did we prove the operational viability of the carbonation process but we also demonstrated deep technical knowhow and expertise gained by our team over several successful operating years at Olaroz.

Cash generation from strong operational performance positions Allkem with the ability to self-fund development of our global growth pipeline. During the year we advanced the construction of Sal de Vida Stage 1 and advanced both engineering and permitting at James Bay. We refined our portfolio with the divestment of Borax and acquisition of the Maria Victoria tenements in the Olaroz basin. Those tenements contributed to a 27% increase in the Olaroz Resource. We also proved up a mine life extension at Mt Cattlin that will see the mine operate until at least 2027 while we evaluate underground mining options. Post reporting period we also increased the total resource at James Bay by 173% to 110.2 Mt @ 1.30% Li_2O.

The lithium market is stronger than ever with reinforced support from major Governments and auto manufacturers around the globe in efforts to deliver decarbonisation via transport electrification. The industry is forecast to grow at an unprecedented rate. In line with these underlying industry fundamentals, auto manufacturers have demonstrated strong preferences for rapid, increased scale and product flexibility of lithium production, far beyond what the supply chain can currently deliver and is anticipated to deliver in the future.

With the projected evolution and growth of the lithium sector, Allkem is in a robust position to deliver shareholder value by developing our lithium portfolio. In line with our strategy to enhance international scale and product flexibility, we have proposed a merger with Livent to create a leading global integrated lithium chemicals producer. Combining the many highly complementary assets of both companies will enhance business critical scale and global capabilities, strengthening our ability to service customers with a more resilient supply chain. The vertically integrated business model will allow enhanced operational flexibility and potential for greater value capture across the supply chain and ultimately for shareholders.

Our achievements to date demonstrate the dedication and commitment of our team in sustainable production and development across our global portfolio. We would like to acknowledge our workforce, management team and Board in delivering and accelerating our growth strategy. We would also like to thank the communities with whom we work, our joint venture partner TTC, JOGMEC and Mizuho as well as the National and Provincial governments in Argentina, Canada and Australia who continue to support us as we grow our business. Finally thank you to our shareholders, we look forward to delivering further shareholder value through our next growth phase.

Peter Coleman
Non-executive Chairman

Martin Perez de Solay
Managing Director and CEO

Our achievements to date demonstrate the dedication and commitment of our team in sustainable production and development across our global portfolio.

Sustainability and Climate Change

Together we go further

Allkem brings together a diverse team to deliver on our purpose—to produce core materials that are fundamental for decarbonisation. During the year, Allkem refreshed the Company's Code of Conduct. This Code brings together key elements of corporate policies, procedures and standards which collectively clarify Allkem's vision and the behaviours that are consistent with our values.

Our values

We are committed to conducting our business activities in accordance with the following values and behaviours which underpin our work culture and how we work together to achieve our Vision:

Respect

We foster trusted relationships with our collaborators, the different communities, and our business partners.

Inclusion

We promote a working environment where everyone is treated with respect and differences are celebrated and considered.

Empowerment

We encourage all our collaborators to live to their fullest potential and to be proud of the role they play.

Commitment

We keep our promises, reinforcing our reputation as trustworthy and qualified partners.

Integrity

We are consistent with our core values in all our tasks and in our interactions with others.

The Code applies to all people working for, and with Allkem, including our contractors and suppliers.

Allkem has participated in the United Nations Global Compact (UNGC) since 2018 and supports the UNGC's 10 Principles and United Nations Sustainable Development Goals. Allkem's Sustainability Strategy aligns our business activities with our purpose and assists Allkem in achieving long-term sustainable value creation. This strategy addresses impacts and opportunities across human and natural capital, how we share value in the regions where we operate, and how we contribute towards decarbonisation.

Allkem brings together a diverse team to deliver on our purpose.

1. Human Capital

At the end of FY23, Allkem and its controlled subsidiary companies employed over 1350 people spread across Australia, Argentina, Canada and Japan. We continued to grow across our lithium operations and in teams focused on delivering our lithium growth strategy.

Health and Safety Overview

At the Group level, Allkem achieved improved safety performance. Strategic improvement programs during FY23 focused on Crisis and Emergency Management and Critical Control Management. A Behavioural Based Safety program was initiated at Olaroz and Sal de Vida to increase active participation in the detection and correction of potential safety incidents. Total Recordable Injury Frequency Rate ("**TRIFR**") and Lost Time Injury Frequency Rates ("LTIFR") for each site, including employees and contractors is included below:

FY23	Mt Cattlin	Olaroz	Sal de Vida	James Bay	Total
TRIFR	7.70	1.23	1.33	0.0	1.98
LTIFR	0.0	0.49	1.33	0.0	0.62

A detailed breakdown of safety performance metrics is included in Allkem's annual Sustainability Performance Data.

2. Shared Value

We are privileged to have respectful partnerships with local and indigenous communities in Ravensthorpe, Western Australia, the provinces of Catamarca, and Jujuy in Argentina and Quebec, Canada. We understand the importance of listening to all voices that make up our communities and being responsive to community ideas and concerns. During the year we reached an updated easement and participation agreement with the Olaroz Chico community incorporating production from Olaroz Stage 2 and signed an easement agreement with the El Toro community.

The James Bay team continue to undertake regular engagement with community stakeholders as part of the ESIA and Impact and Benefit Agreement ("IBA") process to finalise approvals with the Quebec and Cree Nation Governments. The IBA will ensure ongoing, long-term benefits to the communities. The Mt Cattlin Community Consultation Group continues to identify opportunities to create shared value with representatives from the Ravensthorpe and Hopetoun communities in Western Australia.

3. Natural Capital

We monitor and manage environmental impacts and opportunities and make this information available to our stakeholders. In January, Allkem received Federal Government approval for the James Bay Environmental and Social Impact Assessment ("ESIA"), determining that the project's environmental mitigation measures provide a sustainable path for the project to proceed. During the year, the Company progressed the environmental plans under the conditions of the approval in partnership with the communities of Waskaganish, Waswanipi and Eastmain.

Participatory environmental baseline monitoring programs were carried out during the year for the Olaroz Lithium Facility and the Sal de Vida project. At Sal de Vida, the teams have also been working to align our management approaches with the globally recognised IFC performance standards on Environmental and Social Sustainability. The awarding of a sustainability-linked, green loan to the facility is recognition and validation of the high ESG standards and targets already adopted at Sal de Vida by Allkem.

At Mt Cattlin, the team remain focused on the site water balance and continue to work with specialist rehabilitation contractors to implement the revegetation works program.

Further information relating to our environmental, social and governance performance is included in Allkem's FY23 Sustainability Report, and associated performance data that will be published in November this year.

Climate Risk and Decarbonisation

Allkem supports the Task Force on Climate-related Financial Disclosures (TCFD) which has now been incorporated in the IFRS S2 Climate Related Disclosures Standard. Elements of the IFRS S2 Standard on Climate-related Disclosures that are addressed in Allkem's annual disclosures as identified below.

Governance

Allkem has established a robust governance structure for the management of climate-related issues at the Board level, with the Sustainability Committee having oversight. This is included in the Board Sustainability Committee Charter. Updates on physical and transitional climate-related risks and opportunities along the value chain are a regular agenda item at meetings of the Board Sustainability Committee. Any climate related risks identified that are material to the enterprise level risk framework are also reported to the Board Audit and Risk Committee.

At the management level, risks and opportunities associated with climate change are the responsibility of the Head of Operations in each of the regions where we operate, along with Allkem's Chief Sustainability and External Affairs Officer, reporting directly to the CEO on these matters.

Strategy

The demand outlook for lithium is increasing in line with global commitments to migrate to lower emissions transport and energy solutions in response to climate change. Our strong lithium development pipeline and vertically integrated production base will allow us to supply this growing market. Allkem's strategic focus on supplying lithium products with ESG performance transparency is also aligned with increased scrutiny on sustainably sourced critical minerals by end users in the EV value chain.

Scenario Planning

Lithium supply and demand forecasts that Allkem incorporates in strategic business planning draw on a range of climate change transition scenarios. These are informed by global commitments and actions to limit the rise in global warming temperatures to 1.5°C and avoid the worst effects of climate change. The clear message from these scenarios is that the world requires substantially more lithium to supply the increasing demand from electric vehicles, even when future recycling rates are considered.

Allkem has also previously completed a climate change risk assessment, identifying both physical and transitional climate-related risks and opportunities along the value chain. This assessment incorporated two detailed climate scenarios out to 2040 to guide the identification of risks and opportunities. These scenarios incorporated physical and transitional drivers and potential impacts on our business across products and services, supply chain, communities, adaptation and mitigation activities, investment in R&D, and operations. The focus is now on consolidating this approach consistently across each site and in project planning phases.

Risk Management

In some cases, risks and opportunities identified at the site level are linked to potential physical and/or transitional climate change impacts. These are identified and incorporated in operational risk registers. Future physical climate scenarios are considered during project planning stages as climatic variables are linked with operational productivity.

The Group risk framework, taking material site level and corporate risk registers into consideration, is reviewed at least annually by the Board Audit and Risk Committee.

Metrics and Targets

Allkem monitors climate-related metrics, such as water use and intensity, energy consumption and intensity, absolute emissions and emissions intensity, and waste. These are published in sustainability performance data available on the company website. Our Board approved Climate Change Statement outlines our commitment to the reduction of global greenhouse gas emissions and the transition of our business scope 1 and 2 emissions to net-zero by 2035. During FY23 Allkem investigated the most efficient methods to implement these reductions at our operations and projects. As a result, Allkem's first Net Zero Action plan was developed. The plan incorporates six emissions reduction and offsetting projects, with an initial focus on opportunities in Argentina. Projects associated with increased use of renewable energy and electrification of site activities have the potential to reduce Allkem's exposure to future fossil fuel related costs. Further reduction of the emissions intensity of Allkem's lithium products will also assist with achieving ESG expectations of end users in the EV value chain. Further information on Allkem's Net Zero Action Plan will be included in the FY23 Sustainability Report.

Allkem monitors and reports on climate-related indicators annually in its Sustainability Report and in investor surveys such as the CDP Climate Survey and the S&P Global Corporate Sustainability Assessment (CSA).

Our Board approved Climate Change Statement outlines our commitment to the reduction of global greenhouse gas emissions and the transition of our business scope 1 and 2 emissions to net-zero by 2035.

Financial and Operating Review

Financial Performance

To assist readers to better understand the financial results of Allkem, the financial information in this Operating and Financial Review includes non-IFRS unaudited financial information.

Group Financial Performance

Summary of results for the year ended 30 June 2023

	Group		Olaroz		Mt Cattlin	
	2023 US $'000	2022 US $'000	2023 US $'000	2022 US $'000	2023 US $'000	2022[5] US $'000
Revenue	1,207,801	744,683	592,211	292,758	615,590	451,925
EBITDAIX[1]	**909,769**	**511,996**	**475,181**	**220,431**	**515,881**	**336,178**
Less depreciation and amortisation	(98,786)	(49,910)	(16,320)	(17,717)	(80,259)	(30,309)
EBITIX[2]	**810,983**	**462,086**	**458,861**	**202,714**	**435,622**	**305,869**
Less interest income/(costs)	48,240	(14,200)	13,830	(24,153)	18,119	1,177
EBTIX[3]	**859,223**	**447,886**	**472,691**	**178,561**	**453,741**	**307,046**
Less merger costs	(9,945)	–	–	–	–	–
Less acquisition costs	–	(12,760)	–	–	–	–
Less amortisation of customer contracts due to purchase price allocation	–	(13,400)	–	–	–	(13,400)
Less inventory adjustment due to purchase price allocation	–	(12,367)	–	–	–	(12,367)
Add other income – gains from financial instruments	66,023	31,666	–	–	–	–
Add foreign currency gains/(losses)	(83,280)	(10,260)	(79,143)	(7,481)	908	1,099
Less share of loss of associates, net of tax	(2,114)	(2,951)	–	–	–	–
Less impairment/writedown	–	(244)	–	–	–	–
Segment profit/(loss) for the period before tax	**829,907**	**427,570**	**393,548**	**171,080**	**454,649**	**282,378**
Income tax expense	(305,332)	(92,884)	(158,810)	(74,935)	(130,879)	(84,713)
Total profit for the year – continuing operations	**524,575**	**334,686**	**234,738**	**96,145**	**323,770**	**197,665**
Discontinued operations[4]	(3,278)	2,537				
Total profit for the year	**521,297**	**337,223**				

1 EBITDAIX–Segment earnings before interest, taxes, depreciation, amortisation, impairment, merger costs, gains from financial instruments, foreign currency gain/(losses), share of associate losses, business combination acquisition costs and non-cash business combination adjustments.
2. EBITIX–Segment earnings before interest, taxes, impairment, merger costs, gains from financial instruments, foreign currency gains/(losses), share of associate losses, business combination acquisition costs and non-cash business combination adjustments.
3. EBTIX–Segment earnings before taxes, impairment, merger costs, gains from financial instruments, foreign currency gains/(losses), share of associate losses, business combination acquisition costs and non-cash business combination adjustments.
4. The discontinued operations represent the results of Borax.
5. Includes the results from 25 August 2021 to 30 June 2022.

	Olaroz		Mt Cattlin		Sal De Vida		James Bay	
	2023 US $'000	2022 US $'000	2023 US $'000	2022 US $'000	2023 US $'000	2022 US $'000	2023 US $'000	2022 US $'000
Net assets	535,131	288,167	376,836	2,786	1,451,174	1,511,294	305,392	325,309

Group Profit Overview

The Allkem Group (the Group) produced a Group EBITDAIX of US$909.8 million (2022: US$512.0 million) and total profit for the year from continuing operations of US$524.6 million (2022: US$334.7 million). The total profit for the year from continuing operations includes charges of US$9.9 million related to merger with Livent, gains of US$66.0 million from financial instruments, and foreign exchange losses of US$83.3 million. Net finance income was US$48.2 million.

Net assets of the Group increased to US$3,573.8 million as at 30 June 2023 (30 June 2022: US$3,081.4 million) including cash balances of US$821.4 million (30 June 2022: US$663.5 million). Group capital expenditure for the year totaled US$568.4 million (30 June 2022: US$262.0 million) and the Mizuho loans were reduced by US$37.6 million.

	Group	
Other financial metrics	**2023 US $'000**	**2022 US $'000**
Cash and cash equivalents	821,429	663,538
Net assets	3,573,751	3,081,366
Net tangible asset/share	4.78	3.97

Operating Performance

Allkem's unique lithium asset portfolio provides us diversity across feedstocks, geography and the development spectrum.

Our Olaroz brine operation in Jujuy, Argentina has an expansion that is close to completion. Other operations include a hard-rock spodumene operation in Western Australia and a hydroxide plant in Japan. Development projects currently include a highly competitive hard-rock spodumene project in Canada and another high-quality brine project in Catamarca, Argentina.

Mt Cattlin

Western Australia
100%
Spodumene concentrate

The Mt Cattlin spodumene operation (“**Mt Cattlin**”) produces spodumene concentrate utilising conventional techniques to extract and process the resource. This wholly owned project is located two kilometres north of the town of Ravensthorpe in Western Australia (“**WA**”).

Spodumene Concentrate Performance metric	Units	30 June 2023	25 August 2021 to 30 June 2022
Production	dmt	130,984	144,865
Cost of production	US$/dmt	909	420
Concentrate shipped	dmt	105,291	200,715
Average realised sales price	US$/dmt	4,879	2,221
Revenue	US$m	615.6	451.9
EBITDAIX	US$m	515.9	336.2

Safety

There were no lost time incidents during FY23 at Mt Cattlin, and the rolling 12-month TRIFR of 7.7 represents a 34% improvement from the prior year.

The improved safety performance is attributed to the implementation of increased, proactive safety observation procedures. These include the Field Critical Control Check (FCCC) observations, a valuable addition to the existing Critical Control Management Program at Mt Cattlin.

Operational Performance

Mt Cattlin produced 130,984 dmt of spodumene concentrate at an average grade of 5.3% Li_2O.

FY23 was a transitional year with the development of the 2NW pit where pre-stripping mining activities were undertaken. Allkem overcame some initial challenges during this transition that delayed access to the main ore body and the production of spodumene concentrate. However, grade control drilling, increased equipment size and an additional mining contractor resulted in significant improvement by the second half of the financial year, allowing operations to achieve a steady state of production.

A Feasibility Study will evaluate open pit versus underground mining with higher waste/ore strip ratio as mineralisation continues down dip and at greater depth.

Financial Performance

Record revenue of US$615.6 million includes US$513.7 million generated from sales of 105,291 dmt of spodumene concentrate and US$99.7 million generated from low grade product. Supply in the spodumene market tightened over the year as demand accelerated, strengthening realised pricing for spodumene concentrate to an average of US$4,879/t during the year compared to an average of US$2,221/t in the prior year.

Mt Cattlin's operating costs increased to US$909/t due to the development of the 2NW pit and increased costs for mining. The strong cash margin of 83.8% remains in line with the prior year.

EBITDAIX of US$515.9 million (30 June 2022: US$336.2) was higher than the previous corresponding period principally due to the increase in market prices.

Mt Cattlin produced a total profit after tax of US$323.8 million which included foreign exchange gains of US$0.9 million, depreciation and amortisation of US$80.3 million and interest income of US$18.1 million.

Revenue (US$)

615.6m

EBITDAIX (US$)

515.9m

Total profit (US$)

323.8m

Resource and Reserve Update

Mt Cattlin's Ore Reserve was revised to 7.1Mt at 1.20% Li_2O and indicates a projected 4-5 year Life-of-Mine (2027–2028) via open pit mining methods. The Ore Reserve is based on the Mineral Resource Estimate that was updated on completion of ~31,000m extension drilling program.

A Feasibility Study will evaluate open pit versus underground mining with higher waste/ore strip ratio as mineralisation continues down dip and at greater depth.

Olaroz

Jujuy Province, Argentin
66.5%
Lithium Carbonate

The Olaroz Lithium Facility ("**Olaroz**") is located in the Jujuy Province of northern Argentina, 230 kilometres northwest of the capital city San Salvador de Jujuy. It produces high quality lithium carbonate chemicals for the battery, technical and chemical markets.

Olaroz is operated through Sales de Jujuy S.A. ("**SDJ**"), a 91.5% owned subsidiary of Sales de Jujuy PTE, a Singaporean company owned by Allkem (72.68%) and Toyota Tsusho Corporation ("**TTC**") (27.32%). The effective Olaroz Project equity interest is Allkem 66.5%, TTC 25% and Jujuy Energia y Mineria Sociedad del Estado ("**JEMSE**") 8.5%. The above holdings exclude any look through ownership of the 6.2% holding that TTC has in Allkem.

	Units	FY23	FY22
Production	t	**16,703**	12,863
Sales	t	**13,186**	12,512
Realised sales price	US$/t	**43,981**	23,398
Cash cost of goods sold	US$/t	**5,014**	4,282
Revenue	US$m	**592.2**	292.8
EBITDAIX	US$m	**475.2**	220.4

Safety

Health and safety performance at Olaroz Lithium Facility improved by ~45% in FY23 with a TRIFR of 1.23. This was attributed to the rollout of critical standards and focus on increasing behaviour observations.

Operational Performance

Throughout the year Allkem remained focussed on delivering higher processing capability and improved product quality and consistency with ongoing refinement of the processing plant and pond management system.

Operations at Olaroz were highly stable and consistent through the year with annual production reaching a new record of 16,703 tonnes of lithium carbonate for FY23, a ~30% increase from FY22.

Financial Performance

Record Revenue of US$592.2 million (30 June 2022: US$292.8 million) was achieved from sales of 13,186 tonnes (30 June 2022: 12,512), 39% of which was battery grade product in line with customer requirements. Lithium carbonate contract pricing increased throughout the year due to increased market demand. Average realised pricing increased to US$43,981/t, 88% higher than the average in FY22.

During a strengthening pricing environment we still retained a strong focus on cost management. Despite these efforts, cost of sales of US$5,014 per tonne was 17% higher than FY22 due to inflationary cost pressures and the removal of local incentives. The gross cash margin was a record high of 88.8% for the period.

EBITDAIX of US$475.2 million (30 June 2022: US$220.4 million) was higher than the previous corresponding period principally due to the increase in market prices.

Olaroz produced a total profit after tax of US$234.7 million (30 June 2022: US$96.1 million) which included foreign exchange losses of US$79.1 million, depreciation and amortisation of US$16.3 million and net interest income of US$13.8 million.

The Olaroz Stage 2 expansion is designed to deliver an additional 25,000 tonnes per year of technical grade lithium carbonate production capacity.

Olaroz Stage 2 Expansion

The Olaroz Stage 2 expansion is designed to deliver an additional 25,000 tonnes per year of technical grade lithium carbonate production capacity. Approximately 9,500 tonnes of this new production will be utilised as feedstock for the Naraha Lithium Hydroxide Plant in Japan.

First production was achieved post reporting period in mid-July 2023, with wet lithium carbonate cake produced at the filter presses. The ongoing focus will be commissioning of the dry plant, progressively increasing production volumes and product quality over a 12–18 month ramp up period.

The Olaroz Stage 2 project involved the construction of 15 extra brine wells, 31 evaporation ponds, three lime plants, a reverse osmosis water plant, a soda ash plant, a carbonation plant, accommodation and various service spaces.

Mineral Resource and Reserve Update

The revised Mineral Resource Estimate increased by 27% to 20.7 Mt, comprising 7.6 Mt of Measured Resource, 7.1 Mt of Indicated Resource and 6 Mt of Inferred Resource.

The Maria Victoria property in the north of Olaroz contributed 2.8 Mt of the increase in resources, with the remainder of the upgrade relating to expansion of the resource to the south following completion of the expansion drilling.

Revenue (US$)

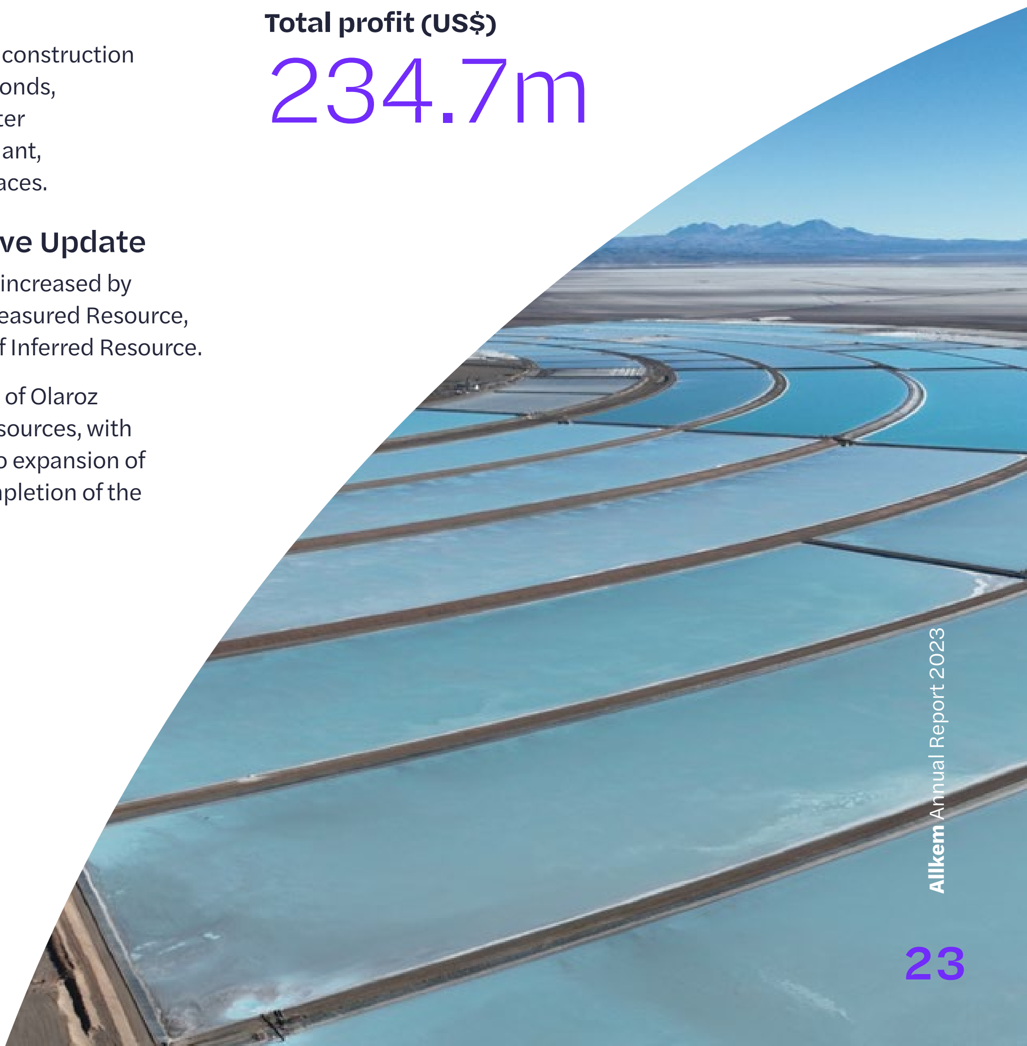
592.2m

EBITDAIX (US$)

475.2m

Total profit (US$)

234.7m



Development Overview

Naraha

Naraha, Japan
75%
Lithium Hydroxide

The Naraha Lithium Hydroxide Plant ("**Naraha**") is the first of its kind to be built in Japan and is designed to convert technical grade lithium carbonate feedstock from Olaroz stage 2 into purified battery grade lithium hydroxide for the production of domestic high-end batteries.

Allkem has a 75% economic interest in the Toyotsu Lithium Coporation (**"TLC"**) joint venture that was established with TTC.

Project Execution

First production of lithium hydroxide was successfully achieved in late October 2022 utilising technical grade lithium carbonate from Olaroz. Product quality exceeded expectations enabling approximately 200 tonnes of technical grade lithium hydroxide to be sold to third party customers in the same quarter.

The operational focus continues to be on progressively increasing product quality and volumes to design capacity. The battery grade hydroxide qualification process also commenced with samples produced for customers post reporting period.

First production of lithium hydroxide was successfully achieved in late October 2022 utilising technical grade lithium carbonate from Olaroz.

Sal de vida

Catamarca Province, Argentina
100%
Lithium Carbonate

Sal de Vida is designed to produce battery grade lithium carbonate through an evaporation and processing operation located in Catamarca Province, Argentina, approximately 200km from Olaroz.

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.

Safety

FY23 TRIFR increased to 1.33 from nil in FY22 due to a significant increase in contractor working hours and increased construction activities.

Health and Safety teams completed the implementation of risk identification and operating procedures, in alignment with Allkem Group Standards.

Construction of the first two strings of Stage 1 ponds neared completion by the end of the period with the first 9 ponds completed and filled with brine and all ponds lined.

Project Execution

Construction of the first two strings of Stage 1 ponds neared completion by the end of the period with the first 9 ponds completed and filled with brine and all ponds lined. The engineering for the third string of ponds was also completed and earth works have commenced. The main brine pipeline was completed and 8 out of 10 production wells have been commissioned.

Camp expansion activities and procurement of long lead items progressed with the arrival on site of a number of items of proprietary equipment. Detailed engineering of the Process Plant achieved significant milestones during the quarter and steady progress was made on procurement activities for this package.

Capital expenditure for the year ended 30 June 2023 was US$135.5 million, excluding VAT and working capital.

James Bay

Quebec, Canada
100%
Spodumene Concentrate

James Bay is designed to produce ~330ktpa of spodumene concentrate over a project life of 19 years. The Project is strategically located in proximity to the burgeoning North American electric vehicle market and has access to clean, renewable energy.

Safety

The team successfully implemented HSE procedures in alignment with Allkem Group Standards and Canadian permit commitments. This included contractor management, project design and risk analysis. The team completed exploration activities and establishment of Phase 1 for the mine temporary camp with a strong focus on safety first, recording zero safety incidents.

Project Execution

Detailed engineering continued alongside procurement activities including ordering of key long lead items and equipment packages (temporary camps, primary sub-station, process equipment, etc). Onsite, Hydro-Quebec installed the hydro power lines to site and a resource extension drilling program was completed, identifying a new high-grade zone to the NW of the ore body.

Federal approval was obtained for the Environmental Social Impact Assessment in January 2023. The Impact Benefit Agreement with the Cree Nation of Eastmain also progressed to the last approval process towards the end of the period.

Engagement remained 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.

Mineral Resource and Reserve Update

Completion of a resource extension drilling program resulted in the identification of a new high-grade zone. Post reporting period the total resource at James Bay increased 173% to 110.2 Mt @ 1.30% Li_2O

Capital expenditure for the year ended 30 June 2023 was US$80.0 million, excluding VAT and working capital.

Post reporting period the total resource at James Bay increased 173% to 110.2 Mt @ 1.30% Li_2O.

Lithium Market

The global lithium-ion supply chain is growing significantly and is underpinned by government policies and stimulus in support of a net zero future through means such as electric transport to combat climate change. The Inflation Reduction Act in the US and ICE phase-outs in Europe represent key enablers.

Batteries remain the most efficient, cost effective and commercially available route to decarbonise road transport, as well as to smooth energy dispatch from intermittent renewable energy sources. Leading auto manufacturers have made significant investments in lithium-ion battery technology and are committed to electrifying their fleets.

Chinese EV sales and battery production data continued to show strong growth during the financial year. In the 12 months to June 2023, Chinese EV sales increased 62% year-on-year; and battery production increased 57% year-on-year. Demand outside China also continued to grow; EU and US EV sales for the 12 months to June 2023 rose 20% and 50% respectively.

China EV Sales in 2023

↑ 62%

year-on-year

US EV Sales in 2023

↑ 50%

year-on-year

Demand conditions for lithium chemicals and spodumene concentrate over the financial year has been a tale of two halves. After extremely tight demand conditions during the first half of the financial year, conditions softened at the start of the second half reflecting seasonal maintenance outages; removal of OEM subsidies in China; aggressive OEM pricing competition from Internal Combustion Engine vehicle OEMs; and an extended holiday season due to an earlier than usual Chinese Lunar festival. The financial year closed with demand recovery and stabilisation as downstream producers re-entered the market to restock. However, the impact of price and demand volatility has lingered with downstream participants exercising greater caution in their restocking practices.

Lithium extraction and refining capacities have increased over the last twelve months from both brownfield and greenfield projects, mainly in China, Australia and Africa. However, downside risks of curtailment or project construction / production delays are ever present; whilst demand has continued to surprise the market on the upside. Over the medium to longer term, the consensus view is that a structural deficit in lithium will emerge, which has driven greater actions by downstream participants to secure lithium supply. This trend has seen automakers invest directly with upstream producers and reinforced relationships between many downstream and upstream participants.

Directors' Report

Company Directors

The Company's Directors have significant public company management experience, together with a strong background in exploration, project development, operations management, financial markets, accounting, legal and finance. Their experience covers many industry sectors both within Australia and internationally. Further biographical information for the Directors is available on the Company's website.

Peter Coleman

B.Eng (Civil and Computing), MBA, FATSE, MAICD

Non-Executive Chairman

Mr. Coleman is the former chief executive officer, executive director and managing director of Woodside Petroleum Ltd., Australia's largest independent gas producer, having served in that role from 2011 until his retirement in June 2021.

Prior to joining Woodside, Mr. Coleman spent 27 years with the ExxonMobil group in a variety of roles, including vice president – Asia Pacific from 2010 to 2011 and vice president – Americas from 2008 to 2010.

Since 2012, he has been an adjunct professor of corporate strategy at the University of Western Australia Business School.

Mr. Coleman has been a Non-Executive Director of NYSE listed SLB Limited since 2021.

Mr Coleman has served as Chair of Allkem Limited, since November 2022, having joined the Company as a Non-Executive Director in October 2022.

Martín Pérez de Solay

(I.ENG)

Managing Director and Chief Executive Officer

Martín was appointed to the Allkem Limited Board as Managing Director on 18 January 2019. At the same time, Martín formally commenced his duties as Chief Executive Officer.

Martín has a career spanning engineering, operational improvement, banking, finance and executive management.

Directorships held in other ASX listed companies in the last three years: Nil.

Richard Seville

BSc (Hons) Mining Geology, MEngSc Rock Engineering, MAusIMM, ARSM

Non-Executive Director

Richard is a mining geologist and geotechnical engineer with over 35 years' experience in the resources sector including over 25 years' experience as either Managing Director or Executive Director of various ASX, TSX or AIM listed companies.

Richard was the founding Managing Director of Orocobre until he stepped down from the position in 2019.

Directorships held in other ASX listed companies in the last three years:

- Agrimin Limited – Non-Executive Chairman (August 2019 – Present); and
- Oz Minerals – Non-Executive Director (November 2019 – May 2023).

Fernando Oris de Roa

MPA, Harvard Kennedy School of Government

Non-Executive Director

Fernando was appointed a Director in March 2010. Fernando is a highly successful business leader with a history of developing and operating large enterprises within Argentina and has a reputation for upholding integrity and social responsibility in his business practices. He was also appointed as Ambassador of Argentina to the United States serving during 2018 and 2019.

Directorships held in other ASX listed companies in the last three years: Nil.

Company Directors (Continued)

Leanne Heywood

BBUS MBA CPA AICD

Non-Executive Director

Leanne was appointed a Director in September 2016. Leanne is an experienced ASX non-executive director with over 25 years corporate experience in the mining sector, including 10 years with Rio Tinto. Her experience includes strategic marketing, business finance (CPA) and compliance and she has led organisational restructures, disposals and acquisitions. Additionally, Leanne has deep experience in international customer relationship management, stakeholder management (including governments and investment partners) and executive leadership in China, Japan, Mongolia, Singapore, South America, the US, Europe and India.

Directorships held in other ASX listed companies in the last three years:

- Midway Limited–Non-Executive Director (March 2019 – Present);
- Quickstep Holdings Limited–Non-Executive Director (February 2019 – Present); and
- Symbio Holdings Ltd–Non-Executive Director (March 2022 – Present).

Alan Fitzpatrick

BSMechEng

Non-Executive Director

Alan was appointed a Director in August 2021. Alan has more than 47 years of technical mining industry experience in project and construction management, engineering, maintenance and plant operations, including acting as a project director for various major mining companies both locally and internationally. Alan has held numerous senior positions with leading engineering and mining companies such as Bechtel, BHP, Gold Fields and Newmont Mining Corporation.

Directorships held in other ASX listed companies in the last three years:

- Galaxy Resources Limited (January 2019 – August 2021)

Florencia Heredia

LLM

Non-Executive Director

Florencia was appointed a Director in August 2021. Florencia has more than 28 years' experience in the mining industry. She is currently a senior partner of the leading Argentinian legal firm Allende & Brea where she heads the Energy and Natural Resources, ESG and Sustainability practice. She is an expert in Argentine mining law with extensive experience advising financial institutions and companies in complex mining transactions in Argentina and has repeatedly represented lenders in all mining project finance arranged in Argentina.

Directorships held in other listed companies in the last three years:

- Galaxy Resources Limited (January 2018 – August 2021)

John Turner

LL.M (Cantab), B,Sc (Hons)

Non-Executive Director

John was appointed a Director in August 2021. John is the leader of Fasken Martineau DuMoulin's Global Mining Group. Fasken Martineau DuMoulin is a full-service law firm with offices in Canada, the UK, South Africa and China. John has been involved in many of the leading corporate finance and merger and acquisition deals in the resources sector primarily through companies active in Africa, Latin America, Eastern Europe, Canada and Australia. He is also currently the non-executive Chairman of GoGold Resources Inc, a TSX-listed gold and silver mining company.

Directorships held in other ASX listed companies in the last three years:

- Galaxy Resources Limited (January 2017 – August 2021)

Company Secretaries

John Sanders LLB(Hons), GAICD **Chief Legal Officer and Joint Company Secretary**	John was appointed Company Secretary in October 2021, having previously been General Counsel and Company Secretary for Galaxy Resources Limited since July 2017. John is a senior corporate lawyer with over 25 years' experience, having held legal and commercial roles in top tier law firms and international resource companies. He has a broad range of experience in corporate governance, international mergers and acquisitions, contract negotiation and implementing resource projects. Mr Sanders has previously worked for Herbert Smith Freehills, King and Wood Mallesons in Perth and Clifford Chance in London, as well as acting as senior in-house counsel at Woodside Energy and Hess Exploration Australia.
Dylan Roberts B.Com, LLB (Hons), Grad.Dip ACG, FCIS **Senior Legal Counsel and Joint Company Secretary**	Dylan joined Allkem Limited in January 2022 and was appointed as Joint Company Secretary on 3 October 2022. Dylan is a lawyer with over 20 years' experience in the provision of corporate and commercial legal advice and advice on matters of governance and compliance. Dylan has previously held legal and commercial roles in international law firms and marine companies, predominantly in the marine resource sector. Prior to joining Allkem, Dylan held the position of Group Company Secretary and General Counsel with an ASX listed marine services company.

Directors

The Directors of the Company at any time during or since the end of the financial year are listed below. During the year, there were 11 formal Board meetings. The Board and Committee meetings attended by each Director were:

1 July 2022–30 June 2023

Directors	Board		Audit and Risk Committee		People and Governance Committee		Nomination and Governance Committee		Sustainability Committee	
	Meetings Held[6]	Attended[7]	Meetings Held[6]	Attended[7]	Meetings Held[6]	Attended[7]	Meetings Held[6]	Attended[7]	Meetings Held[6]	Attended[7]
Martín Pérez de Solay	11	11	–	–	–	–	–	–	–	–
Richard Seville	11	10	–	–	4	4	–	–	3	3
Fernando Oris de Roa	11	11	6	5	–	–	–	–	3	3
Robert Hubbard[1]	4	4	–	–	–	–	1	1	–	–
Leanne Heywood	11	11	6	6	–	–	3	3		
Martin Rowley[2]	5	5	–	–	–	–	1	1	–	–
John Turner	11	11	6	6	4	4	–	–	–	–
Alan Fitzpatrick[5]	11	11	–	–	–	–	2	2	3	3
Florencia Heredia[4]	11	10	–	–	4	4	2	2	–	–
Peter Coleman[3]	7	7	–	–	–	–	2	2	–	–

Committee Membership

At the date of this report, the Company has an Audit and Risk Committee, a People and Remuneration Committee, a Nomination and Governance Committee and a Sustainability Committee. Membership of each of these Committees are as follows:

Audit and Risk Committee	People and Remuneration Committee	Nomination and Governance Committee	Sustainability Committee
Leanne Heywood (Chair)	John Turner (Chair)	Peter Coleman (Chair)	Richard Seville (Chair)
John Turner	Richard Seville	Alan Fitzpatrick	Alan Fitzpatrick
Fernando Oris de Roa	Florencia Heredia	Florencia Heredia	Fernando Oris de Roa
Alan Fitzpatrick (Alternate)	Leanne Heywood (Alternate)	Leanne Heywood	Leanne Heywood (Alternate)

1. Robert Hubbard retired on 3 October 2022
2. Martin Rowley retired on 15 November 2022
3. Peter Coleman was appointed to the Board on 3 October 2022 and was appointed to the Nomination and Governance Committee (as Chair) on 2 December 2022
4. Florencia Heredia appointed to the Nomination and Governance Committee on 2 December 2022
5. Alan Fitzpatrick appointed to the Nomination and Governance Committee on 2 December 2022
6. 'Meetings Held' indicates the number of meetings held during the period of each Director's tenure.
7. 'Attended' indicates the number of meetings attended by each Director. All directors are entitled to and generally attend meetings of the Board Committees.

Dividends

No dividend has been proposed or paid since the start of the year.

Indemnification of Officers

During the financial year the Company paid an insurance premium in respect of a contract insuring the Company's past, present and future Directors, secretaries and officers of the Company against liabilities arising as a result of work performed in their capacity as Director, secretaries and officers of the Company. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of Directors and Officers liability insurance contracts as such disclosure is prohibited under the terms of the contract. The Company Constitution also contains an indemnity provision in favour of each Director, Company Secretaries and executive officers (or former officers) against liability incurred in this capacity, to the extent permitted by law.

Indemnification of Auditors

The Company's auditor is Ernst & Young. The Company has agreed with Ernst & Young, as part of its terms of engagement, to indemnify Ernst & Young against certain liabilities to third parties arising from the audit engagement. The indemnity does not extend to any liability resulting from a negligent, wrongful or wilful act or omission by Ernst & Young. During the financial year, the Company has not paid any premium in respect to any insurance for Ernst & Young or a body corporate related to Ernst & Young and there were no officers of the Company who were former partners or Directors of Ernst & Young, whilst Ernst & Young conducted audits of the Company.

Principal Activities

The principal activities of the Group during the year include the production of lithium at the Mt Cattlin spodumene operation and Olaroz Lithium Facility, and the development of Olaroz Stage 2, construction of Sal de Vida and development of James Bay projects.

Operating and Financial Review

The operations, financial position, business strategies and prospects for future financial years of the consolidated entity are detailed in the Operating and Financial Review section of this Annual Report and in the Financial Report section.

Significant Changes in the State of Affairs

In December 2022, Allkem completed the sale of Borax Argentina S.A and acquired 100% of the María Victoria tenement. The tenement covers approximately 1,800 ha and is located in the northern part of the Salar de Olaroz, approximately 10km from the Olaroz Lithium Facility in the Jujuy Province.

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. 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.

Other than matters mentioned in this report, there were no significant changes in the state of affairs of the Company during the financial year.

Significant Events after Balance Sheet Date

On 25 July 2023, Allkem announced the signing of a US$130 million limited-recourse, sustainability-linked green project financing facility maturing in March 2033, with repayment commencing in March 2026. The facility bears interest at the Secured Overnight Funding Rate (SOFR) plus a margin of 4.8% with adjustments of up to +/- 0.25% based on the performance against agreed sustainability targets, as measured at June 2026, 2028 and 2030. The facility is supported by a guarantee until completion only and subject to affirmative and negative covenants with a requirement to hedge 75% of the floating rate exposure of the facility by completion of the Sal de Vida project.

On 11 August 2023, Allkem announced that effective 9 August 2023 that its James Bay Lithium Project in Quebec, Canada has increased its mineral resources to 110.2 Mt @1.3% Li_2O at a cut-off grade of 0.50% Li_2O. This includes 54.3 Mt @ 1.30% Li_2O in the indicated category and an additional 55.9Mt @ 1.29% Li_2O in the inferred category. The previous feasibility study from December 2021 included indicated resources of 40.3 MT @ 1.40% Li_2O and nil inferred resources at a 0.62% Li_2O cut-off.

Other than disclosed above, there were no significant events occurring after balance date.

Likely Developments and Expected Results

Refer to the Operating and Financial Review for information on likely developments and future prospects of the Group.

Share Rights

Shares issued as a result of the exercise of Performance Rights

During the financial year, employees and executives have exercised a total of 1,606,797 performance rights to acquire 1,606,797 fully paid ordinary shares in Allkem Limited. No amount was paid (or agreed to be paid) for the issue of these shares upon exercise of the performance rights.

Rights Granted to Directors and Officers

During and since the end of the financial year, an aggregate of 281,891 performance rights were granted to the following Executive Director/Chief Executive Officer and to the 5 highest remunerated officers of the Company as part of their remuneration:

Directors	Number of rights granted	Issuing Entity	Number of ordinary shares under rights
Mr. Martín Pérez de Solay	168,662	Allkem Limited	168,662
Mr. Neil Kaplan	9,450	Allkem Limited	9,450
Mr. Christian Cortes	34,399	Allkem Limited	34,399
Mr. John Sanders	43,155	Allkem Limited	43,155
Mr. Dylan Roberts	26,225	Allkem Limited	26,225

Risk Management

Allkem's Risk management framework is based on the principles of the ISO 31000 Standard for Risk Management adopted by ASX, which contributes to ensuring that risk and assurance activities are continually adding value to the business activities of Allkem and supporting the delivery of its projects.

Allkem's Board is responsible for overseeing risk and has assigned accountabilities and responsibilities for risk management to the Audit and Risk Committee ("**ARC**"), the Managing Director and executive management, with Allkem's Chief Financial Officer acting as the custodian of the Risk Management process within the organisation.

The Risk Management Framework and expectations apply across Allkem's entire business, including all operations and internal functions, outsourced and contracted services, Allkem's projects including: its role in Joint Ventures; its own projects; and one-off activities.

The risk focus is on material issues that could prevent the delivery of Allkem's objectives (including safety, sustainability, and exposure to climate change risk by reference to the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures).

The annual review of the Company Risk Framework has been focused on strengthening the risk culture and mitigation plans by a robust risk management program, as long as the routine updating and oversight of the various corporate, project and operational risk profiles is performed. In the same sense, emerging risks are continuously monitored and studied during the year with specific climate related focus in preparation for the development of the climate change and decarbonization initiatives, consistent with the ICMMs Critical Control approach.

Risk Materiality

The Board defines the term 'materiality' recognising that financial measures criteria in its determination are complemented with non-financial criteria that are important to the achievement of corporate objectives such as health, safety and environmental impacts, and the reputation of Allkem.

The Board's risk tolerance utilises the Materiality definition. This means that in practice every 'material' risk must be referred to the Audit and Risk Committee for its review and acceptance. The Audit and Risk Committee assumes delegated authority on behalf of the Board to review and accept 'material' risks reported to it by the CEO and Management. Allkem's other board committees also oversee risks relevant to the areas they are responsible for.

The following register outlines key risks identified and the mitigation actions undertaken by Allkem.

Risk	Description	Mitigation Actions
Sustainability—Safety, Environmental Risks		
Operational Safety	Operations material safety event at site or in transit.	All operations continue to have a strong focus on safe production and development and this is reflected in the Safety performance and standards of the organisation in FY23. Allkem's Health Safety and Environmental ("HSE") standards have been developed and rolled out across the organisation, to its operations and development projects (construction), to establish a consistent good practice approach to HSE management. Further work is being undertaken to ensure that comprehensive HSE risk-based management plans are developed for each project (execution phase) and that an appropriate oversight is applied.
Climate Change Risk	Operational productivity is dependent on climatic variables.	Future climate scenarios are considered in project planning. Allkem's operations are located in areas of lower water risk. Since Allkem's Board approval of the Climate Change Statement the Company's commitment to the reduction of global greenhouse gas emissions has been strengthened. Additionally, a complete plan for the transition of our business scope 1 and 2 emissions to net-zero by 2035 has been approved during FY 23 with ongoing activities related to proposed targets. Further information is available in the annual Sustainability Report.
Human Rights/ Modern Slavery, Culture and Diversity	Allkem's activities are exposed to human rights or modern slavery. Stakeholders' expectations on ESG.	We continue to monitor and report on Human Rights risk factors in our operations and supply chain following the guidelines of the UN Guiding Principles for Business and Human Rights. Expectations and grievance mechanisms are communicated in the Corporate Code of Conduct and Whistleblower Policy. Progress is reported in the annual Modern Slavery Statement. Continuous actions and workshop sessions are performed to promote our values and commitment within Allkem. We actively engage with all our stakeholders on a regular basis to better understand and address their individual needs. We work with communities to develop meaningful relationships and regularly carry out social impact assessment on work programs.
Operational Risks		
Existing Operations Performance	Existing Operations (Olaroz, Mt Cattlin) unable to deliver to production targets.	The performance of both operating plants (Olaroz, Mt Cattlin) continues to target improvements and/or consistency of the quality of produced product and the ability to meet production targets and tonnages.
Natural Disaster—On/Offsite	Damage to site infrastructure or offsite transport/energy related infrastructure.	Earthworks are designed to create protective barriers to reduce the impact of severe flooding events. Hydrogeological and geotechnical assessments are carried out as part of the design process. Contingencies are in place to ensure operational continuity during any route closure/disruption periods. Stocks of critical reagents are maintained to ensure operating continuity.
Projects Risks		
Projects Fail to Deliver	The Allkem project portfolio fails to deliver NPV expectations (Cost, Schedule, Revenue).	Allkem has a considerable portfolio of major projects in the pipeline with a range of development assets in progress. All projects have inherent delay and cost risks, particularly in the current challenging global market (logistics, inflation, skilled labour availability, etc.) Allkem is focused on de-risking the development of these projects by dedicating experienced professionals focused solely to manage these projects, by utilising proven technology based on Allkem's existing operational expertise and by staging development to smooth capital expenditure and reduce market risk. Each of the projects have specific risk registers and are developing specific risk management programs, plans and protocols to ensure the proactive and effective management of the project risks.

1 Based on classification using current and future climate change scenarios from WRI Aqueduct Water Risk Atlas: www.wri.org/data/aqueduct-water-risk-atlas

Risk	Description	Mitigation Actions
Strategic/Financial Risks		
Lithium Product Price Risk	Fluctuation of the market Lithium price versus basis for revenue forecasting.	While the lithium market continues to be volatile the outlook remains strong and Allkem has continued to focus on multi-year contracts and a mix of pricing mechanisms to ameliorate product price risk. The increased customer and product (LiOH and Spodumene) mix with different geographies, industries etc. also help with the management of these risks.
Market changes in the lithium industry	The demand for lithium is dependent on the use of lithium in end markets, and the general economic conditions.	The Company makes full use of technological and product quality advantages, has a clear understanding of market trends and navigates risks concerning market changes.
Macro Risk	Global external factors including macro-economic risk affecting profitability and business continuity.	Allkem is subject to a range of External and macro-economic risk including: • High inflation and increasing interest rates. • Ongoing disruptions to the logistics (both supply and product) potentially impacting CAPEX, OPEX and product sale. • Significant fluctuations in foreign exchange. While Allkem has limited direct controls over these issues, continued oversight is essential to ensuring the ongoing profitability of the operations and projects.
Geopolitical Risk	Rivalries between geopolitical powers resulting in a fracture of multilateral relations or conflicts with global consequences.	Allkem is subject to geopolitical risks which can adversely impact business continuity, profitability, and cause delays on project delivery. While Allkem has limited controls over these external issues it continuously evaluates threats and risks associated with carrying out business activities with organisations that have a large exposure or concentration in areas with high Geopolitical risks to reduce/avoid such risks.
Political Risk	Changes in the Argentinian political, regulatory, or fiscal framework impacting Allkem's business.	Continuous engagement between key management/directors and government at National and Provincial levels actively mitigate this risk. Ongoing engagement will ensure these relationships continue. Allkem is also progressing the development of the James Bay Project to further mitigate this risk. Diversifying locations of operations reduces this risk and provides benefits from access to new markets.
Staffing and Key Management Personnel	Failure to effectively attract, train and retain employees with required skillset to implement business strategy in each area where we operate.	The management of talent is core to Allkem success and is a key priority for management and the board, while the availability and retention of skilled personnel in the current market continues to be highly competitive. Allkem has recently reviewed its approach to retaining key personnel and attracting talent. This includes employee development programs, ensuring a diverse and inclusive work environment and a focus on hiring talent from local communities. The company provides competitive and fair total remuneration packages, a safe workplace, and a commitment to strong corporate values. Further information is available in Allkem's annual Sustainability Report.
Fraud, Corruption or Misconduct	Actual or alleged fraudulent or corrupt actions involving company activities or assets. Contravention of Allkem Code of Conduct creating reputational and other issues.	Group wide policies and training have been developed to address Anti-corruption and Fraud, and Allkem's Code of Conduct which defines required business standards and ethics for the entire workforce (staff, employees, contractors). Contravention of these policies can result in disciplinary action or dismissal. An Internal audit program and resource has been implemented. A Whistleblower policy and process has been established which requires notifications to be investigated and reported to the Audit and Risk Committee.

Environmental Regulation and Performance

Allkem has operations in the Jujuy province, Argentina and at the Mt Cattlin mine in Western Australia. Development projects located in the Catamarca province of Argentina and Quebec, Canada are also under the company's operational control. The Naraha development project in Japan is under the operational control of our joint venture partner, Toyota Tsusho Corporation (TTC). As outlined in Allkem's Environmental Policy, at a minimum, Allkem operates in compliance with all applicable legal and regulatory requirements. During FY23 there have been no reportable environmental events under the relevant regulations due to the company's activities.

Non-Audit Services

The Group's auditor, Ernst & Young, did not undertake any non-audit services for Allkem during the current or prior year.

Rounding of Amounts

The amounts contained in this report and in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the instrument applies.

Auditor Independence

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is contained within this report.

Rotation of Lead Audit Partner

Mr. Andrew Carrick, a partner of Ernst & Young, is the lead audit partner for Ernst & Young's audit of Allkem's financial report. The financial year ended 30 June 2023 was the fifth consecutive financial year in which Mr. Carrick was the lead audit partner. As lead audit partner, Mr. Carrick is considered "an individual who plays a significant role in the audit" in accordance with the Corporations Act.

The Corporations Act prohibits any individual from playing a significant role in the audit of a listed company for more than five successive financial years without board approval. In June 2023, on the recommendation of the Audit and Risk Committee, the Allkem board granted approval pursuant to s324DAA(1) of the Corporations Act for Mr. Carrick to play a significant role in the audit of Allkem Limited for a sixth consecutive year (one additional year).

The Board considered the interest of the Company would be best served by retaining the services of Mr Carrick as lead audit partner given his knowledge of the company's business and the impracticality of introducing a new Ernst & Young partner with the proposed Livent merger transaction in process.

Practically, Mr. Carrick's extension means a new Ernst & Young partner is not required to be introduced to the Company's audit for a potential 31 December 2023 half year review, which could be required should the proposed merger transaction not complete by 28 February 2024.

The Board is also satisfied the extension of Mr. Carrick's term as lead audit partner would maintain the quality of the audit and would not give rise to a conflict of interest or diminish auditor independence.

Verification of Reports

Allkem undertakes internal verification of all reporting and announcements other than financial reporting that is verified by the Company's auditors. The internal verification process involves a review of all relevant reports or announcements by the executive management team and where appropriate the Board of Directors. This process ensures that all information released in the public domain is accurate and correct.

Internal Audit

The Company has a formal internal audit function which was implemented in November 2020. The Internal Audit and Assurance Function provides independent assurance over the governance, compliance and internal control system and processes across the business.

The Audit & Risk Committee reviews activities undertaken by the Company and Whistleblower referrals and investigations.

Signed in accordance with a resolution of the directors

Peter Coleman
Non-executive Chairman
22 August 2023

Martin Perez de Solay
Managing Director and CEO
22 August 2023

Remuneration Report Letter from the Chair

Dear Shareholder

Welcome, I am pleased to present the FY23 remuneration report for Allkem Limited. This financial year Allkem continued to achieve significant milestones relating to our operations and project development, positioning the company to capture significant global growth. These achievements are in line with our strategy to enhance international scale and product flexibility to customers and demonstrates the dedication and efforts of our workforce.

Results and Achievements

Record revenue of US$1,207.8 million and EBITDAIX of US$909.8 million were achieved for the financial year. These robust financial metrics are the result of strong operational performance and optimal market conditions. Operationally, Olaroz achieved record annual production volumes demonstrating the expertise and capability of our team. Our team also successfully turned Mt Cattlin around to record run rates towards the end of the year after experiencing some initial challenges arising from labour availability and unfavourable mineralisation.

Across our growth pipeline we continued to advance the development of our lithium assets across the globe. With our partner TTC, we achieved a major milestone in successfully producing lithium hydroxide at Naraha, enhancing our vertical integration strategy and product diversity. We reached final commissioning at Olaroz Stage 2 and shortly after year-end achieved first production, demonstrating strong commitment and deep technical knowhow from our team once again. Significant advancements were also made at our development assets, Sal de Vida, and James Bay.

On the sustainability front, we achieved our group level FY23 safety targets and advanced our net zero action plan. TRIFR of 1.98 (per million hours) was a 24% improvement from the prior year and achieved the FY23 target of <2.45. The 12-month moving average Lost Time Injury Frequency Rate target of 0.62 also beat the target of <0.9. Additionally, we identified six projects to evaluate as part of our commitment to achieving net zero carbon emissions by 2035.

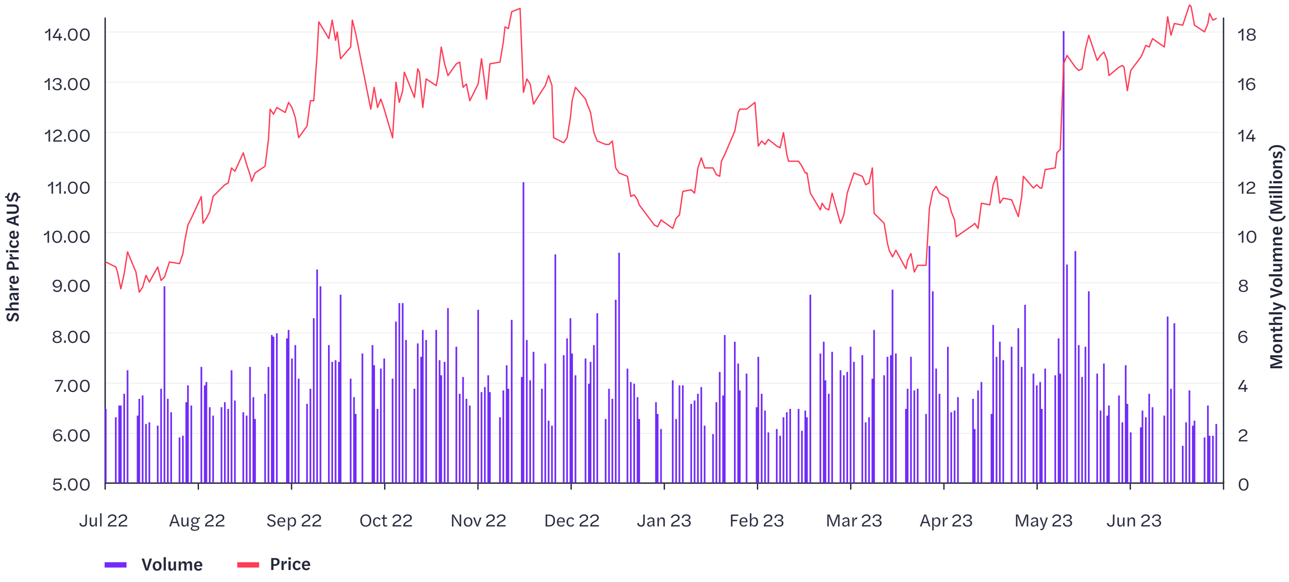
On the people front, we have further strengthened our organisational capability to deliver on growth projects with the appointment of executives on project development. We have also made progress on further defining Allkem's culture as we approach the second anniversary of the merger between Galaxy Resources Limited and Orocobre Limited.

During the financial year we proposed a merger of equals with Livent to accelerate Allkem's growth strategy and to create a leading global integrated lithium chemicals producer. We recognise a number of employees were involved in the design, negotiation, and completion process of this transaction. These individuals have devoted significant time and effort beyond the typical scope of their role.

The board is pleased that outstanding performance has resulted in material share price appreciation within this year, which will also result in the LTI hurdles required for vesting of performance rights to be met.

Across our growth pipeline we continued to advance the development of our lithium assets across the globe.

Share Price and Volume Chart



Remuneration Philosophy

Allkem's management and reporting structure is aligned with regard to the geographic distribution of its assets and personnel to optimise the business outcomes. Market competitive executive remuneration packages are set to attract, reward, retain and motivate high performance.

The LTI incentives are focused on the delivery of long-term value and growth for the company which is measured through Total Relative Shareholder Return and production capacity metrics over a three-year period.

Talent and Succession Planning

We recognise the loss of our former CFO, Neil Kaplan who sadly passed away during the year after a short illness. The execution of our succession plan saw the appointment of Deputy CFO Christian Cortes to the role of Acting CFO. Christian Cortes worked closely with Neil's team to ensure a seamless transition of the Company's finance function.

Key Management Personnel and Board Remuneration Increases

We believe it is important to inform our shareholders and provide context and reassurance that the Board, with assistance from the People and Remuneration Committee and external advisors. We have reviewed the executive remuneration framework under a rigorous process, in line with our philosophy to continuously improve our remuneration practices.

The increase in the CEO's and CFO's remuneration relates to changes in total fixed remuneration commensurate with company workforce salary increases relevant to the geographic area and underlying currency of the employment contract. The Acting CFO's remuneration was set with reference to the level of underlying responsibility relative to the CFO role.

No changes were made to the total aggregate amount of fees payable to non-executive Directors which is set at US$1,500,000 per annum. The limit was approved at the 2021 AGM at a level to ensure that the Company:

A. maintains its capacity to remunerate both existing and new non-executive Directors joining the Board;
B. remunerates its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
C. has the ability to attract and retain non-executive Directors whose skills and qualifications are appropriate for a company of the size and nature of Allkem.

In conclusion, this has been a record year of achievements. Allkem needs the right people, and our remuneration practices continue to retain and attract the very best people to deliver outstanding returns to shareholders, employees, and other stakeholders.

John Turner
Chair of People and Remuneration Committee

Remuneration Report (Audited)

This Remuneration Report outlines the overall remuneration strategy, framework and practices adopted by the Company. This report forms part of the Directors' Report and unless otherwise indicated, has been audited in accordance with Section 308 (3C) of the Corporations Act 2001.

In addition to the statutory requirements, additional sections summarising remuneration for the year ended 30 June 2023 have been included where appropriate.

At the most recent Annual General Meeting of Allkem Limited (the Company or Allkem) held on 15 November 2022, 92.47% of votes cast at the meeting were in favour of the adoption of the Remuneration Report. In addition, all resolutions related to the remuneration of our Managing Director and CEO (MD/CEO) were passed.

Remuneration information for Key Management Personnel ("KMP") is reported in US Dollars (US$); consistent with the remainder of the report. All contractual arrangements for Non-Executive Directors and MD/CEO are denominated in US Dollars (US$). The contractual arrangement for the CFO and Acting CFO is denominated in Australian Dollars (AU$).

Allkem's Remuneration Report is divided into the following sections:

A. Directors and Executives
B. Role of the People and Remuneration Committee
C. Group remuneration framework and principles
D. Remuneration of Non-Executive Directors
E. Managing Director and Other Executive KMP Remuneration
F. Relationship of incentives to Allkem's operating and financial performance
G. Take home pay
H. Service agreements
I. Details of remuneration
J. Share-based compensation issued to Executive KMP
K. Shareholdings of Non-Executive Directors and Executive KMP
L. Additional statutory information

A. Directors and Executives

In addition to the Non-Executive Directors, Executive KMP are members of the leadership team who have the authority and responsibility for planning, directing, and controlling the activities of Allkem, directly or indirectly, during the year ended 30 June 2023.

KMP of the Company for the financial year ended 30 June 2023 are as follows:

Name	Position	Date Appointed	Other information
Peter Coleman [1]	Non-Executive Chairman	Appointed October 2022	Appointed Chairman November 2022
Martin Rowley [2]	Non-Executive Chairman	Appointed August 2021	Resigned November 2022
Robert Hubbard [3]	Non-Executive Deputy Chairman	Appointed November 2012	Resigned October 2022
Fernando Oris de Roa	Non-Executive Director	Appointed March 2010	
Richard Seville	Non-Executive Director	Appointed January 2019	
Leanne Heywood	Non-Executive Director	Appointed September 2016	
Florencia Heredia	Non-Executive Director	Appointed August 2021	
John Turner	Non-Executive Director	Appointed August 2021	
Alan Fitzpatrick	Non-Executive Director	Appointed August 2021	
Martín Pérez de Solay	Managing Director and Chief Executive Officer (MD/CEO)	Appointed January 2019	
Neil Kaplan [4]	Chief Financial Officer (CFO)	Employed January 2013	Deceased February 2023
Christian Cortes [5]	Acting Chief Financial Officer (Acting CFO)	Employed October 2015	KMP from February 2023

1. On 3 October 2022, Mr Coleman was appointed as a Director of the Company, and was appointed Chairman of the Company on 15 November 2022
2. On 15 November 2022, Mr Rowley retired from the role of Chairman and as a Director of the Company.
3. On 3 October 2022, Mr Hubbard retired from the role of Deputy Chairman and as a Director of the Company.
4. Mr Kaplan, formerly CFO, passed away on 10 February 2023.
5. Mr Cortes, Acting CFO, was considered a KMP effective 10 February 2023.

B. Role of the People and Remuneration Committee

The People and Remuneration Committee is comprised of three Non-Executive Directors. The membership of the committee for the whole of FY23 comprised John Turner (Committee Chair), Florencia Heredia and Richard Seville.

This membership reflects the relationship to Argentina, Australia and Canada of current and future operations and the geographic distribution of the executive team. We continue to believe that the expanded scope and responsibilities of this committee are aligned with the prioritisation of talent as a strategic asset for our organisation.

The People and Remuneration Committee's role and interaction with the Board, internal and external advisors, is determined by its Charter and in reference to the Allkem Remuneration Policy.

The People and Remuneration Committee operates under the delegated authority of the Board. The Board reviews, applies judgment and, as appropriate, approves the People and Remuneration Committee's recommendations.

The People and Remuneration Committee is empowered to source internal resources and to obtain independent professional advice it considers necessary to enable it to make recommendations to the Board on the following matters relevant to remuneration and performance measurement of the Group:

- Remuneration policy and quantum for Non-Executive Directors;
- Remuneration policy, strategy, quantum and mix of remuneration for Executive KMP, other executives and management;
- People and talent management, policies and practices designed to attract, motivate and retain suitable officers and employees;
- Performance target setting and measurement for Executive KMP;
- Design and approval of employee and executive short and long-term incentive programs that align the interests of officers and employees with those of key stakeholders; and
- Compliance with applicable legislation, including the relevant provisions of the ASX Listing Rules and the Corporations Act.

For each annual remuneration review cycle, the People and Remuneration Committee considers whether to appoint a remuneration consultant and, if so, their scope of work. In 2023 Korn Ferry and Mercer were engaged to provide remuneration advice as follows:

Organisation	Nature of work performed
Mercer	Non-executive director fee benchmarking to assess the Board composition, chair fee and total director fees and benchmark director fees, committee chair fees, committee member fee and ratio of committee chair to committee member fees; and the board aggregate fee pool.
Korn Ferry	Review market practice in the Australian listed space as it relates to the design of short-term and long-term incentive plans, including a review of deferral schedules of short-term incentive plans and metrics of long-term incentive plans; and pay benchmarking for Executive roles.

The above arrangements were made to ensure the recommendations were free from undue influence from the KMP. The Board is satisfied that the remuneration recommendations were made free from undue influence from any members of the KMP to whom the recommendations related. A total of US$51,146 was incurred in respect of the above services in the FY23 year. In FY22 a total of US$22,993 paid to BDO, Korn Ferry and AON.

The Committee is also responsible for reviewing aspects of people management including:

- Organisational health including corporate culture, values, and compliance with the Code of Conduct;
- Management performance assessment including against key performance indicators;
- Executive talent review and succession planning;
- Diversity, including gender, cultural and cognitive diversity at Board, Executive Management, Management and general workforce levels; and
- Matters referred to the Committee by other Committees of the Board and related to people management issues.

The People and Remuneration Committee operates alongside the Nominations and Governance Committee, a sub-committee of the Allkem Board.

The Nominations and Governance Committee is responsible for corporate governance matters referred to it by the Board; with specific reference to:

- Board and committee performance evaluation;
- Recommendations on election and re-election of Directors;
- Board succession planning and recruitment;
- Assessment of independence of Directors;
- Evaluation of Board and committee composition including skills, tenure and diversity; and
- Engagement of consultants for the purposes of the above aspects of people management.

C. Group Remuneration Framework and Principles

Remuneration is determined in accordance with the Allkem Remuneration Policy which provides that the People and Remuneration Committee will ensure that remuneration packages are designed to:

- Attract, engage, retain and motivate employees to perform to the best of their competencies, abilities and skill sets;
- Motivate Directors and Management to pursue the long-term growth and success of the Group within an appropriate control framework;
- Demonstrate a clear relationship between key executive performance and remuneration;
- Ensure that remuneration is market-based and fairly reflects an employee's skills, education and experience;
- Ensure that there is no discrimination or bias based on race, age, role, gender, religion, country of origin, sexual orientation, marital status, dependents, disability, social class or political views;
- Ensure that internal equity is maintained and that positions with similar responsibilities within the Group gain access to similar rewards; and
- Maintain compliance with all applicable laws.

Key considerations when structuring Management remuneration include:

- Management should be remunerated by an appropriate balance of fixed remuneration and performance-based remuneration;
- Performance-based remuneration should be clearly defined in accordance with realistic goals which are aligned to the Company's short and long-term objectives, and which take into account sustainability performance as well as financial or operational performance;
- Total remuneration packages are designed to encourage and reward superior performance and the creation of shareholder value; and
- Fixed remuneration should be reasonable and fair, relative to applicable market practices, prevailing market conditions and the scale of the Company's business.

The People and Remuneration Committee again undertook an evaluation of its remuneration practices to ensure that the policy remains contemporary and appropriate for the Company, meets the objectives set out in the charter and endeavours to adopt a fair and equitable approach to all remuneration decisions; mindful of the complexities of retaining and motivating an experienced team operating across diverse geographies, different time zones and in a complex operating environment.

Examples of the demands placed on management and the Board have been:

- Maintaining effective operations performance (including ongoing construction, project evaluation and growth initiatives);
- Maintaining momentum on safety performance, cost management and improving operating performance;
- Achieving material progress on development projects including the Olaroz Stage 2 Expansion, completion and commissioning of Naraha, construction at Sal de Vida, planning and permitting at James Bay and Mt Cattlin expansion studies;
- Responding to the fiscal and economic challenges being experienced due to Argentina's foreign currency controls, currency devaluation and inflation;
- Transitioning Sal de Vida and James Bay through new stages of development and construction;
- Managing supply chain restrictions, global inflation and global labour shortages in both Canada and Western Australia;
- Divesting of Borax Argentina and the acquisition of the Maria Victoria tenements in the Olaroz basin; and
- Commencing and progressing the Allkem-Livent merger transaction.

In applying the Remuneration philosophy this year, the People and Governance Committee have considered many variables including:

- Updated company growth and development plans;
- The remuneration paid by the Group's peers (by reference to industry, market capitalisation and relevant geographic location), although we consider contemporary benchmarks are less reliable in volatile times and more bespoke approaches are required;
- The Group's performance over the relevant period, acknowledging those aspects within management control and those exogenous to our operations;
- How to link remuneration to successful implementation of the Group's strategy, including the targets which needed to be achieved to deliver on that strategy;
- Internal relativities and differentiation of pay based on performance;
- The increased size, scale, location and complexity of the operations of the Group; and
- Competition for talent across all geographies and areas of operations.

D. Remuneration of Non-Executive Directors

Non-Executive Directors are remunerated by way of fees (in the form of cash, non-cash benefits or superannuation contributions) with levels of remuneration reflective of time commitments, complexity and responsibilities of the role.

Non-Executive Directors do not receive retirement benefits (other than statutory superannuation). Non-Executive Directors do not receive performance-based remuneration. They may receive securities as part of their remuneration; however they do not receive options with performance hurdles attached or performance rights as part of their remuneration. No securities have been provided to Non-executive Directors to date.

Fees for Non-Executive members of the Board must be approved in aggregate by shareholders at an Annual General Meeting for the Company. The current aggregate fee pool of US$1,500,000 (2022: US$1,500,000) was established and approved at the 2021 AGM.

In addition to Board fees, Non-Executive Directors receive reimbursement for any costs incurred that are directly related to Allkem business on an approved basis.

Non-Executive Directors do not participate in the Performance Rights and Option Plan (PROP) in accordance with ASX Corporate Governance guidelines.

Annualised fees (including superannuation) are as follows:

	30 June 2023	30 June 2022
	US$	AU$
Non-Executive Directors		
Chairman	**300,000**	300,000
Deputy Chairman[1]	**175,000**	175,000
Other Non-Executive Directors	**125,000**	125,000

1 The role of the Deputy Chairman was unoccupied from 3 October 2022.

E. Managing Director and Other Executive KMP Remuneration

The Managing Director and Other Executive KMP are provided with an appropriate mix of remuneration components that are balanced between fixed and 'at risk' components which are aligned to the Company's short and long-term strategic priorities and objectives and take into account competition for skills by peer companies.

Remuneration components and target composition are as follows[1]:

	Fixed Remuneration		STI		LTI		Merger and Retention Bonus[4]		Total	
	US$	%	US$	%	US$	%	US$	%	US$	%
Managing Director/CEO										
Martin Perez de Solay										
30 June 2023	**911,716**	**31%**	**911,716**	**31%**	**1,139,645**	**38%**	**–**	**–**	**2,963,077**	**100%**
30 June 2022	840,000	26%	840,000	26%	1,050,000	33%	500,000	15%	3,230,000	100%
Other Executive KMP										
Neil Kaplan (CFO)[2]										
30 June 2023	**423,584**	**36%**	**338,867**	**28%**	**423,584**	**36%**	**–**	**–**	**1,186,035**	**100%**
30 June 2022	413,337	27%	330,670	23%	413,337	27%	350,000	23%	1,507,344	100%
Other Executive KMP										
Christian Cortes (Acting CFO)[3]										
30 June 2023	**358,499**	**42%**	**234,730**	**28%**	**256,736**	**30%**	**–**	**–**	**849,965**	**100%**
30 June 2022	–	–	–	–	–	–	–	–	–	–

1. Remuneration is presented on the basis of the annual package and potential earnings, and has not been apportioned for time employed as a KMP. Managing Director/CEO fees are set in US$. Other Executive KMP fees are set in AU$. Exchange rates used for the conversion from AU$ to US$ are as follows:
   June 2023—1 US$: 1.5083AU$
   June 2022—1 US$: 1.4516 AU$
2. Mr Kaplan, formerly CFO, passed away on 10 February 2023.
3. Mr Cortes, Acting CFO, was considered a KMP from 10 February 2023.
4. Merger Completion Performance Rights were granted in FY22 to the MD/CEO and the CFO in recognition of the significant additional time and effort expended in the period up to the successful completion of the Orocobre-Galaxy merger.

Each component of remuneration is discussed in the following sections.

Fixed Remuneration

There have been increases in KMP fixed remuneration during FY23 in line with inflation increases. Effective from 1 July 2022, the MD/CEO fixed remuneration increased to US$911,716 from US$840,000. The CFO fixed remuneration increased to US$423,584 (AU$638,891 converted at 1 US$: 1.5083 AU$) from US$413,337 (AU$600,000 converted at 1 US$: 1.4516 AU$). The Acting CFO fixed remuneration is US$358,499 (AU$540,724 converted at 1 US$: 1.5083 AU$).

Short-Term Incentives (STIs)

STIs comprise an appropriate mix of both cash and performance rights designed to achieve realistic goals which are aligned to the Company's near-term objectives.

The advantage to the Group of STI comprising both cash and performance rights components is that management are incentivised to deliver key growth projects which creates increased shareholder value in addition to day-to-day responsibilities. These short-term incentives are linked to specific hurdles and not locked into fixed remuneration.

The People and Remuneration Committee is of the view that when these growth projects are successfully delivered and value is reflected in the business, then fixed remuneration should be reassessed.

The STI targets reflect a balance of organisational and individual goals which include behavioural measures impacting overall STI. These include promotion of the Allkem code of conduct and values. Collectively the executive team is assessed on the sustainability and operational and financial performance of the Group.

Individual goals in the assessment of the STI include items such as safety, sustainability, financial performance, production, growth, acquisitions, and organisation structure and culture. Individual executive goals are all clearly defined and specifically measurable. The award of STIs based on achievement of these individual goals is also viewed in the context of the overall operating and financial performance of Allkem.

The Group increased its already strong focus on sustainability, particularly in safety, the environment, communities and social arenas. Individual sustainability goals were strengthened for the CEO in the current year increasing the focus on safety and establishing a specific "Net Zero by 2035 Action Plan" target.

The Board considered annual production targets for both Olaroz and Mt Cattlin; and group financial performance. Specific growth measures were also set around first production at Olaroz Stage II and Naraha plants, progress on Sal de Vida Stage I development, securing permits to initiate construction of James Bay and further strengthening the Company's capabilities to deliver on target future aspirations.

Specific KMP outcomes for FY23 were as follows:

Financial and production performance against the annual business plan and budget have been considered and sustainability goals in relation to safety, environment and social performance.

FY23	Target	Achievement
Profitability	• Meeting or exceeding budget EBITDA	• Group EBITDA of US$910 million resulted in this target being mostly achieved.
Sustainability	• Reduce the Total Recordable Injury Frequency Rate by 6% compared to 2022 results. • Finalise Allkem's "Net Zero by 2035 Action Plan" • Meet or exceed the Olaroz sustainability targets outlined in the Sustainability Report 2022, being: Scope 1 and 2 emissions intensity: 3.3 tonnes CO_2/tonne LCE. • Successfully negotiate required agreements with indigenous communities, including the Impact and Benefits Agreement with the Cree and the revised Olaroz community agreement	• Total Recordable Injury Frequency Rate decreased by 24% with a focus on improved reporting and safety culture. • Net Zero Action Plan completed with the identification of six projects and respective implementation plans. • Emissions intensity achieved was 2.87 tonnes CO_2/tonne LCE for the Group Operations • Agreement signed with Olaroz Chico community incorporating production from Olaroz Stage 2. • Impact Benefit Agreement (IBA) with the Cree Nation is substantially finalised.
Production	• Meeting or exceeding annual production targets for Olaroz and Mt Cattlin with average unit costs which are no greater than as approved by the Board in the 2022 annual budget at or below budget cost	• Record production from Olaroz achieved. • Mt Cattlin's annual production performance was below target. • Cost performance for Mt Cattlin inline with budget and Olaroz above budget.
Growth	• Mechanical completion of Olaroz Stage II at 100% • Mechanical completion of Naraha plant • Sal de Vida Stage I progress per planned schedule and budget • Secure approvals for James Bay Project Development	• Mechanical completion was at 99.5% with first production achieved in July 2023. • Naraha plant achieved mechanical completion in October 2022. • Sal de Vida project is being re-baselined to confirm the EPCs current forecast to mechanical completion and commissioning activities. • Approval from federal government received. Permit delays at Provincial level have delayed commencement of development phase. All pre-construction conditions are in progress.
Divestments and Acquisitions	• Successfully complete the divestment of Borax Argentina and acquisition of Maria Victoria tenement	• The sale of Borax Argentina to Golden Wattle Springs Pty Ltd and acquisition of the María Victoria lithium tenement from Minera Santa Rita S.R.L was completed in December 2022.
Organisational structure and culture	• Progress in the development of the management structure and organisational culture to deliver the company's aspirations	• The Executive Committee was subject to some changes in FY23, including transitioning the responsibilities following the loss of Mr Kaplan (CFO). • The management structure has been bolstered. • The framework for organisational culture comprises a multidimensional approach that has been deployed in FY23 outlining Allkem's purpose.

Hurdles for the STI Performance Rights

At the end of the financial year ending 30 June 2023 the Managing Director and CEO and Acting CFO Performance were assessed against the Performance Objectives and rated out of 100, reflecting the extent to which the Performance Objectives were achieved during the year. Mr Kaplan's, former CFO, Performance was assessed in March 2023.

The STI amount is dependent on actual performance achieved, with the STI amount split between cash and performance rights as follows:

	STI–cash	STI–performance rights
Managing Director and CEO	50%	50%
CFO	50%	50%
Acting CFO	75%	25%

The number of Allocated STI Performance Rights that vest on the STI Vesting Date is dependent on actual performance achieved. Similar to other Performance Rights, the STI Performance Rights have an expiry date of the earlier of 2 years after the vesting date and 5 years after the grant date and have the same change of control conditions attached to them.

Managing Director and CEO

The Board set a series of performance objectives for Mr Pérez de Solay which have been used to determine cash STI bonus and the number of Allocated STI Performance Rights which vest for the financial year ending 30 June 2023 ("Performance Objectives").

The MD/CEO's KPIs for FY23 were assessed at 80% achievement.

Managing Director and CEO

	Max Target	Achievement
Profitability	25%	21%
Sustainability	25%	25%
Production	10%	6%
Growth	20%	12%
Divestments and Acquisitions	5%	5%
Organisational Structure and Culture	15%	11%
Max Target / Achieved	100%	80%

Other Executive KMP: CFO

Mr Kaplan passed away on 10 February 2023. Mr Kaplan's estate received an ex gratia termination payment of US$212,017 (AU$319,446) equating to 6 months salary. The STI entitlements awarded were adjusted in keeping with the extent of services performed during FY23, and taking into consideration the additional terminations payments. Accordingly, no STI Performance Rights were allocated to Mr Kaplan for FY23.

The STI amounts were calculatable only on the STI cash component for the pro-rata period of service from 1 July 2022 to 10 February 2023.

The Board set a series of performance objectives for the CFO which have been used to determine the cash STI bonus. The CFO's KPIs for FY23 were assessed at 75% achievement. The achievement percentage is calculated as the pro-rata rate from 1 July 2022 to 10 February 2023.

Other Executive KMP: Acting CFO

The Board set a series of performance objectives for the Acting CFO which have been used to determine the cash STI and the number of Allocated STI Performance Rights which vest for the financial year ending 30 June 2023 ("Performance Objectives").

The Acting CFO's KPIs for the FY23 were assessed at 91% achievement.

	Max Target	Achievement
Profitability	12.5%	10.5%
Sustainability	7.5%	7.5%
Financial objectives related to Treasury, Internal Controls Improvement, Financial Reporting, and Risk Management	60%	53%
Complete Financing Package Related to Sal de Vida	20%	20%
Max Target / Achieved	100%	91%

		STI Opportunity				STI Accrued/ Paid	%	
Position	FY	Cash US$[1]	Performance Rights US$[1]	Total US$[1]	% of Fixed Remuneration	US$[1]	Achieved	Forfeited
Managing Director/CEO Martin Perez de Solay	**2023**	**455,858**	**455,858**	**911,716**	**100%**	**729,373**	**80%**	**20%**
	2022	420,000	420,000	840,000	100%	680,400	81%	19%
Other Executive KMP Neil Kaplan (CFO)[2]	**2023**	**104,445**	**104,445**	**208,890**	**80%**	**77,555**	**37%**	**63%**
	2022	165,335	165,335	330,670	80%	281,070	85%	15%
Other Executive KMP Christian Cortes (Acting CFO)[3]	**2023**	**68,007**	**22,669**	**90,676**	**65%**	**82,516**	**91%**	**9%**
	2022	–	–	–	–	–	–	–

1. Exchange rates used for the conversion from AU$ to US$ are as follows:
June 2023—1 US$: 1.5083 AU$
June 2022—1 US$: 1.4516 AU$
2. Mr Kaplan, formerly CFO, passed away on 10 February 2023.
3. Mr Cortes, Acting CFO, was considered a KMP from 10 February 2023. STI amounts relate to the period in which Mr Cortes was a KMP.

Long-Term Incentives (LTIs)

The Company provided LTI to the Managing Director/ CEO, whose LTI is required to be approved by shareholders through the PROP.

In FY23, Korn Ferry were engaged to review market practice across ASX listed entities over the design of short and long term incentive plans, with a focus on the deferral schedules of STI plans and metrics of LTI plans.

The LTI presented for FY23 are subject to the terms and conditions of the updated Allkem PROP. These are available on the Allkem website at www.allkem.co/about/corporate-governance.

The objective of the grant of Performance Rights ("PRs") is to provide an incentive to Executive KMP which promotes both the long-term performance and growth of the Group and encourages the retention of the Company's executives and the attraction of new executives to the Company.

The tables in Section J provide details of LTI grants to Executive KMP as well as detailing the vesting periods and lapsing of Performance Rights.

Performance Rights Issued to the Executive KMP for the year ended 30 June 2023

The table below summarises the key features of the Performance Rights issued to the executive KMP for the year ended 30 June 2023:

Purpose	The purpose of the Plan is to assist in the reward, retention and motivation of eligible participants in the Plan to improve production capacity, quality and total shareholder return.
Allocated LTI Performance Rights	Allocated LTI Performance Rights are subject to two different hurdles as follows: • 60% of allocated LTI Performance Rights are subject to the production capacity hurdle (Production Capacity Performance Rights); and • 40% of allocated LTI Performance Rights are subject to the Relative Total Shareholder Return (RTSR) hurdle (RTSR Performance Rights).
Grant Date	The Performance Rights were granted on 15 November 2022 for the 2023 financial year.
Vesting Date	The vesting date is the date that the Company notifies that Performance Rights have vested, which is expected to be no later than 30 September 2025.
Expiry Date	The expiry date is the earlier of 2 years after the Vesting Date and 5 years after the Grant Date.
Measurement Period	Production Capacity Performance Rights will be assessed as soon as practicable following 30 June 2025. The RTSR Performance Rights will be assessed over a 3-year measurement period commencing on 1 September 2022 and completing at the end of the 3-year measurement period. These performance rights will be determined using the US$ equivalent of the VWAP of that Company's shares over the last ten trading days prior to 31 August 2025.
Production Capacity Performance Rights	Of the total number of Production Capacity Performance Rights: • 2/3rds are classified as Base Production Capacity Performance Rights; and • 1/3rd are classified as Bonus Production Capacity Performance Rights. The performance condition for the Production Capacity Performance Rights measures the Production Capacity Achieved by the Company Group against the Production Capacity Target. The Production Capacity Target for this purpose means an annualised aggregate demonstrated Lithium Carbonate Equivalent (LCE) production capacity of the Company Group's assets as at 30 June 2025 of 100,000 tonnes of commercial quality LCE. The vesting percentage for Production Capacity Performance Rights will be determined as follows:

Production Capacity Achieved (tonnes)	% of Base Production Capacity Performance Rights	% of Bonus Production Capacity Performance Rights
120,000 or more	100%	100%
115,000 – 119,999	100%	80%
110,000 – 114,999	100%	60%
105,000 – 109,999	100%	40%
100,001 – 104,999	100%	20%
100,000	100%	Nil
75,000 – 99,999	Pro-rata straight line vesting 75% to 99%	Nil
Less than 75,000	Nil	Nil

The Production Capacity Achieved by the Company Group as at 30 June 2025 will be determined by the Board in its discretion as soon as practicable following 30 June 2025 (expected to be no later than 30 September 2025) taking into consideration the annualised aggregate demonstrated LCE production capacity of the Company Group's assets as at 30 June 2025 (as defined above); the progress of the Company's development projects in accordance with the approved schedule and budget for those projects; and factors or circumstances outside the reasonable control of Company management (for example force majeure events) which adversely impact the production of the Company Group during the relevant period.

RTSR Performance Rights	The performance hurdle for the RTSR Performance Rights measures the Company's Total Shareholder Return (or TSR) over a three-year period from 1 September 2022 to 31 August 2025 relative to the TSR of the Comparator Group. "Total Shareholder Return" or "TSR" means, in respect of a company, the growth in a company's share price together with the value of any dividends paid during the period (assuming that all of those dividends are reinvested into new shares) "Comparator Group" means each the following companies (provided where any such company ceases to be listed on a recognised stock exchange at any time during the period from 1 September 2022 to 31 August 2025 it will be deemed to have been removed from the Comparator Group): • Albemarle Corporation • Australian Strategic Materials Ltd • IGO Limited • Iluka Resources Limited • ioneer Ltd • Liontown Resources Limited • Lithium Americas Corporation • Livent Corporation • Lundin Mining Corporation • Lynas Rare Earths Limited • Mineral Resources Limited • Nickel Mines Limited • OZ Minerals Limited • Piedmont Lithium Inc. • Pilbara Minerals Limited • Sigma Lithium Corporation • SQM (Sociedad Quimica Y Minera de Chile S.A.) • Standard Lithium Ltd • Tianqi Lithium Corp • Vulcan Energy Resources Limited The vesting percentage for the RTSR Performance Rights will be determined in accordance with the following table

TSR Relative to Comparator Group	Vesting Percentage
At or above 75th percentile	100%
Between 50th percentile and 75th percentile	Pro-rata straight line vesting 50% to 100%
At the 50th percentile	50%
Below 50th percentile	Nil

Retesting	Performance conditions will be tested at the vesting date and if the performance conditions have not been met, the Rights will lapse. No retesting of the performance hurdles will be performed under the plan.
Forfeitures	Unless the Board otherwise determines, the Rights will lapse on the earlier of: 1. The cessation of the employment of the participant. 2. The vesting conditions are not achieved or are incapable of being achieved by the participant. 3. The Board determines that the vesting conditions have not been met prior to the expiry date. 4. The expiry date (last exercise date).
Dividends	Performance Rights are not entitled to dividends or other distributions. Shares acquired on vesting and exercise of Performance Rights will be ordinary securities and entitled to dividends, if any. No dividends apply before vesting and exercise.
Restrictions	Performance Rights granted under the Plan may not be assigned, transferred, encumbered or otherwise disposed of by a participant (other than to a Nominated Party) unless the Board in its absolute discretion approves or the relevant dealing is effected by operation of law on death or legal incapacity of the participant. The Board may determine prior to an Invitation being made whether there will be any restrictions on the disposal of, the granting of a security interest in or over or otherwise dealing with Shares held by the trustee on behalf of a participant under the Plan. Shares (issued pursuant to the PROP plan) which are held by the trustee on behalf of a participant under the Plan may not be transferred, encumbered or otherwise disposed of by the participant unless the Board has waived such restrictions, or the participant submits a withdrawal notice in accordance with the rules of the Plan.

Good Leaver	Where the participant who holds Performance Rights becomes a "*Good Leaver*" as a result of "*Permanent Incapacity*" (as defined under the Plan), or in circumstances otherwise agreed between the Company and the Participant, the Participant will retain all of their unvested Performance Rights. Unless otherwise agreed between a Participant and the Company, where a Participant who holds Performance Rights becomes a "*Good Leaver*" for any other reason, all unvested Performance Rights will automatically lapse, unless the Board determines (in its sole and absolute discretion) to allow some or all of the unvested Performance Rights to vest, in which case those Performance Rights will automatically exercise."
Change of Control	A change of control occurs when the Board advises participants that one or more persons acting in concert have acquired, or are likely to imminently acquire "control" of the Company, as defined in section 50AA of the Corporations Act. In the event of a change of control of Company, the Board has discretion to determine that vesting of all or some of the Rights should be accelerated. If a change in control occurs prior to the Board exercising its discretion, a pro rata portion of the Performance Rights will vest, calculated based on the portion of the relevant performance period that has elapsed up to the change of control. The remaining unvested Performance Rights will vest or lapse at the Board's discretion.

Performance Rights vesting to the executive KMP during the year ended 30 June 2023

Performance Rights granted in 2020 ('2020 PR') vested during the year ended 30 June 2023. The performance hurdles for these grants were based on Total Shareholder Returns (TSR) which was chosen to align KMP remuneration to sustainable, long-term shareholder return. 50% were tested on an Absolute TSR hurdle and 50% on a Relative TSR hurdle.

The vesting outcome of the 2020 PR are summarised below:

Absolute TSR Hurdle (50% of LTI Grant)

TSR performance over the Measurement Period and subject to meeting the following compound annual rate thresholds:

Target Return Per Annum	% Vesting	Outcome
Greater than 12.5%	100%	2020 starting share price was **AU$2.352**[1]
Greater than 10.0%	75%	31 August 2022 closing share price was **AU$13.91**
At least 7.5%	50%	
Less than 75%	0%	
2020 Performance Rights absolute share price return per annum was **+591%**		**Achieved: 100%**

1 The starting position for the Absolute TSR Hurdle was the VWAP of the shares for the 5-day period following the release of the 2020 Annual Report: AU$2.37.

Relative TSR Hurdle (50% of LTI Grant)

TSR performance over the Measurement Period relative to the constituent companies of the ASX300 Resources Index subject to the following thresholds:

Target percentile	% Vesting	Outcome
Greater than 75th	100%	Per Independent Third-Party calculation, >75th percentile was achieved
Equal to or greater than 50th	50%	
Less than 50th	0%	
2020 Performance Rights relative percentile was **greater than the 75th percentile**		**Achieved: 100%**

Performance Rights granted in the current year

Equity incentive grants to selected key executives, including Executive KMP, are considered on an annual basis and are subject to conditions described in the above sections.

Name/Position			Performance Rights Granted[1] #	Face Value[2,3] US$	Granted During the Year[4] US$
Managing Director/CEO Martin Perez de Solay	2023	Short Term Incentives	48,189	455,858	459,819
		Long Term Incentives	120,473	1,139,645	1,035,323
		FY23 Total	**168,662**	**1,595,503**	**1,495,142**
	2022	Short Term Incentives	62,661	420,000	457,498
		Long Term Incentives	156,653	1,050,000	1,032,285
		Merger Retention Bonus	49,731	333,333	363,094
		FY22 Total	**269,045**	**1,803,333**	**1,852,877**
Other Executive KMP Neil Kaplan (CFO)	2023	Long Term Incentives	9,450	86,651	81,212
		FY23 Total	**9,450**	**86,651**	**81,212**
	2022	Short Term Incentives	26,461	165,335	193,196
		Long Term Incentives	66,153	413,337	435,924
		Merger Retention Bonus	34,987	218,607	255,446
		FY22 Total	**127,601**	**797,279**	**884,566**
Christian Cortes (Acting CFO)[5]	2023	Short Term Incentives	2,472	22,669	20,605
		Long Term Incentives	10,816	99,178	78,644
		FY23 Total	**13,288**	**121,847**	**99,249**
	2022	**FY22 Total**	–	–	–

1. The 2023 number of Performance Rights granted is equal to the USD equivalent incentive amount provided divided by the 10-trading day VWAP of the Company's Shares following the release of the Company's Annual Results on 25 August 2022 (A$13.83 converted into US$ at the average exchange rate over that 10-trading day period being A$1 = US$0.684).
2. Face value represents the amount achieved used to calculate the number of Performance Rights granted.
3. Converted at the rate that the Performance Rights were granted.
4. The value at grant date calculated in accordance with AASB 2 Share-based Payment of awards granted during the year as part of remuneration. More information is available in section H.
5. Performance rights granted are shown relate to the pro rata period from when Mr Cortes was considered a KMP (from 10 February 2023). For the whole FY23 period, Mr Cortes was granted 6,400 short term incentives with a face value of US$58,683 and a value at grant date of US$53,339, and was granted 27,999 long term incentives with a face value of US$256,736 and a value at grant date of US$203,582.

When granting Performance Rights for Mr Kaplan, the Directors have taken into consideration Mr Kaplan's period of service relative to the vesting period and other entitlements paid. No STI Performance Rights were granted to Mr Kaplan in FY23. The amount of LTI Performance Rights granted in FY23 were calculated based on the period employed relative to the 3-year vesting period on those Performance Rights.

F. Relationship of incentives to Allkem's operating and financial performance

The fundamental aim of Allkem is to create value for shareholders by establishing operations that produce high quality products from relatively low capital and low operating cost operations. The Group is equally committed to achieving excellence in sustainability practices ensuring the safety, health and wellbeing of its employees, and responsibly managing the impacts to the communities and the environment within which it operates. Accordingly, remuneration is linked to sustainability performance at all levels of the organisation to reinforce such as a core value.

In FY23, individual goals were also viewed in the context of the overall operating and financial performance of the Group. Performance against the annual business plan and budget has been considered in the broad areas of Safety, Sustainability, Production, Growth and organisational structure and culture as well as against EBITDA.

The table below shows the actual proportion of the total remuneration paid in the period that is linked to performance and the proportion that is fixed:

Name/Position	Fixed Remuneration		At Risk—STI		Fixed—STI[1]		At Risk—LTI		Total	
	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Managing Director/CEO										
Martin Perez de Solay	**36%**	32%	**27%**	26%	**–**	6%	**37%**	36%	**100%**	100%
Other Executive KMP										
Neil Kaplan (CFO)[2]	**19%**	35%	**5%**	21%	**13%**	9%	**63%**	35%	**100%**	100%
Christian Cortes (Acting CFO)[3]	**43%**	**–**	**23%**	–	**–**	–	**34%**	–	**100%**	–

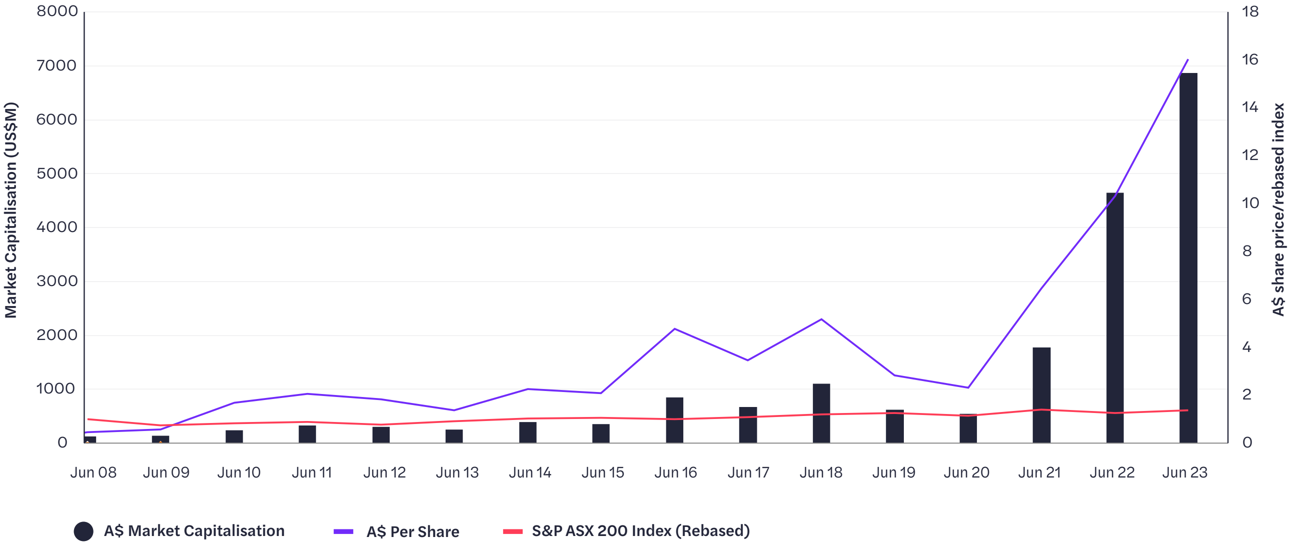
1. The Fixed STI remuneration for FY23 includes the termination payment to Mr Kaplan, and for FY22 includes the Merger Completion cash payments.
2. The at risk LTI for Mr Kaplan (deceased 10 February 2023) include US$580,608 for accelerated amortisation on 267,394 Performance Rights held on 10 February 2023, as these are deemed to be vested for accounting purposes. This accounts for 27% of remuneration which is included in at risk LTI component.
3. Remuneration represents the period Mr Cortes was considered a KMP (10 February 2023).

Executive remuneration is designed to link strategic and business objectives with the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five years as required by the *Corporations Act 2001*; noting that these measures are not necessarily consistent with those used in determining the variable amounts of remuneration awarded to KMP. Therefore, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

Financial year	2019	2020	2021	2022	2023
Share price—AU$ per share (at 30 June)	2.82	2.31	6.47	10.31	**16.02**
Market capitalisation—US$ million (at 30 June)	516	440	1,670	4,536	**6,773**
Basic Earnings/(Loss) Per Share (US cents)	20.90	(19.64)	(18.02)	51.59	**69.31**
Profit/(Loss) (US$'000)	54,586	(67,159)	(89,474)	337,223	**521,297**
S&P ASX 200	6,619	5,898	7,313	6,568	**7,203**

The graph below shows the complete historical movement in the share price and market capitalisation against the evolution of the ASX 200 Index.

Allkem Limited Historical Share Price, Market Capitalisation and S&P ASX 200 Index (Rebased):



G. Take home pay (non-IFRS)

The table below has not been prepared in accordance with accounting standards but has been provided to ensure shareholders are able to clearly understand the remuneration outcomes for Executive KMP. Executive remuneration outcomes, which are prepared in accordance with the accounting standards, are provided in Section I.

The remuneration outcomes identified below show amounts paid/payable in relation to FY23, and are linked to the Group performance described in Section F. Actual STI is dependent on a range of financial and non-financial factors for the Group and individual performance targets described in Section E.

Actual vesting of LTI is dependent on Allkem's performance and the outcomes are further described in Section J.

	Fixed Remuneration[1]	STI[2]	LTI Vested[3]	Merger Completion Performance Rights[4]	Termination Payment	Actual FY23 Remuneration outcome
	US$	US$	US$	US$		US$
Managing Director/CEO **Martin Perez de Solay**	911,716	729,373	2,622,700	239,041	–	4,502,830
Other Executive KMP **Neil Kaplan (CFO)[5]**	414,460	77,555	1,917,201	320,726	212,017	2,941,959
Christian Cortes (Acting CEO)[6]	140,661	82,516	–	–	–	223,177

1. Fixed Remuneration comprises base salary, superannuation contributions, and accumulated employee entitlements paid.
2. STI represents amounts to be paid in September 2023 as Cash and Performance Rights. The Performance Rights portion is calculated using the same basis on which the Performance Rights allocation were determined, which was the 10-trading day VWAP of the Company's Shares following the release of the Company's Annual Results on 25 August 2022 (AU$13.83 converted into US$ at the average exchange rate over that 10-trading day period being 1 US$: 1.4620 AU$).
3. LTI Vested represents the 2020 LTI grants subject to Absolute and Relative TSR hurdles that vested in the current year. Amounts in respect of the LTI Vested have been calculated using market values on vesting date of AU$14.08 per share at an exchange rate of 1 US$: 1.4646 AU$.
4. Merger Completion Performance Rights represents the 2021 Merger Completion Performance Rights that vested in the year. Tranche 1 of these rights vested on 25 August 2022 and are calculated using the market value on vesting date of AU$14.08 per share at an exchange rate of 1 US$: 1.4646 AU$. Tranche 2 of these rights for Mr Kaplan vested on cessation of employment (10 February 2023) and are calculated using the market value on vesting date of AU$12.62 per share at an exchange rate of 1 US$: 1.4445 AU$.
5. Mr Kaplan, formerly CFO (deceased 10 February 2023) received fixed remuneration, including accumulated leave entitlements to 10 February 2023. A termination payment was paid and calculated as 6 months of fixed remuneration. On 10 February 2023, Mr Kaplan held 249,639 unvested Performance Right (excluding the Merger Completion Performance Rights referred to above). For accounting purposes, these Performance Rights are deemed to be vested with any unamortised balance expensed. The value of these Performance Rights have not been included with the above take home pay disclosures as they continue to be subject to company performance conditions.
6. Mr Cortes was considered a KMP from 10 February 2023.

H. Service Agreements

Remuneration and other key terms of employment for the CEO and Other Executive KMP are formalised in their relevant service agreements. The table below provides a high-level overview of conditions relating to the term of the contract, the notice period to terminate and the termination benefit.

Name/Position	Term of Agreement	Notice Period by Either Party	Termination Benefit
Martin Perez de Solay (MD/CEO)	Open	9 months	9 months fixed remuneration
Neil Kaplan (CFO)[1]	Open	6 months	6 months fixed remuneration
Christian Cortes (Acting CFO)	Open	6 months	6 months fixed remuneration

1 Mr Kaplan received a termination payment of US$212,017 (AU$319,445) representing 6 months fixed remuneration upon his passing on 10 February 2023.

Terms of agreement and associated benefits were agreed at the time the Executive KMP commenced with Allkem or upon promotion.

Termination benefits are voided and no incentives are eligible to vest when termination arises due to breach of agreement, serious misconduct, criminal offence or negligence.

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment which details remuneration arrangements.

I. Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP is as follows:

		Short-Term Employee Benefits					Post-Employment Benefits	Long-Term Employee Benefits	Equity Settled Options	
		Directors' Fees/Base Salary	Annual Leave Movement	Short-Term Incentive[1,2]	Termination Payment	Cash Merger Bonus	Super-annuation	Long service leave	Share-based Payments[3]	Total Remuneration
Name		US$	US$	US$	US$	US$	US$	US$	US$	US$
Non-Executive Directors										
Peter Coleman (Appointed November 2022)	**2023**	**204,958**	**–**	**–**	**–**	**–**	**18,418**	**–**	**–**	**223,376**
	2022	-	–	–	–	–	–	–	–	-
Martin Rowley (Resigned November 2022)	**2023**	**112,500**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**112,500**
	2022	254,932	–	–	–	–	–	–	–	254,932
Robert Hubbard (Resigned October 2022)	**2023**	**40,870**	**–**	**–**	**–**	**–**	**4,291**	**–**	**–**	**45,161**
	2022	154,109	–	–	–	–	15,411	–	–	169,520
Fernando Oris de Roa	**2023**	**125,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**125,000**
	2022	119,540	–	–	–	–	–	–	–	119,540
Richard Seville	**2023**	**113,122**	**–**	**–**	**–**	**–**	**11,878**	**–**	**–**	**125,000**
	2022	106,654	–	–	–	–	10,665	–	–	117,319
Leanne Heywood	**2023**	**113,122**	**–**	**–**	**–**	**–**	**11,878**	**–**	**–**	**125,000**
	2022	106,654	–	–	–	–	10,665	–	–	117,319
Florencia Heredia	**2023**	**125,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**125,000**
	2022	106,221	–	–	–	–	–	–	–	106,221
John Turner	**2023**	**125,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**125,000**
	2022	106,221	–	–	–	–	–	–	–	106,221
Alan Fitzpatrick	**2023**	**113,122**	**–**	**–**	**–**	**–**	**11,878**	**–**	**–**	**125,000**
	2022	96,565	–	–	–	–	9,656	–	–	106,221
Total Non-Executive Directors	**2023**	**1,072,694**	**–**	**–**	**–**	**–**	**58,343**	**–**	**–**	**1,131,037**
	2022	1,050,896	–	–	–	–	46,397	–	–	1,097,293
Managing Director/CEO										
Martín Pérez de Solay (MD/CEO)	**2023**	**911,716**	**44,629**	**729,373**	**–**	**–**	**–**	**–**	**996,379**	**2,682,097**
	2022	816,667	41,119	680,400	–	166,667	–	–	970,746	2,675,599
Other Executive KMP										
Neil Kaplan (CFO)[4]	**2023**	**246,693**	**25,696**	**77,555**	**212,017**	**–**	**18,928**	**8,759**	**988,562**	**1,578,210**
	2022	416,971	25,412	281,070	–	116,667	20,246	22,903	475,867	1,359,136
Christian Cortes (Acting CFO)[5]	**2023**	**140,661**	**10,820**	**82,516**	**–**	**–**	**–**	**446**	**121,244**	**355,687**
	2022	-	–	–	–	–	–	–	–	–
Total Managing Director and Other Exec. KMP	**2023**	**1,299,070**	**81,145**	**889,444**	**212,017**	**–**	**18,928**	**9,205**	**2,106,185**	**4,615,994**
	2022	1,233,638	66,531	961,470	–	283,334	20,246	22,903	1,446,613	4,034,735

1. FY23 Short-term incentive represents amounts to be paid in September 2023 as Cash and Performance Rights. Average exchange rates used for the conversion from AU$ to US$ are as follows:
   July 2022—June 2023—1 US$: 1.4850 AU$
   July 2021—June 2022—1 US$: 1.3774 AU$.
2. For the breakdown of the Short-term Incentives, please see Section E for details.
3. The value for equity-settled Performance Rights presented in the table above is calculated in accordance with AASB 2 Share-based Payment and represents instruments granted under the LTI equity plans that have been expensed during the current year. The fair values of the LTIs have been calculated by an independent third party.
4. Mr Kaplan, formerly CFO, deceased on 10 February 2023. The equity-settled Performance Rights include US$580,608 for accelerated amortisation on 267,394 Performance Rights held on 10 February 2023, as these are deemed to be vested for accounting purposes.
5. Amount disclosed for Mr Cortes pertain to the period he was considered a KMP (from 10 February 2023).

J. Share-based Compensation Issues to the Executive KMP

The table below highlights the movement in Performance Rights for the Executive KMP in FY23.

	Grant Date	Vesting Financial Year	Balance at 1 July 2022	Movement During the Year: Rights Granted	Rights Vested	Rights Forfeited	Net Other Changes[3]	Balance at 30 June 2023	Unvested at 30 June 2023	Maximum Value yet to Vest[4]
Martín Pérez de Solay (MD/CEO)	11/03/20	2023	272,813	–	(272,813)	–	–	–	–	–
	13/11/20	2024	228,649	–	–	–	–	228,649	228,649	18,978
	30/11/21	2023	24,865	–	(24,865)	–	–	–	–	–
	30/11/21	2024	24,866	–	–	–	–	24,866	24,866	23,136
	30/11/21	2023	62,661	–	(50,755)	(11,906)	–	–	–	–
	30/11/21	2025	93,992	–	–	–	–	93,992	93,992	281,553
	30/11/21	2025	62,661	–	–	–	–	62,661	62,661	141,969
	15/11/22	2026	–	48,189	–	–	–	48,189	48,189	271,058
	15/11/22	2026	–	48,189	–	–	–	48,189	48,189	360,652
	15/11/22	2026	–	24,095	–	–	–	24,095	24,095	180,330
	15/11/22	2024	–	48,189	–	(9,638)	–	38,551	38,551	137,329
	Total Number		**770,507**	**168,662**	**(348,433)**	**(21,544)**	**–**	**569,192**	**569,192**	
	Total Value (US$)[1,2]		**2,373,483**	**1,480,372**	**(809,425)**	**(177,978)**	**42,848**	**2,909,300**	**2,909,300**	
Neil Kaplan (CFO)	11/03/20	2023	199,490	–	(199,490)	–	–	–	–	–
	17/12/20	2024	174,036	–	–	–	(174,036)	–	–	–
	30/11/21	2023	17,232	–	(17,232)	–	–	–	–	–
	30/11/21	2024	17,755	–	–	–	(17,755)	–	–	–
	30/11/21	2023	26,461	–	(22,492)	(3,969)	–	–	–	–
	30/11/21	2025	39,692	–	–	–	(39,692)	–	–	–
	30/11/21	2025	26,461	–	–	–	(26,461)	–	–	–
	15/11/22	2026	–	3,780	–	–	(3,780)	–	–	–
	15/11/22	2026	–	3,780	–	–	(3,780)	–	–	–
	15/11/22	2026	–	1,890	–	–	(1,890)	–	–	–
	Total Number		**501,127**	**9,450**	**(239,214)**	**(3,969)**	**(267,394)**	**–**	**–**	
	Total Value (US$)[1,2]		**1,622,937**	**81,212**	**(510,252)**	**(35,396)**	**(1,158,501)**	**–**	**–**	
Christian Cortes (Acting CFO)	17/12/20	2024	–	–	–	–	56,862	56,862	56,862	8,102
	10/11/21	2024	–	–	–	–	5,073	5,073	5,073	2,644
	22/05/22	2025	–	–	–	–	12,337	12,337	12,337	46,925
	22/05/22	2025	–	–	–	–	12,337	12,337	12,337	56,649
	22/05/22	2025	–	–	–	–	6,169	6,169	6,169	28,327
	23/12/22	2026	–	–	–	–	8,615	8,615	8,615	41,756
	23/12/22	2026	–	–	–	–	8,615	8,615	8,615	60,514
	23/12/22	2026	–	–	–	–	4,308	4,308	4,308	30,261
	23/12/22	2024	–	–	–	(443)	4,923	4,480	4,480	9,711
	21/03/23	2026	–	2,584	–	–	–	2,584	2,584	15,607
	21/03/23	2026	–	1,293	–	–	–	1,293	1,293	7,809
	21/03/23	2026	–	2,584	–	–	–	2,584	2,584	10,035
	21/03/23	2024	–	1,477	–	(133)	–	1,344	1,344	3,498
	Total Number		**–**	**7,938**	**–**	**(576)**	**119,239**	**126,601**	**126,601**	
	Total Value (US$)[1,2]		**–**	**48,257**	**–**	**(3,339)**	**385,232**	**430,150**	**430,150**	

1 Total value in US$ is based on grant date fair value or the unexpired value of performance rights at the time of becoming a KMP, not current market value. The value at grant date reflects the fair value of the Performance Rights multiplied by the number of Performance Rights granted during the period converted using the exchange rate at the date of grant.
2 The fair values of long-term incentives have been calculated by an independent third-party valuer.
3 "Net Other Changes" includes the balance of performance rights held on appointment or cessation as KMP and the impact of foreign currency movements. The performance rights held by Mr Kaplan (formerly CFO, deceased 10 February 2023) are deemed to have vested for accounting purposes. The performance rights, with the exception of 17,755 Merger Completion Performance Rights, continue to be subject to performance hurdles other than continued employment. Performance rights exercised have been transferred to Mr Kaplan's family trust. Mr Cortes was appointed Acting CFO and considered a KMP from 10 February 2023.
4 The maximum value of the Performance Rights yet to vest has been determined as the amount of the grant date fair value that is yet to be expensed at 30 June 2023. The minimum value of Performance Rights yet to vest is nil, as they will be forfeited if the vesting conditions are not met.

The table below highlights the movement in vested, not exercised performance rights for the Executive KMP in FY23.

	Balance at 1 July 2022	Rights vested	Rights exercised[1]	Net Other Changes[2]	Balance at 30 June 2023
Managing Director/CEO	-	348,433	(272,813)	-	**75,620**
Martin Perez de Solay					
Other Executive KMP	-	239,214	(216,722)	(22,492)	-
Neil Kaplan (CFO)					
Christian Cortes (Acting CEO)[3]	-	-	-	11,058	**11,058**

1. Performance Rights exercised during the current financial year at a nil exercise price.
2. "Net Other Changes" includes the balance of performance rights held on appointment or cessation as KMP.
3. The above table shows the performance rights held for Mr Cortes from the date he was considered a KMP (10 February 2023).

The tables below summarises the details of the grants and assumptions that were used in determining the fair value of unvested Performance Rights on the grant date. A Monte Carlo Simulation is used to value the Performance Rights.

Input variable								
Grant Date	13/11/20	13/11/20	17/12/20	17/12/20	30/11/21	30/11/21	30/11/21	15/11/22
Vesting Date	31/08/23	31/08/23	31/08/23	31/08/23	21/08/24	30/06/24	25/08/23	30/09/25
Expiry Date	30/09/23	30/09/23	30/09/23	30/09/23	21/08/26	30/06/26	25/08/25	30/09/27
Exercise Price (AU$)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Share Price (AU$) (Date terms agreed)	$2.97	$2.97	$4.31	$4.31	$10.22	$10.22	$10.22	$14.25
Expected Life (Days)	1,095	1,095	1,095	1,095	1,036	1,036	364	1,097
Expected Volatility	52%	52%	53%	53%	54%	54%	54%	56%
Expected Dividend Yield	0%	0%	0%	0%	0%	0%	0%	0%
Expected Risk Free Rate	0.11%	0.11%	0.10%	0.10%	0.81%	0.81%	0.81%	3.27%
Performance Conditions	Market (TSR Absolute)	Market (TSR Relative)	Market (TSR Absolute)	Market (TSR Relative)	Market (TSR Relative)	Other (Production)	Other (Longevity)	Market (TSR Relative)
Fair Value (Average) (AU$)	$1.79	$2.20	$3.25	$3.60	$7.73	$10.22	$10.22	$10.71

Input variable				
Grant Date	15/11/22	21/03/2023	21/03/2023	21/03/2023
Vesting Date	30/09/25	30/09/2025	30/09/2025	30/09/2023
Expiry Date	30/09/27	30/09/2027	30/09/2027	30/09/2025
Exercise Price (AU$)	$0.00	$0.00	$0.00	$0.00
Share Price (AU$) (Date terms agreed)	$14.25	$10.28	$10.28	$10.28
Expected Life (Days)	1,097	925	925	194
Expected Volatility	56%	53%	53%	53%
Expected Dividend Yield	0%	0%	0%	0%
Expected Risk Free Rate	3.27%	2.83%	2.83%	2.83%
Performance Conditions	Other (Production)	Market (TSR Relative)	Other (Production)	Other (Performance and Longevity)
Fair Value (Average) (AU$)	$14.25	$6.61	$10.28	$10.28

K. Shareholdings of KMP

Minimum shareholding guidelines

The Board has no approved minimum shareholding guidelines for Non-Executive Directors as at the date of this Report.

However, the Company encourages its Non-Executive Directors to accumulate a reasonable shareholding over time, relative to the amount of the annual Non-Executive Directors' fee. The Company's expectation (as stated in each Director's letter of appointment) is that each Non-Executive Director will accumulate shares at a cost equivalent to one year's Director's fees over a period of 5 years.

The Non-Executive Director Share Plan (NED Share Plan) was introduced in 2019 to support Non-Executive Directors to build their shareholdings in the Company and as a means of enhancing the alignment of interests between Non-Executive Directors and shareholders generally. The grant of share rights to Non-Executive Directors under the Company's NED Share Plan was last approved by shareholders at the Company's Annual General Meeting on 22 November 2019, for a period of three years. At its 2022 AGM on 15 November 2022, shareholders refreshed their approval for the grant of share rights to Non-Executive Directors under the NED Share Plan for a further three-year period. To date, no share rights have been granted under the Company's NED Share Plan.

The table below highlights the movement in Ordinary shares for the KMP in FY23:

	Opening Balance 1 July 2022	Rights Converted	Net Acquired/ (Disposed)	Other[3]	Closing Balance 30 June 2023
Peter Coleman[1]	–	–	33,025	–	33,025
Martin Rowley[2]	2,825,497	–	(225,497)	(2,600,000)	–
Robert Hubbard[2]	112,197	–	–	(112,197)	–
Fernando Oris de Roa	100,000	–	(30,000)	–	70,000
Richard Seville	4,500,000	–	(1,500,000)	–	3,000,000
Leanne Heywood	25,002	–	–	–	25,002
Florencia Heredia	7,320	–	3,330	–	10,650
John Turner	110,960	–	(20,000)	–	90,960
Alan Fitzpatrick	7,320	–	–	–	7,320
Martín Pérez de Solay	342,966	272,813	(190,148)	–	425,631
Neil Kaplan[2]	318,987	–	–	(318,987)	–
Christian Cortes[1]	–	–	–	–	–
Total	**8,350,249**	**272,813**	**(1,929,290)**	**(3,031,184)**	**3,662,588**

1 Appointed during the year.
2 Resigned/cessation during the year.
3 Other represents shares held at the time of commencing or ceasing as a Non-Executive Director or KMP.

L. Additional Statutory Information

Other Transactions with Key Management Personnel

Mr. Turner and Ms. Heredia are respectively partners of legal firms Fasken (based in Canada) and Allende & Brea (based in Argentina) both of which provide professional services to the Group. These fees are paid by Allkem directly to Fasken and Allende & Brea on an arms' length basis. The Board has determined that the value of these services is not sufficiently material to interfere with the Directors' capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Group as a whole, rather than in the interests of an individual security holder or other party. In addition, Ms. Heredia does not personally receive the Director's fee paid by Allkem. This fee is paid by Allkem directly to Allende & Brea which then distributes the fee in accordance with its partner remuneration policy. Fees paid to Fasken and Allende & Brea for services provided in the 2023 financial year were CAD 979,686 and US$592,707 respectively.

Other than the items noted above; there have been no other transactions with key management personnel of the Group during FY23 (FY22: Nil).

This concludes the Remuneration Report, which has been audited.

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Building a better working world

Auditor's Independence Declaration to the Directors of Allkem Limited

As lead auditor for the audit of the financial report of Allkem Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;

b) No contraventions of any applicable code of professional conduct in relation to the audit; and

c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Allkem Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Andrew Carrick
Partner
22 August 2023

Corporate Governance Overview

Allkem is committed to delivering the highest level of governance and strives to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity and respect for local communities.

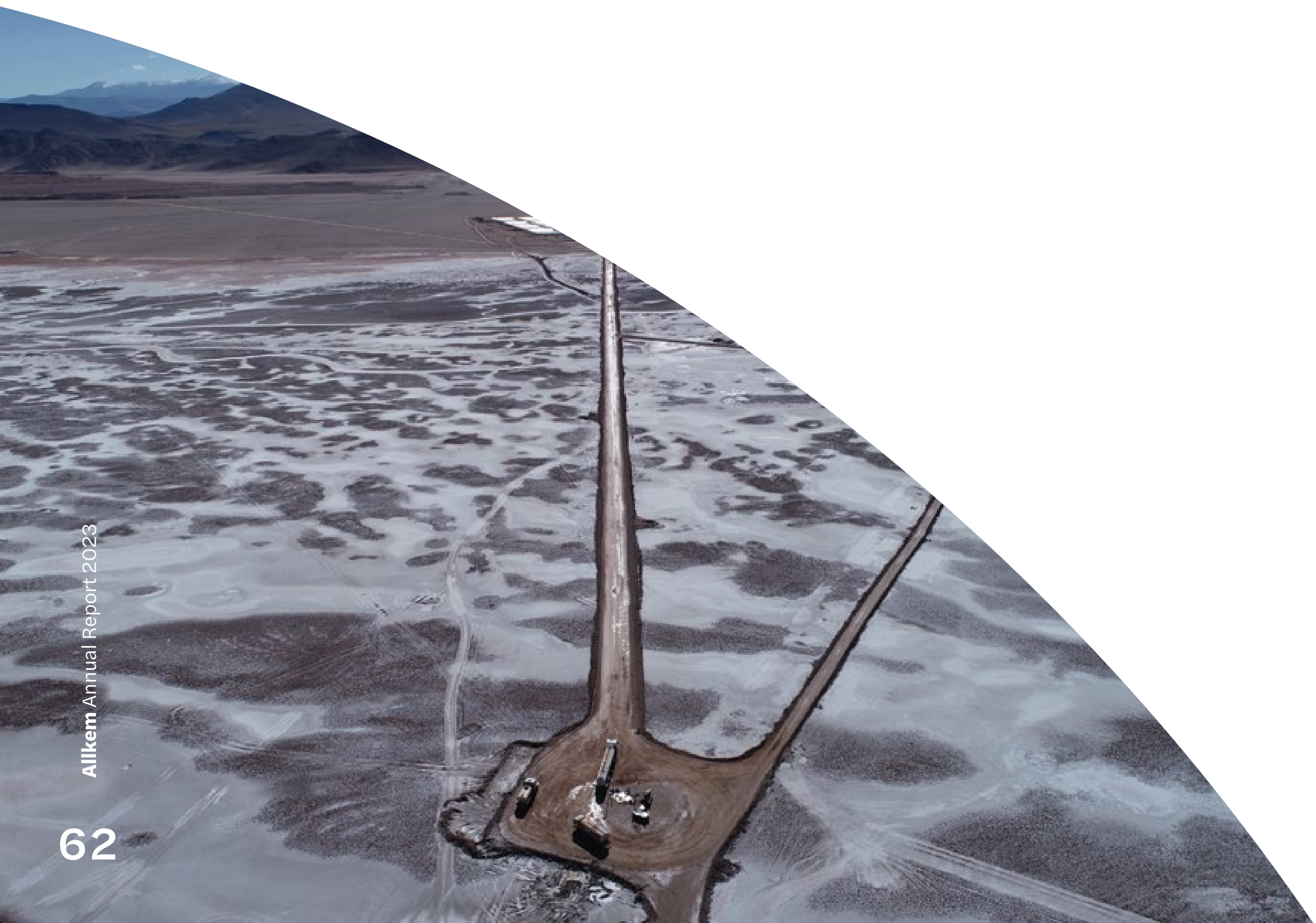
The Board of Directors of Allkem Limited is responsible for the corporate governance of the consolidated entity and advocates for strong corporate governance practices.

Compliance with Australian Corporate Governance Statement

The Company's Corporate Governance Statement follows the 4th edition of the Corporate Governance Principles and Recommendations set by the ASX Corporate Governance Council. The FY2023 Allkem Corporate Governance Statement can be located at asx.com.au and allkem.co/about/corporate-governance.

Access to Corporate Governance Statement

All documentation relating to the Corporate Governance of the Company and its operations, including relevant Allkem Limited Charters, Corporate Governance statements and Company policies can be viewed at allkem.co.



Financial Report

Consolidated statement of profit or loss

for the year ended 30 June 2023

	Note	2023 US$'000	2022 US$'000
Revenue	1	**1,207,801**	744,683
Cost of sales		**(142,000)**	(144,521)
Gross profit		**1,065,801**	600,162
Other income	3a	**66,023**	31,666
Corporate and administrative expenses	3b	**(66,470)**	(43,509)
Merger and acquisition costs		**(9,945)**	(12,760)
Selling expenses	3c	**(89,562)**	(57,024)
Depreciation and amortisation expense	9,10	**(98,786)**	(63,310)
Asset impairment and write-downs		**-**	(244)
Share of net loss of associate	21	**(2,114)**	(2,951)
Foreign currency loss	3d	**(83,280)**	(10,260)
Profit before interest and income tax		**781,667**	441,770
Finance income	3e	**72,311**	5,980
Finance costs	3f	**(24,071)**	(20,180)
Profit before income tax		**829,907**	427,570
Income tax expense	4a	**(305,332)**	(92,884)
Profit after taxation from continuing operations		**524,575**	334,686
Discontinued operations:			
(Loss)/profit after tax for the period from discontinued operations	2	**(3,278)**	2,537
Profit for the period		**521,297**	337,223
Profit for the year attributable to:			
Owners of the parent entity		**441,711**	305,674
Non-controlling interests		**79,586**	31,549
Profit for the period		**521,297**	337,223
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share (US cents per share)	5	**69.31**	51.59
Diluted earnings per share (US cents per share)	5	**68.92**	51.34
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company			
Basic earnings per share (US cents per share)	5	**69.82**	51.16
Diluted earnings per share (US cents per share)	5	**69.43**	50.91

These consolidated financial statements should be read in conjunction with the accompanying notes.

Comparative financial information has been re-presented to separately disclose the contribution of discontinued operations. Refer to Note 2 for further information.

Consolidated statement of comprehensive income

for the year ended 30 June 2023

	Note	2023 US$'000	2022 US$'000
Profit for the period		**521,297**	337,223
Other comprehensive income/(loss), net of tax			
(Items that may be reclassified subsequently to profit or loss)			
Foreign currency translation losses – subsidiaries	15b	**(19,291)**	(2,560)
Foreign currency translation losses – associate	15b	**(458)**	(291)
Net gains on revaluation of derivatives – hedging instruments		**1,010**	2,945
(Items that will not be reclassified subsequently to profit or loss)			
Changes in fair value of financial assets designated at fair value through other comprehensive income	15b	**(424)**	(5,985)
Other comprehensive losses for the year, net of tax		**(19,163)**	(5,891)
Total comprehensive profit for the year, net of tax		**502,134**	331,332
Total comprehensive profit attributable to:			
Owners of the parent entity		**422,210**	298,797
Non-controlling interests		**79,924**	32,535
Total comprehensive profit for the year, net of tax		**502,134**	331,332

These consolidated financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of financial position
as at 30 June 2023

	Note	2023 US$'000	2022 US$'000
Current assets			
Cash and cash equivalents	16	**821,429**	663,538
Trade and other receivables	6	**142,915**	81,804
Inventory	8	**126,474**	76,241
Prepayments	7	**30,879**	10,298
Total current assets		**1,121,697**	831,881
Non-current assets			
Other receivables	6	**42,724**	49,241
Inventory	8	**86,665**	53,402
Financial assets at fair value through other comprehensive income		**3,474**	4,048
Other financial assets	16	**21,372**	16,356
Property, plant and equipment	9	**2,943,452**	2,557,882
Intangible assets	10	**520,487**	525,012
Exploration and evaluation assets	11	**467,557**	424,961
Investment in associate	21	**4,017**	890
Other non-current assets		**2,670**	3,841
Deferred tax assets	4b	**3,078**	25,217
Total non-current assets		**4,095,496**	3,660,850
Total assets		**5,217,193**	4,492,731
Current liabilities			
Trade and other payables	13	**137,354**	96,443
Derivative financial instruments		**-**	1,086
Loans and borrowings	16	**42,519**	37,574
Provisions	14	**13,870**	14,297
Lease liabilities	12	**13,329**	10,197
Income tax payable		**176,174**	44,692
Other liabilities		**62,600**	18,247
Total current liabilities		**445,846**	222,536
Non-current liabilities			
Other payables	13	**29,022**	30,973
Derivative financial instruments		**-**	336
Loans and borrowings	16	**231,756**	274,103
Provisions	14	**47,456**	59,350
Lease liabilities	12	**39,917**	38,222
Deferred tax liability	4c	**849,445**	785,845
Total non-current liabilities		**1,197,596**	1,188,829
Total liabilities		**1,643,442**	1,411,365
Net assets		**3,573,751**	3,081,366
Equity			
Issued capital	15a	**2,686,134**	2,686,134
Treasury shares	15a	**(2,311)**	-
Reserves	15b	**(5,790)**	(14,114)
Retained earnings		**725,131**	316,554
Equity attributable to the owners of Allkem		**3,403,164**	2,988,574
Equity attributable to non-controlling interests		**170,587**	92,792
Total equity		**3,573,751**	3,081,366

These consolidated financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 30 June 2023

	Note	Issued capital US$'000	Treasury Shares US$'000	Reserves US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total US$'000
			-					
Balance as at 1 July 2021		668,512	-	(12,664)	10,880	666,728	58,363	725,091
Profit for the year		-	-	-	305,674	305,674	31,549	337,223
Other comprehensive profit/(loss) for the year	15b	-	-	(6,877)	-	(6,877)	986	(5,891)
Total comprehensive profit/(loss)		-	-	(6,877)	305,674	298,797	32,535	331,332
Shares issued during the year [i]	15a	2,017,622	-	-	-	2,017,622	-	2,017,622
Share-based payments	15b	-	-	5,427	-	5,427	-	5,427
Other movements		-	-	-	-	-	1,894	1,894
Balance as at 30 June 2022		2,686,134	-	(14,114)	316,554	2,988,574	92,792	3,081,366
Balance as at 1 July 2022		**2,686,134**	**-**	**(14,114)**	**316,554**	**2,988,574**	**92,792**	**3,081,366**
Profit for the year		**-**	**-**	**-**	**441,711**	**441,711**	**79,586**	**521,297**
Reclassification to profit or loss	**2,15b**	**-**	**-**	**5,749**	**-**	**5,749**	**-**	**5,749**
Other comprehensive profit/(loss) for the year	**15b**	**-**	**-**	**(25,250)**	**-**	**(25,250)**	**338**	**(24,912)**
Total comprehensive profit/(loss)		**-**	**-**	**(19,501)**	**441,711**	**422,210**	**79,924**	**502,134**
Acquisition of treasury shares	**15a**	**-**	**(17,939)**	**-**	**-**	**(17,939)**	**-**	**(17,939)**
Issue of treasury shares for share-based payments	**15a**	**-**	**15,628**	**(15,628)**	**-**	**-**	**-**	**-**
Share-based payments	**15b**	**-**	**-**	**11,048**	**-**	**11,048**	**-**	**11,048**
Dividends paid to non-controlling interests [ii]		**-**	**-**	**-**	**-**	**-**	**(3,706)**	**(3,706)**
Transfer of retained earnings to legal and discretionary reserve	**15b**	**-**	**-**	**32,405**	**(32,405)**	**-**	**-**	**-**
Other		**-**	**-**	**-**	**(729)**	**(729)**	**1,577**	**848**
Balance as at 30 June 2023		**2,686,134**	**(2,311)**	**(5,790)**	**725,131**	**3,403,164**	**170,587**	**3,573,751**

i) Shares issued are net of transaction costs (net of tax)
ii) Dividends paid by subsidiaries in the Group that had non-controlling interests

These consolidated financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the year ended 30 June 2023

	Note	2023 US$'000	2022 US$'000
Cash flows from operating activities			
Receipts from customers		**1,200,846**	730,342
Payments to suppliers and employees		**(371,700)**	(284,191)
Interest received		**54,958**	6,003
Interest paid		**(14,066)**	(10,544)
Income tax paid		**(79,128)**	-
Net cash provided by operating activities	24	**790,910**	441,610
Cash flows from investing activities			
Cash acquired from business combination		**-**	209,525
Payments for exploration and evaluation assets		**(40,497)**	(22,699)
Proceeds from the sale of assets		**-**	1,499
Purchase of property, plant and equipment		**(493,721)**	(238,719)
Loans provided to related party		**(15,471)**	(18,700)
Proceeds from financial instruments		**66,359**	32,033
Payment for deposits		**(5,017)**	-
Payments for investment in associate	21	**(5,699)**	-
Cash disposed from disposal of subsidiary	2	**(14,468)**	-
Proceeds on disposal of subsidiary	2	**200**	-
Net cash used in investing activities		**(508,314)**	(37,061)
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)		**-**	(636)
Payments of treasury shares	15a	**(17,939)**	-
Payments of lease liabilities		**(9,302)**	(9,413)
Proceeds from borrowings		**-**	44,800
Proceeds from minority interests		**838**	1,894
Repayment of borrowings		**(36,121)**	(33,673)
Dividends paid to non-controlling interests		**(3,705)**	-
Net cash (used in)/provided by financing activities		**(66,229)**	2,972
Net increase in cash and cash equivalents		**216,367**	407,521
Cash and cash equivalents, net of overdrafts, at the beginning of the year		**663,538**	258,319
Effect of exchange rates on cash holdings in foreign currencies		**(58,476)**	(2,302)
Cash and cash equivalents, net of overdrafts, at the end of the year	**16**	**821,429**	663,538

These consolidated financial statements should be read in conjunction with the accompanying notes.

About this report

General Information

Allkem Limited is a company limited by shares whose shares are publicly traded, incorporated in Australia and is a for-profit entity for the purposes of preparing the financial statements. The financial statements are for the consolidated entity consisting of Allkem Limited (the '**Company**' or the '**Parent**') and its subsidiaries and together are referred to as the '**Group**' or '**Allkem**'.

The registered office is: Level 35, 71 Eagle Street, Brisbane, Queensland 4000, Australia. The principal places of business are Western Australia, Argentina, and Canada. The financial statements were authorised for issue on 22 August 2023 by the Directors of the Company. The Directors have the power to amend and reissue the financial statements.

The financial statements are general purpose financial statements which:

- Have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accountings Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB),
- Have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value,
- Are presented in US Dollars ($US or USD), with all amounts in the financial report being rounded off in accordance with ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 to the nearest thousand US Dollars, unless otherwise indicated,
- Where necessary, comparative information has been reclassified to conform with changes in presentation in the current year.
- Revenue and expenses of Borax Argentina S.A., a discontinued operation as at the date of the financial statements, have been re-presented in the consolidated statement of profit and loss, and in the 2022 comparatives to separately disclose the contribution of discontinued operations. The restatement reflects the sale of Borax Argentina S.A. which was completed on 16 December 2022 and is detailed in Note 2.
- Adopt all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or before 1 July 2022, and
- Equity accounting for its associate is detailed in Note 21.

Significant and other accounting policies that summarise the measurement basis used and that are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements and in Note 29.

Significant judgements and estimates

The Group has identified a number of critical accounting policies under which significant judgements, estimates and assumptions are made. Actual results may differ for these estimates under different assumptions and conditions. This may materially affect financial results and the carrying amount of assets and liabilities to be reported in the next and future periods. Additional information relating to these critical accounting policies is embedded within the following notes:

About this report (continued)

Significant judgements and estimates (continued)

Note	Critical accounting policy
1	Revenue
4	Deferred Taxation
8	Inventory
11	Exploration and evaluation
14	Provision for rehabilitation
18	Share-based payments

Resource estimates

Resources are estimates of the amount of product that can be economically and legally extracted, processed and sold from the Group's properties under current and foreseeable economic conditions. The Group determines, and reports ore resources under the standards incorporated in the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, 2012 edition (the JORC Code).

The determination of ore resources includes estimates and assumptions about a range of geological, technical and economic factors, including: quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Changes in ore resources impact the assessment of recoverability of exploration and evaluation assets, property, plant and equipment, the carrying amount of assets depreciated on a units of production basis, provision for site restoration and the recognition of deferred tax assets, including tax losses.

Estimating the quantity and/or grade of resources requires the size, shape and depth of ore or brine bodies to be determined by analysing geological data. This process requires complex and difficult geological judgements to interpret the data. Additional information on the Group's reserves and resources can be viewed on page 128. This information is unaudited and does not form part of these financial statements.

Resources impact on financial reporting

Estimates of resources may change from period to period as the economic assumptions used to estimate resource change and additional geological data is generated during the course of operations. Changes in resources may affect the Group's financial results and financial position in a number of ways, including:

- asset carrying values may be affected due to changes in estimated future production levels,
- depreciation, depletion and amortisation charged in the statement of profit or loss may change where such charges are determined on the units of production basis, or where the useful economic lives of assets change,
- decommissioning, site restoration and environmental provisions may change where changes in estimated resources affect expectations about the timing or cost of these activities,
- the carrying amount of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

Foreign currency translation

The functional currency of the entities within the Group is USD, with exception of Borax Argentina S.A. (ARS), Toyotsu Lithium Corporation (YEN), Mt Cattlin operations (AUD), and James Bay operations (CAD). In preparation of the financial statements the following exchange rates have been used to translate from the functional currency of each entity to the presentational currency of the Group:

About this report (continued)

Foreign currency translation (continued)

	30 June 2023	30 June 2022	Movement (%)
Spot Rates			
ARS -> USD 1	**256.7000**	125.2300	(104.98%)
YEN -> USD 1	**144.6761**	136.3778	(6.08%)
AUD-> USD 1	**1.5083**	1.4516	(3.91%)
CAD-> USD 1	**1.3294**	1.2897	(3.08%)
Average Rates (Year)			
ARS -> USD 1	**247.8067**	105.4145	(135.08%)
YEN -> USD 1	**140.9211**	117.2517	(20.19%)
AUD-> USD 1	**1.4909**	1.3774	(8.24%)
CAD-> USD 1	**1.3309**	1.2652	(5.19%)

Argentina's economy is hyperinflationary from 1 July 2018, and as such Allkem accounts for its ARS functional currency entities as hyperinflationary effective from this date. As most financial assets and liabilities of its ARS functional currency entities are denominated in USD, and the Group's functional currency is USD, there is no material impact other than income tax balances and Value Added Tax (VAT) receivables, on the consolidated financial statements of the Group.

Note 1: Segment reporting and revenue

The Group operates primarily in Argentina, Australia and Canada. The Group's primary focus is on the operation of the lithium business and development of lithium deposits. The Group has five reportable segments, being Corporate, Olaroz, Mt Cattlin, James Bay and Sal De Vida projects. The Corporate segment includes non-operating lithium deposits and the investment in Toyota Lithium Corporation.

On 16 December 2022, the Group disposed of the Borax group of entities comprising Borax Holdings No 1 Pty Ltd, Borax Holdings No 2 Pty Ltd and Borax Argentina S.A., which operated the Borax business. Unless otherwise noted, the segment information reported on the following pages does not include any amounts for Borax, which is described in more detail in Note 2.

In determining operating segments, the Group has had regard to the information and reports the Chief Operating Decision maker (CODM) uses to make strategic decisions regarding resources. The Managing Director & Chief Executive Officer (MD/CEO) is considered to be the CODM and is empowered by the Board of Directors to allocate resources and assess the performance of the Group. The CODM assesses and reviews the business using the operating segments below. Segment performance is evaluated based on the performance criteria parameters agreed for each segment. These include, but are not limited to: financial performance, exploration and development activity, production volumes and cost controls. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Note 1: Segment reporting and revenue (continued)

The following tables present revenue and profit information for the Group's operating segments for financial year 2023.

	Corporate	Olaroz	Mt Cattlin	Sal De Vida	James Bay	Total before eliminations	Eliminations on consolidation	Total Group
	2023	2023	2023	2023	2023	2023	2023	2023
	US $'000	US $'000	US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
Revenue	-	592,211	615,590	-	-	**1,207,801**	**-**	**1,207,801**
EBITDAIX [1]	**(36,092)**	**475,181**	**515,881**	**(146)**	**(702)**	**954,122**	**(44,353)**	**909,769**
Less depreciation & amortisation	(1,363)	(16,320)	(80,259)	(786)	(58)	**(98,786)**	**-**	**(98,786)**
EBITIX [2]	**(37,455)**	**458,861**	**435,622**	**(932)**	**(760)**	**855,336**	**(44,353)**	**810,983**
Less interest income/(costs)	39,367	13,830	18,119	(9,942)	(4)	**61,370**	(13,130)	**48,240**
EBTIX [3]	**1,912**	**472,691**	**453,741**	**(10,874)**	**(764)**	**916,706**	**(57,483)**	**859,223**
Less merger costs [4]	(9,514)	-	-	(431)	-	**(9,945)**	-	**(9,945)**
Add other income – gains from financial instruments	839	-	-	65,184	-	**66,023**	-	**66,023**
Add foreign currency gains/(losses)	7,797	(79,143)	908	(8,868)	(1,010)	**(80,316)**	(2,964)	**(83,280)**
Less share of loss of associate, net of tax	(2,114)	-	-	-	-	**(2,114)**	**-**	**(2,114)**
Segment profit/(loss) for the period before tax	**(1,080)**	**393,548**	**454,649**	**45,011**	**(1,774)**	**890,354**	**(60,447)**	**829,907**
Income tax (expense)/benefit	(3,679)	(158,810)	(130,879)	(27,976)	-	**(321,344)**	16,012	**(305,332)**
Total profit/(loss) for the period - continuing operations	**(4,759)**	**234,738**	**323,770**	**17,035**	**(1,774)**	**569,010**	**(44,435)**	**524,575**
Discontinued operations [5]								**(3,278)**
Total profit for the year								**521,297**

1. EBITDAIX - Segment earnings before interest, taxes, depreciation, amortisation, merger costs, gains from financial instruments, foreign currency gains/(losses), and share of associate's losses. Includes an elimination of unrealised profits of US$44,353,000 for sales by Olaroz to the equity-accounted associate.
2. EBITIX - Segment earnings before interest, taxes, merger costs, gains from financial instruments, foreign currency gains/(losses), and share of associate's losses.
3. EBTIX - Segment earnings before taxes, merger costs, gains from financial instruments, foreign currency gains/(losses), and share of associate's losses.
4. Costs related to the proposed merger with Livent (NYSE: LTHM) announced on 10 May 2023.
5. The discontinued operations represent the results of Borax (refer Note 2).

Note 1: Segment reporting and revenue (continued)

The following tables present revenue and profit information for the Group's operating segments for financial year 2022.

	Corporate	Olaroz	Mt Cattlin	Sal De Vida	James Bay	Total before eliminations	Eliminations on consolidation	Total Group
	2022	2022	2022	2022	2022	2022	2022	2022
	US $'000	US $'000	US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
Revenue	-	292,758	451,925	-	-	744,683	-	744,683
EBITDAIX [1]	(25,505)	220,431	336,178	(510)	(344)	530,250	(18,254)	511,996
Less depreciation & amortisation	(1,149)	(17,717)	(30,309)	(697)	(38)	(49,910)	-	(49,910)
EBITIX [2]	(26,654)	202,714	305,869	(1,207)	(382)	480,340	(18,254)	462,086
Less interest income/(costs)	15,454	(24,153)	1,177	747	(4)	(6,779)	(7,421)	(14,200)
EBTIX [3]	(11,200)	178,561	307,046	(460)	(386)	473,561	(25,675)	447,886
Less acquisition costs [4]	(12,760)	-	-	-	-	(12,760)	-	(12,760)
Less amortisation of customer contracts due to purchase price allocation [4]	-	-	(13,400)	-	-	(13,400)	-	(13,400)
Less inventory adjustment due to purchase price allocation [4]	-	-	(12,367)	-	-	(12,367)	-	(12,367)
Add other income – gains from financial instruments	4,547	-	-	27,119	-	31,666	-	31,666
Add foreign currency gains/(losses)	(3,024)	(7,481)	1,099	(1,173)	(1,310)	(11,889)	1,629	(10,260)
Less share of loss of associate, net of tax	(2,951)	-	-	-	-	(2,951)	-	(2,951)
Less impairment/write-downs	(244)	-	-	-	-	(244)	-	(244)
Segment profit/(loss) for the year before tax	(25,632)	171,080	282,378	25,486	(1,696)	451,616	(24,046)	427,570
Income tax (expense)/benefit	63,221	(74,935)	(84,713)	(3,667)	(4)	(100,098)	7,214	(92,884)
Total profit/(loss) for the year – continuing operations	37,589	96,145	197,665	21,819	(1,700)	351,518	(16,832)	334,686
Discontinued operations[5]								2,537
Total profit for the year								337,223

1. EBITDAIX - Segment earnings before interest, taxes, depreciation, amortisation, impairment, gains from financial instruments, foreign currency gains/(losses), business combination acquisition costs, non-cash business combination adjustments, and share of associate's losses. Includes an elimination of unrealised profits of US$18,247,000 for sales by Olaroz to the equity-accounted associate.
2. EBITIX - Segment earnings before interest, taxes, impairment, gains from financial instruments, foreign currency gains/(losses), business combination acquisition costs, non-cash business combination adjustments, and share of associate's losses.
3. EBTIX - Segment earnings before taxes, impairment, gains from financial instruments, foreign currency gains/(losses), business combination acquisition costs, non-cash business combination adjustments, and share of associate's losses.
4. On 25 August 2021, the Group acquired Galaxy Resources Limited. Acquisition-related costs for business combination of US$12.8 million included stamp duty of US$3.9 million and merger facilitation fees of US$5.6 million in 2022. The Mt Cattlin segment includes US$12.4 million related to the realisation of inventory at a value in excess of the cost of production and US$13.4 million related to the amortisation of customer contract assets acquired as part of the business combination.
5. The discontinued operations represent the results of Borax (refer Note 2).

Note 1: Segment reporting and revenue (continued)

The following tables present assets and liabilities and cashflows for the Group's operating segments. Segment assets and liabilities are measured in the same manner as the financial statements and are allocated based on the operations of the segment.

	Corporate	Borax [1]	Olaroz	Mt Cattlin	Sal De Vida	James Bay	Eliminations on consolidation	Total Group
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2023								
Segment assets	**1,486,800**	**-**	**1,696,269**	**737,865**	**2,018,808**	**393,541**	**(1,116,090)**	**5,217,193**
Segment liabilities	**(233,886)**	**-**	**(1,161,138)**	**(361,029)**	**(567,634)**	**(88,149)**	**768,394**	**(1,643,442)**
Other disclosures								
Investment in associate	**4,017**	**-**	**-**	**-**	**-**	**-**	**-**	**4,017**
Additions to property plant and equipment, exploration and evaluation assets	**2,150**	**-**	**266,452**	**97,418**	**135,508**	**80,028**	**(13,130)**	**568,426**
2022								
Segment assets	1,362,782	18,921	1,309,031	460,650	1,980,697	473,159	(1,112,509)	4,492,731
Segment liabilities	(120,104)	(12,147)	(1,020,864)	(457,864)	(469,403)	(147,850)	816,867	(1,411,365)
Other disclosures								
Investment in associate	890	-	-	-	-	-	-	890
Additions to property plant and equipment, exploration and evaluation assets	433	1,634	160,885	32,430	63,740	2,840	-	261,962
2023								
Cash inflow/(outflow) from operating activities	**(21,399)**	**516**	**453,221**	**418,224**	**(11,320)**	**(29,908)**	**(18,424)**	**790,910**
Cash inflow/(outflow) from investing activities	**(52,090)**	**(15,929) [2]**	**(241,292)**	**(85,644)**	**(78,873)**	**(73,252)**	**38,766**	**(508,314)**
Cash inflow/(outflow) from financing activities	**(105,281)**	**15,060**	**(42,683)**	**(105,480)**	**90,232**	**102,265**	**(20,342)**	**(66,229)**
2022								
Cash inflow/(outflow) from operating activities	(31,984)	(389)	152,604	320,636	747	(4)	-	441,610
Cash inflow/(outflow) from investing activities	198,567	(1,233)	(140,742)	(37,788)	(53,065)	(2,800)	-	(37,061)
Cash inflow/(outflow) from financing activities	(993)	(24)	10,089	(6,100)	-	-	-	2,972

1. Borax was divested during the financial year 30 June 2023 (refer Note 2).
2. Inclusive of (US$14,468,000) cash disposed from disposal of Borax.

Note 1: Segment reporting and revenue (continued)

For the year ended 30 June 2023		Mt Cattlin	Olaroz	Total
		US$'000	US$'000	US$'000
Type of goods	Timing of recognition			
Lithium Carbonate	A point in time	-	579,932	579,932
Spodumene concentrate	A point in time	513,695	-	513,695
Spodumene concentrate - low grade	A point in time	99,738	-	99,738
Tantalum	A point in time	2,157	-	2,157
Other	A point in time	-	12,279	12,279
Total revenue		**615,590**	**592,211**	**1,207,801**
Geographical markets				
Asia		613,433	544,438	1,157,871
Europe		-	33,070	33,070
South America		-	625	625
North America		-	14,078	14,078
Australia		2,157	-	2,157
Total revenue		**615,590**	**592,211**	**1,207,801**

For the year ended 30 June 2022		Mt Cattlin	Olaroz	Total
		US$'000	US$'000	US$'000
Type of goods	Timing of recognition			
Lithium Carbonate	A point in time	-	292,758	292,758
Spodumene concentrate	A point in time	445,832	-	445,832
Tantalum	A point in time	6,093	-	6,093
Total revenue		451,925	292,758	744,683
Geographical markets				
Asia		445,832	280,634	726,466
Europe		-	9,898	9,898
North America		-	2,226	2,226
Australia		6,093	-	6,093
Total revenue		451,925	292,758	744,683

Revenue accounting policy

Revenue is measured at the fair value of the consideration received or receivable, including returns and allowances, trade discounts and volume rebates. Revenue is recognised when control of goods passes from the seller to the buyer dictated by the Incoterms specified in the sales contract, this is the point the performance obligations have been completed. The Group assesses whether its performance obligation, being the delivery of product, is satisfied prior to the recognition of revenue. The Group has concluded that revenue from the sale of spodumene and the sale of lithium carbonate is recognised at the point in time when control of the asset is transferred to the customer, which occurs on delivery of the product over the ship's rail on the bill of lading date. In certain sale transactions where there are stringent requirements on the delivered product, the Group will defer revenue for these sales until such time as it can evidence acceptance of the product by the customer.

The Group's customers are non-government customers with both short and long-term contracts. The Group's contracts with customers give rise to contract assets or contract liabilities, including embedded derivative amounts, arising from provisional pricing within those contracts. Balances related to sales are included in trade receivables (see Note 6), deposits received in advance (see Note 13). Revenue is recognised on an as-invoiced basis; and is measured at the fair value of the consideration received or receivable, including returns and allowances, trade discounts and volume rebates. A reduction of revenue of US$43,002,000 (2022: US$13,869,000 increase) of revenues with provisional pricing recognised in the year ended 30 June 2023.

In financial year 2023, two customers with a credit rating of A contributed 71% of the Group's total revenue (2022: 70%), the spodumene concentrate customer represented 22% (2022: 32%) and lithium concentrate customer represented 49% (2022: 38%) of Group's total revenue.

Significant judgements and estimates

Significant judgement is involved in assessing when the Group satisfies its performance obligations with its customers, including timing of customer acceptance, if applicable.

Note 2: Discontinued operations

On 16 December 2022 the group completed the sale of Borax Argentina S.A. ("Borax") to Golden Wattle Springs Pty Ltd ("Golden Wattle") and acquired the María Victoria lithium tenement from Minera Santa Rita S.R.L.("MSR"). Under the transactions:

- Allkem transferred to Golden Wattle (a group associated with MSR) all of the issued shares in the two Borax holding companies which included US$13.8 million cash for employee and rehabilitation liabilities: and
- MSR sold to an Allkem subsidiary 100% ownership of the María Victoria Tenement.

The above transaction is treated as an exchange of the Borax operation for the María Victoria property for accounting purposes. At the time of the transaction, the María Victoria lithium tenement was an exploration asset in respect of which there was no JORC reserves or resources (inferred or otherwise).

The Borax group of entities comprising Borax Holdings No 1 Pty Ltd, Borax Holdings No 2 Pty Ltd and Borax Argentina S.A., which carried all the Borax operation have been reclassified as a discontinued operation in the current and prior period comparatives. The results of the discontinued operation are set out below.

	2023	2022
	US$'000	US$'000
Revenue	**13,278**	25,135
Other income	**322**	367
Expenses excluding net finance costs	**(11,377)**	(23,387)
Finance income, net	**248**	422
Profit from operations	**2,471**	2,537
Foreign currency translation reserve reclassified to profit or loss on disposal	**(5,749)**	-
(Loss)/profit from discontinued operations	**(3,278)**	2,537

Net cash flows of the Borax disposal group	**2023**	2022
	US$'000	US$'000
Operating	**516**	(389)
Investing	**(1,461)**	(1,233)
Financing – provided by Allkem group	**15,060**	(24)
Net cash inflow/(outflow)	**14,115**	(1,646)

Earnings per share from discontinued operation		
Basic earnings per share (US cents per share)	**(0.51)**	0.43
Diluted earnings per share (US cents per share)	**(0.51)**	0.43

The major classes of assets and liabilities of the Borax disposal group were:

	2023
	US$'000
Cash and cash equivalent	**14,468**
Inventory	**6,226**
Other assets	**6**
Receivables	**6,473**
Property, plant and equipment	**4,890**
Payables	**(5,917)**
Provisions	**(6,382)**
Net assets disposed	**19,764**
Less: Cash consideration received	**(200)**
Add: Cash consideration paid for property	**400**
Cost capitalised on acquisition of property	**19,964**

The net cash outflow arising on the disposal of the Borax discontinued operation:

Cash received from sale of the discontinued operation	**200**
Cash sold as part of discontinued operation	**(14,468)**
Net cash outflow on disposal of the discontinued operation	**(14,268)**

Note 2: Discontinued operations (continued)

Significant judgements and estimates

As an exchange transaction under AASB 6 *Exploration for and Evaluation of Mineral Resource* the consideration for the disposal of Borax is measured with reference to the fair value of consideration received (cash and María Victoria lithium tenement) unless it is not possible to reliably measure the fair value of consideration received. As the fair value of the acquired María Victoria lithium tenement could not be reliably measured, the cost of the acquired tenement is measured with reference to the fair value of the net assets given up by the Group as part of the disposal of Borax business.

Historically, the Borax had been loss making and its non-current assets were impaired in prior periods. In the absence of impairment reversal indicators, the Group determined the carrying amount of Borax's net assets provided a reasonable approximation of their fair value.

Note 3: Income, expenses, finance income and finance costs

	2023	2022
	US$'000	US$'000
3a) Other income		
Gains from financial instruments	**66,023**	31,666
Total other income	**66,023**	31,666

Gains from financial instruments relate to conversion bonds to Argentinean pesos (ARS) due to the significant divergence of Argentina's secondary currency market exchange rate from the official ARS exchange rate.

		2023	2022
	Note	US$'000	US$'000
3b) Corporate and administrative expenses			
Employee benefit expenses		**(29,257)**	(19,560)
Audit fees	25	**(436)**	(447)
Legal and consulting fees		**(10,006)**	(5,990)
Share-based payments		**(10,768)**	(5,254)
Travel		**(4,752)**	(1,172)
Insurance		**(1,212)**	(1,525)
Office & communication costs		**(5,547)**	(3,726)
Listing & investor relations costs		**(916)**	(1,335)
Bank Fees		**(1,716)**	(956)
Environmental monitoring & studies		**(949)**	(361)
Other costs		**(911)**	(3,183)
Total corporate and administrative expenses		**(66,470)**	(43,509)
3c) Selling cost			
Export duties		**(20,445)**	(9,162)
Mining royalty		**(47,650)**	(29,540)
Dispatching & logistics		**(21,467)**	(18,322)
Total selling costs		**(89,562)**	(57,024)

Note 3: Income, expenses, finance income and finance costs (continued)

	2023	2022
	US$'000	US$'000
3d) Foreign currency loss		
Total foreign currency loss	**(83,280)**	(10,260)

Foreign currency losses relate to realised and unrealised losses on AUD denominated balances in the corporate entities, ARS denominated balances in entities based in Argentina, and USD balances in Canadian entities.

The increase in foreign currency loss in 2023 is largely attributable to the increase in ARS denominated deposits which exposes the Group to higher foreign currency losses. Counteracting these losses, the increase in ARS denominated deposits result in higher interest income due as these ARS denominated deposits earn higher interest rates. (Refer Note 3e).

	2023	2022
	US$'000	US$'000
3e) Finance income		
Interest income on loans receivable	**23**	46
Interest income from short term deposits	**72,288**	5,934
Total finance income	**72,311**	5,980

Interest income from short term deposits has increased largely due to this increase in ARS denominated deposits which attracts high interest rates. (Refer also to Note 3d).

	2023	2022
	US$'000	US$'000
3f) Finance costs		
Interest expense on external loans and borrowings and other finance costs amortised	**(4,246)**	(8,598)
Interest expense on loans and borrowings from related parties [i]	**(3,840)**	(2,543)
Interest expense on lease liabilities	**(5,597)**	(4,669)
Other finance costs related to related party loans	**(2,876)**	(1,851)
Change in fair value of financial assets and liabilities	**(6,268)**	(2,487)
Unwinding of the rehabilitation provision	**(1,244)**	(32)
Total finance costs	**(24,071)**	(20,180)

i) The interest expense to the related party is non-cash and will be paid on repayment of the loans (Note 26). Total interest is US$8,217,000 (2022: US$5,004,000) and US$4,377,000 (2022: US$2,461,000) of this has been capitalised to property, plant and equipment.

Recognition and measurement

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income or expense is recorded using the effective interest rate (EIR). EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

Note 4: Income tax

	2023 US$'000	2022 US$'000
4a) Income tax expense		
Current income tax expense	**(254,585)**	(44,887)
Deferred tax expense	**(48,831)**	(47,997)
Amounts under provided in prior years	**(1,916)**	-
Total income tax expense	**(305,332)**	(92,884)
Deferred income tax expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	**5,984**	(68,073)
Decrease in deferred tax liabilities	**(54,815)**	(44,603)
Benefit of previously unrecognised tax losses, tax credits or temporary differences	**-**	64,679
	(48,831)	(47,997)

4b) Deferred tax assets

	2023 US$'000	2022 US$'000
Carry forward tax losses	**2,944**	37,311
Financial liabilities	**37,631**	32,680
Other non-financial liabilities	**36,598**	19,444
Total deferred tax assets	**77,173**	89,435
Set-off of deferred tax liabilities pursuant to set-off provisions	**(74,095)**	(64,218)
Net deferred tax assets	**3,078**	25,217

4c) Deferred tax liabilities

	2023 US$'000	2022 US$'000
Property, plant and equipment	**(796,340)**	(704,773)
Inventories	**(2,773)**	(18,200)
Other financial assets	**(41,452)**	(17,768)
Exploration and evaluation assets	**(82,975)**	(109,322)
Total deferred tax liabilities	**(923,540)**	(850,063)
Set-off of deferred tax liabilities pursuant to set-off provisions	**74,095**	64,218
Net deferred tax liabilities	**(849,445)**	(785,845)

4d) Numerical reconciliation of income tax expense to loss before tax

	2023 US$'000	2022 US$'000
Profit before income tax expense from continuing operations	**829,907**	427,570
(Loss)/profit before income tax from discontinued operations	**(3,278)**	2,537
Tax expense at Australian tax rate of 30% (2022: 30%)	**(247,989)**	(129,032)
Tax effect of amounts which are (not deductible)/taxable in calculating taxable income:		
Share-based payments	**(3,230)**	(1,576)
Share of loss of associates	**(634)**	(885)
Non-deductible expenses	**(11,925)**	(4,259)
Tax losses and credits for the year not recognised	**(2,327)**	(3,111)
Previously unrecognised tax losses and temporary differences	**4,732**	67,172
Impact of tax rates applicable outside of Australia	**(19,859)**	(9,031)
Foreign exchange and effects of hyperinflation	**(26,016)**	(12,162)
Amounts under provided in prior years	**1,916**	-
Income tax expense	(305,332)	(92,884)

Note 4: Income tax (continued)

Tax Consolidation

Allkem Limited and its wholly owned Australian subsidiaries are members of the Allkem tax consolidated group (TCG). Allkem Limited is the head entity of the TCG.

Galaxy Resources Pty Ltd and its Australian subsidiaries joined the TCG on the 25 August 2021 and transferred US$68.2 million of carry forward losses into the TCG. Deferred tax benefits of US$10 million was recognised in the Galaxy business combination. The recognition was predicated on the prices of spodumene concentrate at that time. In the period from 25 August 2021 to 30 June 2022, there was a substantial increase in the price of spodumene concentrate and these changed market conditions have resulted in the remaining balance of US$58.2 million of carry forward tax losses to be recognised in the 2022 period. During the 2022 period, the TCG utilised US$34.1 million of transferred losses and all group losses.

During the 2023 period, following the finalisation of the Galaxy Resources Pty Ltd group tax filings, an additional US$5.5 million of transferred tax losses were identified that could be brought into the TCG and the amount of transferred group losses utilised in FY22 was reduced to US$24.7 million.

During the 2023 period, the TCG utilised US$44.6 million of transferred losses. The TCG holds a carry forward loss balance of US$0.7 million (2022: US$34.1 million) to offset future taxable profits of the TCG and the TCG has tax payable of US$73.4 million (2022: US$44.7 million).

Taxation outside of Australia

Each entity outside of Australia is responsible for its own taxation. The tax payable for the rest of the group is US$102.8 million (2022: nil).

Franking Credits

The franking credit balance, including franking credits that will arise from the payment of income tax payable as at the end of the financial year is US$143.5 million (2022: US$44.7 million).

Recognition and measurement

Australian tax consolidation legislation

Allkem Limited and its wholly-owned Australian controlled entities are part of a tax consolidation group under Australian taxation legislation. The head entity, Allkem Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the stand-alone taxpayer approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. In addition to its own current and deferred tax amounts, Allkem Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Within the Company’s stand-alone financial statements, assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Note 4: Income tax (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax assets and liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arose from the initial recognition of goodwill or of an asset or liability in a transaction that was not a business combination and that, at the time of the transaction, affected neither the accounting profit nor taxable profit or loss.
- In respect of deductible/taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Significant judgement and estimates

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The tax position of the Group is subject to the examination of taxing authorities in the jurisdictions in which it operates. Upon examination, it is possible that a taxing authority may arrive at a different conclusion on transactions with uncertain tax treatment which could impact the determination of taxable profit, tax bases, rates, losses or credits of the Group.

Note 5: Earnings per share

Basic earnings per share (EPS) amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential performance rights into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2023	2022
	US$'000	US$'000
Profit attributable to ordinary equity holders of the parent:		
Profit for the financial year	**521,297**	337,223
Exclude non-controlling interests	**(79,586)**	(31,549)
Net profit used in the calculation of basic and dilutive EPS	**441,711**	305,674
Exclude loss/(profit) from discontinued operations	**3,278**	(2,537)
Net profit used in the calculation of basic and dilutive EPS from continuing operations [i)]	**444,989**	303,137

	2023	2,022
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	**637,323,060**	592,546,337
Weighted average number of options and performance rights outstanding[ii)]	**3,560,122**	2,892,020
Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive EPS	**640,883,182**	595,438,357

i) Basis and dilutive EPS related to discontinued operations is detailed in Note 2.

ii) Weighted average performance rights outstanding that may be issued in the future and potentially dilute the earnings per share that have not been considered in the calculation due to anti-dilutive effect: nil (2022: nil)

Note 6: Trade and other receivables

	2023	2022
	US$'000	US$'000
Current		
Trade receivables [i]	**77,919**	43,915
Interest receivable	**18,161**	558
Other receivables	**2,953**	16,810
Receivable from joint venture party [iii]	**2,016**	-
VAT tax credits & other tax receivable [ii]	**41,866**	20,521
Total current trade and other receivables	**142,915**	81,804
Non-current		
Receivable from joint venture party [iii]	**6,134**	6,555
Receivable from associate [iv]	**31,934**	16,463
Other receivables	**1,216**	1,911
VAT tax credits [ii]	**3,440**	24,312
Total non-current other receivables	**42,724**	49,241

i) Trade receivables are net of provisional price adjustments US$43,002,000 (2022: nil). See Note 1 for further details.
ii) The Group has a total of US$41,713,000 (2022: US$32,399,000) of current and non-current Value Added Tax (VAT) recoveries due from the Argentina revenue authority. The Group records VAT at fair value due to the hyperinflationary economy in Argentina and the 2ighly devaluing local currency. Fair value has been determined using a discounted cash flow valuation technique based on the forecast timing of recovery of VAT, and interest rate and exchange rate relevant for that time period (Level 3). The gains and losses are recognised within finance costs in the income statement as a change in fair value of financial assets and liabilities (refer Note 3f).
iii) Fair value has been determined using a discounted cash flow valuation technique based on forecast timing of receipts and discount rate relevant to the cash flow stream (Level 3). The gains and losses are recognised within finance costs in the income statement as a change in fair value of financial assets and liabilities (refer Note 3f).
iv) Receivable from associate are denominated in JPY and collectable between 2025 to 2028.

Recognition and Measurement

Trade receivables generally have credit terms of 30 days. They are presented as current assets unless collection is not expected for more than 12 months after reporting date. The Group applies the simplified approach to providing expected credit losses as prescribed by AASB 9 *Financial Instruments*. Refer to Note 17 (c) for further commentary on credit risk.

Note 7: Prepayments

	2023	2022
	US$'000	US$'000
Prepayments to suppliers	**30,569**	9,881
Prepayments to tax authorities	**310**	417
Total current prepayments	**30,879**	10,298

Note 8: Inventories

	2023	2022
	US$'000	US$'000
Current		
Work in progress	**29,891**	28,449
Finished products	**68,813**	25,711
Materials and spare parts	**27,770**	22,081
Total current	**126,474**	76,241
Non-current		
Work in progress	**86,665**	51,894
Materials and spare parts	**-**	1,508
Total non-current	**86,665**	53,402

Current inventory balance includes a provision for losses in finished products and materials and spare parts of US$1,905,000 (2022: US$1,958,000) and work in progress of US$1,507,000 (2022: US$1,695,000). Non-current inventory balance includes a provision for losses related to work in progress of US$5,689,000 (2022: US$3,685,000).

Recognition and measurement

Inventories are valued at the lower of cost and net realisable value. Cost is determined primarily on the basis of average costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The cost of raw materials and consumable stores is the purchase price. The cost of partly processed and saleable commodities is generally the cost of production, including:

- Labour costs, materials and contractor expenses which are directly attributable to the processing of commodities ready-for-sale (lithium carbonate, spodumene concentrate and other products).
- The depreciation of mining properties and leases and of property, plant and equipment used in the extraction and processing of brine, production of lithium carbonate and production of spodumene concentrate.
- Production overheads.

Brine inventory quantities are assessed primarily through surveys and assays. If the brine will not be processed within 12 months after the balance sheet date, it is included within non-current assets.

Spodumene ore stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained Li_2O tonnes is based on assay data and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

Significant judgments and estimates

Certain estimates, including expected brine recoveries and work in progress volumes, are calculated by engineers using available industry, engineering and scientific data. Estimates used are periodically reassessed by the Group taking into account technical analysis and historical performance.

Note 9: Property, plant and equipment

	Land & buildings	Plant & equipment	Mine properties	Leased Plant & Equipment	Deferred stripping	Work in progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost							
As at 1 July 2021	7,212	457,237	247,322	34,538	138	243,398	989,845
Additions – purchases	9,785	99,268	74,839	-	25,439	29,388	238,719
Capitalised interest	-	-	-	-	-	5,904	5,904
Leases - additions/modifications	-	-	-	2,736	-	-	2,736
Acquisition of a subsidiary	-	101,095	1,360,712	13,069	-	-	1,474,876
Remeasurement of rehabilitation provision	-	-	4,955	-	-	-	4,955
Internal transfers	-	5,915	-	-	-	(5,915)	-
Exchange differences	(59)	-	-	(6)	-	(264)	(329)
As at 30 June 2022	16,938	663,515	1,687,828	50,337	25,577	272,511	2,716,706
Additions - purchases	**624**	**10,128**	**68,012**	**-**	**69,857**	**334,465**	**483,086**
Capitalised interest	**-**	**-**	**-**	**-**	**-**	**10,783**	**10,783**
Leases - additions/modifications	**-**	**-**	**-**	**14,496**	**-**	**-**	**14,496**
Remeasurement of rehabilitation provision	**-**	**(4,068)**	**1,528**	**-**	**-**	**(188)**	**(2,728)**
Divestment of subsidiary	**(1,139)**	**(2,698)**	**-**	**(37)**	**-**	**(2,507)**	**(6,381)**
Disposals	**-**	**(42)**	**-**	**-**	**-**	**(241)**	**(283)**
Internal transfers	**-**	**138,578**	**-**	**-**	**-**	**(138,578)**	**-**
Exchange differences	**(198)**	**(2,373)**	**(4,727)**	**(1)**	**(1,779)**	**1,501**	**(7,577)**
As at 30 June 2023	**16,225**	**803,040**	**1,752,641**	**64,795**	**93,655**	**477,746**	**3,208,102**
Accumulated depreciation/ impairment							
As at 1 July 2021	(6,946)	(93,173)	(3,892)	(6,483)	(138)	(128)	(110,760)
Depreciation expense	(699)	(26,811)	(13,932)	(6,221)	(2,006)	-	(49,669)
Depreciation capitalised to inventory	-	(28)	-	-	-	-	(28)
Exchange differences	826	218	-	520	69	-	1,633
As at 30 June 2022	(6,819)	(119,794)	(17,824)	(12,184)	(2,075)	(128)	(158,824)
Depreciation expense	**(441)**	**(16,866)**	**(11,251)**	**(11,780)**	**(58,143)**	**-**	**(98,481)**
Depreciation capitalised to inventory	**-**	**(14,921)**	**-**	**-**	**-**	**-**	**(14,921)**
Divestment of subsidiary	**1,128**	**337**	**-**	**25**	**-**	**-**	**1,490**
Disposals	**-**	**42**	**-**	**-**	**-**	**-**	**42**
Exchange differences	**121**	**1,836**	**3,322**	**9**	**756**	**-**	**6,044**
As at 30 June 2023	**(6,011)**	**(149,366)**	**(25,753)**	**(23,930)**	**(59,462)**	**(128)**	**(264,650)**
Net Book Value							
As at 30 June 2022	10,119	543,721	1,670,004	38,153	23,502	272,383	2,557,882
As at 30 June 2023	**10,214**	**653,674**	**1,726,888**	**40,865**	**34,193**	**477,618**	**2,943,452**

Note 9: Property, plant and equipment (continued)

Recognition and measurement

Tangible property, plant and equipment assets are stated at acquisition cost, net of the related accumulated depreciation, amortisation and impairment losses. Cost includes expenditure directly attributable to the acquisition and commissioning of the asset. Land is not depreciated.

Costs attributable to assets under construction are only capitalised when it is probable that future economic benefits associated with the asset will flow to the Group and the costs can be measured reliably. Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

The useful lives used for the depreciation and amortisation of assets are presented below:

- Buildings and infrastructure: 20 to 30 years
- Plant: 5 to 40 years
- Leased plant and equipment: lease period – 1 to 10 years
- Mining extraction equipment: Units of production
- Mine properties: Units of production

The depreciation and amortisation rates are reviewed annually and adjusted if appropriate. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Note 10: Intangible assets

	Goodwill	Software	Total
	US$'000	US$'000	US$'000
At cost	**519,817**	**2,412**	**522,229**
Accumulated depreciation	**-**	**(1,742)**	**(1,742)**
Total at 30 June 2023	**519,817**	**670**	**520,487**
At cost	524,017	2,432	526,449
Accumulated depreciation	-	(1,437)	(1,437)
Total at 30 June 2022	524,017	995	525,012

	2023	2022
	US$'000	US$'000
Balance at beginning of year	**525,012**	727
Goodwill - acquired as part of business combination	**-**	524,017
Software - additions	**-**	544
Software - disposals	**(20)**	-
Software - amortisation expense	**(305)**	(276)
Goodwill - exchange differences	**(4,200)**	-
Balance at the end of year	**520,487**	525,012

Goodwill of US$439.2 million (2022: US$439.2 million) and US$80.6 million (2022: US$84.8 million) has been allocated to the Sal De Vida and James Bay projects respectively which are cash-generating units and also operating and reportable segments. The goodwill asset is assessed for impairment after netting the deferred tax liabilities that gave rise to the goodwill asset. The recoverable amount of the cash-generating units acquired as part of the business combination exceeds the carrying amounts of assets acquired and no impairment has been recognised.

Recognition and measurement

Intangible assets are stated at acquisition cost, net of the related accumulated amortisation and impairment losses that they might have experienced. Cost includes expenditure directly attributable to the acquisition and commissioning the asset.

Note 10: Intangible assets (continued)

The useful lives used for the amortisation of software are 3 to 5 years.

Goodwill is measured as described in Note 29g. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Note 11: Exploration and evaluation assets

Exploration and evaluation expenditure carried forward in respect of areas of interest are:

	2023	2022
	US$'000	US$'000
Balance at beginning of year	**424,961**	45,867
Acquired as part of business combination i)	-	356,395
Acquired in exchange for Borax operation ii)	**19,964**	-
Capitalised exploration and evaluation expenditure	**40,097**	22,699
Exchange differences	**(17,465)**	-
Balance at the end of year	**467,557**	424,961

i) On 25 August 2021, the Group acquired Galaxy Resources Limited.
ii) The María Victoria property was acquired in exchange for the Borax operation. Refer Note 2.

Recognition and measurement

Exploration and evaluation expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves or sale. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves using a units of production method.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off to profit or loss in the period when the new information becomes available.

Significant judgments and estimates

Determining the recoverability of exploration and evaluation assets capitalised in accordance with the Group's accounting policy requires estimates and assumptions as to future events and circumstances and whether successful development and commercial exploration, or alternatively sale, of the respective areas of interest will be achieved.

Critical to this assessment are estimates and assumptions as to ore reserves, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the presence or recoverability of an ore reserve becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure under the accounting policies, a judgment is made that the recovery of the expenditure is unlikely, an impairment loss is recorded in the profit or loss.

Note 12: Lease Liabilities

	2023	2022
	US$'000	US$'000
Lease liabilities		
Balance at the beginning of the year	**48,419**	35,685
Recognised as part of business combination [i)]	**-**	15,635
Additions/modifications	**14,496**	6,512
Accretion of interest - expense	**5,597**	4,702
Lease payments	**(14,917)**	(14,420)
Exchange differences	**(350)**	(305)
Balance at the end of the year	**53,245**	48,419

iii) On 25 August 2021, the Group acquired Galaxy Resources Limited.

Lease liabilities are due as follows:

Not later than 1 year	**13,329**	10,197
Total current	**13,329**	10,197
Later than 1 year and not later than 5 years	**18,227**	17,167
Later than 5 years	**21,690**	21,055
Total non-current	**39,917**	38,222
Balance at 30 June	**53,246**	48,419

Right of use assets – included in property, plant and equipment (Note 9)		
Land and buildings	**2,555**	2,127
Plant and equipment	**38,310**	36,026
Carrying amount of right of use assets at 30 June	**40,865**	38,153

Amounts recognised in the statement of profit or loss:		
Depreciation charge for right of use assets		
Land and buildings	**(812)**	(384)
Plant and equipment	**(10,968)**	(5,887)
Total depreciation charge	**(11,780)**	(6,271)

Total cash outflow for leases in 2023 was US$14,917,000 (2022: US$14,420,000).

Accounting for the Group's leasing activities

A significant proportion by value of the Group's lease contracts relate to plant facilities and various equipment. Other leases include office buildings, warehouses, power generator and vehicles. Lease contracts are typically made for fixed periods of 6 months to 9 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Note 12: Lease Liabilities (continued)

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group recognises right of use assets at the commencement date of the lease, the date the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment.

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

Note 13: Trade and other payables

	Note	2023 US$'000	2022 US$'000
Current			
Trade payables and accrued expenses [i)]		**127,509**	93,859
Advance payments from customers		**3,899**	403
Interest payable		**1,554**	2,181
Interest payable to a related party	26	**4,392**	-
Total current		**137,354**	96,443
Non-current			
Other payables and accrued expenses		**12,364**	13,477
Interest payable to a related party	26	**16,658**	17,496
Total non-current		**29,022**	30,973

i) The amounts are unsecured and non-interest bearing and generally on 30 to 60 day terms. The carrying amounts approximate fair value.

ii) Sales contract provisional pricing liabilities include contract liabilities and embedded derivative liabilities arising from expected pricing adjustments to initial invoiced provisional pricing.

Note 14: Provisions

	Note	2023 US$'000	2022 US$'000
Current			
Employee benefits	14a	**4,075**	3,843
Provision for rehabilitation	14b	**9,795**	10,454
Total current		**13,870**	14,297
Non-current			
Employee benefits	14a	**553**	419
Provision for rehabilitation	14b	**46,903**	58,732
Other provisions		**-**	199
Total non-current		**47,456**	59,350

Note 14: Provisions (continued)

14a) Employee benefits

	2023	2022
	US$'000	US$'000
Annual leave	**4,075**	3,334
Long service leave	**553**	419
Borax Argentina S.A. defined benefit pension plan	**-**	509
Total	**4,628**	4,262

14b) Rehabilitation provision

Reconciliation of the carrying amount of provision for rehabilitation is set out below:

	Note	2023	2022
	Note	**US$'000**	US$'000
Balance at the beginning of year		**69,186**	33,934
Recognised as part of business combination [i)]		**-**	30,297
Additions reflected in property, plant and equipment	10	**1,528**	6,257
Changes in assumptions reflected in property, plant and equipment	10	**(4,256)**	(1,334)
Divestment of subsidiary [ii)]		**(6,311)**	-
Expenditure on rehabilitations activities		**(4,261)**	-
Foreign currency translation movement		**(432)**	-
Unwinding of the rehabilitation provision		**1,244**	32
Balance at the end of year		**56,698**	69,186

i) On 25 August 2021, the Group acquired Galaxy Resources Limited.
ii) Divested as part of the Borax discontinued operation (refer Note 2).

The Group has recognised a provision for rehabilitation obligations associated with the each of the group's operations, and in respect of the tailings site at a former Lithium One Inc. mining site in Canada. Additions of US$1,528,000 (2022: US$5,002,000) for Sal de Vida and US$nil (2022: US$1,255,000) for Olaroz were recognised in the current year. A remeasurement adjustment relating to Olaroz (including Olaroz stage 2 expansion works) of (US$3,571,000) (2022: nil), Mt Cattlin of (US$685,000) (2022: nil) and Borax $nil (2022: (US$1,302,000)) was recognised in the current year. The Group spent US$4,261,000 (2022: nil) at the tailings site in Canada.

Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss, net of any reimbursement.

Employee benefits

Wages, salaries, annual leave and sick leave liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Based on past experience, the Group does not expect the full amount of annual leave classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Note 14: Provisions (continued)

Long service leave

The Group recognises a liability for long service leave for Australian employees measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on the applicable corporate bond with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Environmental protection, rehabilitation, and closure costs

Provision is made for close down, restoration and environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the financial period when the related environmental disturbance occurs, based on the estimated future costs using information available at the statement of financial position date. The provision is discounted using a current market-based pre-tax discount rate that reflects the time value of money and risk specific to the liability. The unwinding of the discount is included in the interest expense in the statement of profit or loss. At the time of establishing the provision, a corresponding asset is capitalised, where it gives rise to a future benefit, and is depreciated over future production from the operations to which it relates. The provision is reviewed on an annual basis for changes to obligations, legislation or discount rates that impact estimated costs or useful lives of operations. The cost of the related asset is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate and the adjusted cost of the asset is depreciated prospectively.

Significant judgements and estimates

The Group has recognised a provision for rehabilitation obligations associated with each of the group's operations. In determining the present value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

Note 15: Equity and reserves

15a) Issued capital and treasury shares

		2023	2022	**2023**	2022
	Note	**No. shares**	No. shares	**US$'000**	US$'000
Issued capital					
Balance at the beginning of year		**637,657,586**	344,158,072	**2,686,134**	668,512
Performance rights exercised i)		**-**	900,942	**-**	-
Shares issued, net of transactions costs ii)		**-**	292,598,572	**-**	2,017,622
Balance at the end of year		**637,657,586**	637,657,586	**2,686,134**	2,686,134
Treasury shares					
Balance at the beginning of year		**500**	-	**-**	-
Treasury shares acquired		**1,818,326**	500	**17,939**	-
Performance rights exercised i)	18	**(1,584,104)**	-	**(15,628)**	-
Balance at the end of year		**234,722**	500	**2,311**	-

i) Represents performance rights exercised under the Company's share-based payments plans and executive service agreements. Refer to Note 18 for share-based payments.

ii) 292,598,572 ordinary shares were issued on 25 August 2021 at a price of US$6.90 (AU$9.52) per share as a result of the Galaxy Resources Ltd business combination.

Recognition and measurement

Ordinary shares are classified as equity. Transaction costs arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

Note 15: Equity and reserves (continued)

15b) Reserves

	Share-based payments	Cashflow hedge	Foreign currency translation	Other	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 30 June 2021	9,731	(926)	(34,041)	12,572	(12,664)
Foreign currency translation differences	-	-	(2,851)	-	(2,851)
Cashflow hedge through other comprehensive income	-	1,959	-	-	1,959
Financial assets at fair value through other comprehensive income	-	-	-	(5,985)	(5,985)
Other comprehensive income/(loss)	-	1,959	(2,851)	(5,985)	(6,877)
Share-based payments	5,427	-	-	-	5,427
Balance as at 30 June 2022	15,158	1,033	(36,892)	6,587	(14,114)
Balance as at 1 July 2022	**15,158**	**1,033**	**(36,892)**	**6,587**	**(14,114)**
Reclassification to income statement i)	**-**	**-**	**5,749**	**-**	**5,749**
Foreign currency translation differences	**-**	**-**	**(25,498)**	**-**	**(25,498)**
Cashflow hedge through other comprehensive income	**-**	**672**	**-**	**-**	**672**
Financial assets at fair value through other comprehensive income	**-**	**-**	**-**	**(424)**	**(424)**
Other comprehensive income/(loss)	**-**	**672**	**(19,749)**	**(424)**	**(19,501)**
Issue of treasury shares for share-based payments	**(15,628)**	**-**	**-**	**-**	**(15,628)**
Share-based payments	**11,048**	**-**	**-**	**-**	**11,048**
Transfer of retained earnings to legal and discretionary reserve ii)	**-**	**-**	**-**	**32,405**	**32,405**
Balance as at 30 June 2023	**10,578**	**1,705**	**(56,641)**	**38,568**	**(5,790)**

i) Foreign currency translation reserve related to the Borax discontinued operation (refer Note 2).

ii) The transfer of retained earnings to the legal and discretionary reserve was completed in accordance with local Argentinean corporate law.

Nature and purpose of reserve

Share-based payments reserve

The share-based payments reserve represents the fair value of share-based remuneration provided to employees.

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries and investments in associates with a functional currency other than USD. Equity of the Parent entity is translated at historical rates of exchange prevailing on the date of each transaction.

Cashflow hedge reserve

The cashflow hedge reserve records the revaluation of derivative financial instruments that are designated cashflow hedges and are recognised under other comprehensive income. Amounts are recognised in the income statement when the associated hedge transactions affect the income statement.

Other reserve

Legal and discretionary reserves are required in Argentinean companies in accordance local corporate law.

Note 16: Net cash/debt

	Interest rate	Maturity	2023 US$'000	2022 US$'000
Current				
Loans & borrowings - project loan (a)	SOFR + 0.80%	2023-2024	**(37,382)**	(37,574)
Related party loans (c)			**(5,137)**	-
Total current debt			**(42,519)**	(37,574)
Non-current				
Loans & borrowings - project loan (a)	2.51% - 2.61%	2024-2029	**(152,840)**	(189,327)
Related party loans (c)			**(78,916)**	(84,776)
Total non-current debt			**(231,756)**	(274,103)
Total debt			**(274,275)**	(311,677)
Cash at bank and on hand			**81,459**	142,668
Short term deposits (d)			**739,970**	520,870
Total cash and cash equivalents			**821,429**	663,538
Financial assets - non-current (e)			**21,372**	16,356
Total cash and financial assets			**842,801**	679,894
Net cash			**568,526**	368,217
Equity			**(3,573,751)**	(3,081,366)
Capital and net cash			**(3,005,225)**	(2,713,149)
Cash ratio			**19%**	14%

The Group has exposure to USD LIBOR through its Project Loan Facility, loans payable to related parties and an interest rate swap. As part of the inter-bank offer rate (IBOR) reform, USD LIBOR will no longer be available after 30 June 2023 and will be replaced with alternative reference rates. Review of the reform and its implications to the Group were undertaken and contractual changes were completed in FY2023 with Secured Overnight Financing Rate (SOFR) replacing LIBOR under the contracts from 1 July 2023.

(a) Project Loan Facility

The total project loan facility for Stage 1 is US$191.9 million (2022: US$191.9 million). Sales De Jujuy Pte Ltd has provided security in favour of Mizuho Bank over the shares it owns in Sales De Jujuy S.A. and JOGMEC covers 82.35% of the outstanding principal amount. As at 30 June 2023 the stage 1 loan has an outstanding principal balance of US$28.5 million (2022: US$48.1 million). The interest rate for stage 1 is SOFR + 0.80%. The interest rate related to 88.6% of the loan was hedged in 2015 with such rate currently 4.896% until the last repayment in September 2024.

The total project loan facility for Stage 2 is US$180 million (2022: US$180 million). The total US$180 million (2022: US$180 million) has been drawn down as at 30 June 2023 with US$18 million (2022: nil) repaid, resulting in an outstanding principal balance of US$162 million (2022: US$180 million). The interest rate for Stage 2 is a fixed rate of 2.5119% per annum until September 2023 and then 2.6119% per annum until expiry in March 2029.

The fair value of loans and borrowings are US$184.2 million (2022: the carrying amounts approximate fair value less transaction costs). Fair value has been determined using a discounted cash flow valuation technique based on contractual and expected cashflows and current market interest rates.

(b) Working Capital Facility

During the financial year the working capital facilities of Sales De Jujuy S.A. of the Group were not drawn.

Note 16: Net cash/debt (continued)

(c) Loan repayable to a related party – Toyota Tsusho Corporation (TTC) and other associated entities

Current loans owing to related parties total US$5.1 million (2022: nil) bears interest at SOFR + 6% per annum payable prior to July 2024. Non-current loans owing to related parties total US$78.9 million (2022: US$84.8 million):

- US$39.5 million (2022: US$50.1 million) bears interest at SOFR + 6% (2022: LIBOR + 6%) per annum and will be payable prior to July 2028.
- US$39.1 million (2022: US$34.4 million) bears interest at SOFR + 6% (2022: LIBOR + 6%) per annum and will be payable prior to July 2030.
- US$273,000 (2022: US$273,000) bears interest at SOFR + 0.75% (2022: LIBOR + 0.75%) per annum and will be payable prior to July 2029.

A further loan drawdown from TTC during the year totalled US$15.3 million (2022: US$7.8 million).

Loans and Borrowings

The carrying amounts of the loans and borrowings approximate fair value. Fair value has been determined using a discounted cash flow valuation technique based on contractual and expected cash flows and current market interest rates (Level 2).

(d) Short Term Deposits

The effective interest rate on USD denominated short term deposits was 5.48% p.a. (2022: 1.95% p.a.). The Group has US$142.3 million (2022: US$0.6 million) ARS denominated short term deposits with an effective interest rate of 83% p.a. (2022: 54% p.a.).

Short term deposits held at 30 June 2023 can be readily converted to cash with notice to the relevant financial institution with no substantial penalty. Cash and short-term deposits are disclosed in the cash flow statement, net of bank overdrafts.

Amounts of US$2.3 million (2022: US$7.9 million) and US$76.7 million (2022: US$83.9 million) have been set aside as reserves to provide cash backing for guarantees provided by TTC for the Naraha debt facility and the stage 2 debt facility, respectively. In agreement with TTC, US$135 million (2022: US$135 million) of cash was reserved to support pre completion guarantees provided by TTC in relation to the stage 2 loan facility of US$180 million (2022: US$180 million). Amounts are reserved as the debt facilities are drawn down.

Of the maximum reserve funds of US$135 million up to US$60 million (2022: US$60 million) can be used to fund stage 1 activities. The remaining US$75 million (2022: US$75 million) of the reserved funds plus any unused stage 1 reserve of US$60 million can be used to fund cost overruns, VAT and working capital spend. As at 30 June 2023 reserves set aside have reduced from US$135 million at inception to US$76.7 million (2022: US$95.0 million).

Allkem pays TTC 2.5% per annum on any funds used out of the US$135 million. All funds in reserve accounts are controlled by Allkem. The requirements to maintain reserve accounts will cease once TTC is no longer required to provide pre completion guarantees. Upon completion, when specific milestones are attained, JOGMEC will guarantee 82.35% of such loan and hence the unused reserved funds will be reduced by such percentage and become unrestricted funds.

(e) Non-current Financial Assets

The non-current financial assets are long term cash deposits funded by shareholders to partially secure borrowings of the Group. These deposits are non-interest bearing and are generally held until the borrowings have been repaid. The carrying value approximates fair value.

Capital management

Capital includes equity attributable to the equity holders of the Parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit profile and healthy capital ratios to support its business and maximise shareholder value.

Note 16: Net cash/debt (continued)

The Group manages its capital structure and appropriately adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the financial year.

The change in the gearing ratio in 2023 reflects the increase in cash held in term deposits as a result of the cash generated from the profitable operations of the Group.

Recognition and measurement

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Loans and borrowings

Borrowings are initially recognised at fair value net of transaction costs. Interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

Borrowing costs which are directly attributable to the construction of a qualifying asset are capitalised during the period of time that is required to complete the asset for its intended use. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the specific debt relating to the asset 2.9% (2022: 2.1%).

Note 17: Financial risk management

The Group’s financial instruments comprise deposits with banks, financial assets, amounts receivable and payable, interest-bearing liabilities, financial liabilities, and financial derivatives. The main purpose of these financial instruments is to provide finance for Group operations.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the risk management policies and reports to the Board.

17a) Market risk

Market risk is the risk adverse movements in foreign exchange and or interest rates will affect the Group’s financial performance or the value of its holdings of financial instruments. The objective of risk management is to manage the market risks inherent in the business to protect the profitability and return on assets.

i) Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of reasonably possible changes in market interest rates arises in relation to the Group's cash and debt balances. This risk is managed through the renewal of the hedge portion of Stage 1 debt by the use of interest rate swaps during the period that the debt is floating, and fixed term deposits.

At reporting date, the Group has net exposure of (US$572,399,000) (2022: (US$397,352,000)) to interest rate risk.

During the year, the net realised loss arising from interest rate hedging activities for the Group was US$1,010,000 (2022: US$2,945,000) as a result of market interest rates closing lower than the average hedged rate. The total realised loss represents the effective portion of the hedge which has been recognised in interest expense.

Note 17: Financial risk management (continued)

17a) Market risk (continued)

i) Interest rate risk (continued)

Interest rate sensitivity

With all other variables held constant, the Group's profit after tax and equity are affected through the impact of floating and/or fluctuating interest rates on cash, receivables, borrowings and financial instruments as follows:

	2023	2022
	US$'000	US$'000
Effect on profit after tax and equity as a result of a:		
1% +/- reasonably possible change in interest rates	**(4,007)**	(2,781)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment. The debt repayments to a related party are either fixed interest or the interest is being capitalised as part of the expansion project, refer to Note 16.

ii) Foreign currency risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk arising from currency exposures to Australian Dollar (AUD) and Argentinean Peso (ARS), arising from the purchase of goods and services, VAT receivables and income tax payables. The Group does not currently undertake any hedging of foreign currency items.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a possible change in the AUD and ARS exchange rates relative to the US$, with all other variables held constant. The impact on the Group's profit after tax and equity is due to changes in the fair value of monetary assets and liabilities.

	2023	2022
	US$'000	US$'000
Effect on profit after tax and equity as a result of a:		
50% +/- reasonably possible change in US$ (vs ARS)	**(20,014)**	(13,490)
10% +/- reasonably possible change in US$ (vs AU$)	**1,410**	1,694

iii) Market role commodity price risk

Allkem's lithium chemicals are sold into global markets. The market prices of lithium are key drivers of the Group's capacity to generate cashflow.

The prices of lithium chemicals have fluctuated widely in recent years; with significant price increases experienced in the current year. Many of these factors are beyond the control of the Group including, but not limited to, the relationship between global supply and demand for lithium chemicals which may be affected by, but not limited to:

- development and commercial acceptance of lithium-based applications and technologies, and/or
- the introduction of new technologies that may not be based on lithium,
- forward selling by producers,
- the cost of production,
- new mine developments and mine closures,
- advances in various production technologies for such minerals and general global economic conditions.

The prices of lithium and other commodities can also be affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand issues. These factors may have an adverse effect on the Group's production, development, and exploration activities, as well as its ability to fund its future activities. All sales contracts are agreed in USD or USD equivalent prices. The spodumene concentrate contracts are agreed for the period up to 3 years and lithium carbonate contracts up to 7 years.

Note 17: Financial risk management (continued)

17a) Market risk (continued)

iv) Effects of hedge accounting on the consolidated balance sheet and consolidated profit and loss

The impact of hedging instruments designated in hedging relationships on the consolidated statement of financial position is as follows:

	Notional amount		Carrying amount assets/(liability)		Change in fair value used for measuring ineffectiveness	
	2023	2022	**2023**	2022	**2023**	2022
Cashflow hedges - Interest rate risk	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Interest rate swaps	**25,425**	42,585	**163**	(1,422)	**(1,585)**	(3,948)

The impact of hedged items designated in hedging relationships on the consolidated statement of financial position is as follows:

	Cashflow hedge reserve		Change in fair value used for measuring ineffectiveness	
	2023	2022	**2023**	2023
Cashflow hedge (before tax)	**US$'000**	US$'000	**US$'000**	US$'000
Forecast floating interest payments	**1,705**	1,033	**(1,585)**	(3,948)

The interest rate swaps have a hedge ratio of 1:1 (2022: 1:1). A hedging gain of US$1,010,000 (2022: US$2,945,000) was recognised in other comprehensive income. US$804,000 (2022: US$2,799,000) was reclassified from other comprehensive income to finance costs in the profit and loss. Material ineffectiveness related to cashflow hedges was not recognised.

17b) Liquidity risk

Liquidity risk is the risk that the Group will not be able meet its financial obligations as they fall due. This risk is managed by ensuring, to the extent possible, that there is sufficient liquidity (through cash and cash equivalents and available borrowing facilities) to meet liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

	Within 12 months	1 to 5 years	Over 5 years	Total	Carrying amount
	US$'000	US$'000	US$'000	US$'000	US$'000
Payables	**137,352**	**29,022**	**-**	**166,374**	**166,374**
Loans and borrowings	**51,403**	**237,549**	**60,172**	**349,124**	**274,275**
Lease liabilities	**13,329**	**18,227**	**21,690**	**53,246**	**53,246**
Total as at 30 June 2023	**202,084**	**284,798**	**81,862**	**568,744**	**493,895**
Payables	96,443	30,973	-	127,416	127,416
Loans and borrowings	43,698	150,806	295,602	490,106	311,677
Lease liabilities	14,270	27,968	29,936	72,174	48,419
Derivatives - interest rate swap	1,086	336	-	1,422	1,422
Total as at 30 June 2022	155,497	210,083	325,538	691,118	488,934

Note 17: Financial risk management (continued)

17c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables), receivables from associate, and from its treasury activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Customer credit risk is managed by each business unit subject to the Group's procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly reviewed. An impairment analysis is performed at each reporting date by assessing the expected credit loss customers with outstanding balances. The provision rates are based on historic experience, customer profile and economic conditions.

Generally, trade receivables are written-off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6. The Group does not hold collateral as security. As at 30 June 2023, the Group had nil provisions (2022: US$224,000) for expected credit loss.

The receivable from associate is considered to have a low credit risk.

Credit risk on cash transactions and derivative contracts is managed through the Board approval. The Group's net exposures and the credit ratings of its counterparties are regularly confirmed.

17d) Fair values

The fair value of cash, cash equivalents and non-interest-bearing financial assets and liabilities approximates their carrying value due to their short maturity. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined using valuation techniques. These valuation techniques maximise the use of observable market data where available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The Group measures and recognises interest rate swaps at fair value on a recurring basis.

The fair value of interest rate swaps has been determined as the net present value of contracted cashflows. These values have been adjusted to reflect the credit risk of the Group and relevant counterparties, depending on whether the instrument is a financial asset or a financial liability. The existing exposure method, which discounts estimated future cash flows to present value using credit adjusted discount factors.

The fair value of non-current borrowings is estimated by discounting the future contractual cash flows at the current market interest rates that are available to Allkem for similar financial instruments. For the period ended 30 June 2023 the borrowing rates were determined to be between 2.37% to 2.89% (2022: 2.1% to 2.13%) for USD denominated debt.

No financial assets or liabilities are readily traded on organised markets in a standardised form. The aggregate values and carrying amounts of financial assets and liabilities are disclosed in the statement of financial position and notes to the financial statements. Fair values are materially in line with carrying values. The shares in listed entities comprise listed investments for which a Level 1 fair value hierarchy has been applied (quoted price in an active market).

Note 17: Financial risk management (continued)

17d) Fair values (continued)

Financial assets	Note	Carrying Amount 2023 US$'000	Carrying Amount 2022 US$'000	Fair Value 2023 US$'000	Fair Value 2022 US$'000
Cash and cash equivalents	16	**821,429**	663,538	**821,429**	663,538
Financial assets - non-current	16	**21,372**	16,356	**21,372**	16,356
Financial Assets at FVOCI		**3,474**	4,048	**3,474**	4,048
Financial assets at amortised cost:					
Trade and other receivables - current	6	**99,033**	61,283	**99,033**	61,283
Trade and other receivables - non-current	6	**1,216**	1,911	**1,216**	1,911
Financial assets at fair value:					
VAT tax credits & other tax receivable - current	6	**41,866**	20,521	**41,866**	20,521
Receivable from a joint venture party - current	6	**2,016**	-	**2,016**	-
Receivable from a joint venture party - non-current	6	**6,134**	6,555	**6,134**	6,555
Receivable from associate	6	**31,934**	16,463	**31,934**	16,463
VAT tax credits	6	**3,440**	24,312	**3,440**	24,312
Total financial assets		**1,031,914**	814,987	**1,031,914**	814,987

Financial liabilities	Note	Carrying Amount 2023 US$'000	Carrying Amount 2022 US$'000	Fair Value 2023 US$'000	Fair Value 2022 US$'000
Financial liabilities at amortised cost:					
Trade and other payables - current	13	**137,354**	96,443	**137,354**	96,443
Trade and other payables - non-current	13	**29,022**	30,973	**29,022**	30,973
Loans and borrowings - current	16	**42,519**	37,574	**42,047**	37,574
Loans and borrowings - non-current	16	**231,756**	274,103	**225,915**	274,103
Financial liabilities at fair value:					
Derivatives - interest rate swap		**-**	1,422	**-**	1,422
Total financial liabilities		**440,651**	440,515	**434,338**	440,515

17e) Liabilities arising from financing activities

Changes in liabilities arising from financing activities:

	Note	**1 July 2022 US$'000**	**Business Combination US$'000**	**Net Cash Flow US$'000**	**Other US$'000**	**30 June 2023 US$'000**
Financial liabilities						
Current						
Loans and borrowings	16	**37,574**	**-**	**-**	**4,945**	**42,519**
Lease liabilities	12	**10,197**	**-**	**(9,320)**	**12,452**	**13,329**
Non-current						
Loans and borrowings	16	**274,103**	**-**	**(37,402)**	**(4,945)**	**231,756**
Lease liabilities	12	**38,222**	**-**	**-**	**1,695**	**39,917**
Total financial liabilities arising from financing activities		**360,096**	**-**	**(46,722)**	**14,147**	**327,521**

	Note	1 July 2021 US$'000	Business Combination US$'000	Net Cash Flow US$'000	Other US$'000	30 June 2022 US$'000
Financial liabilities						
Current						
Loans and borrowings	16	34,683	-	2,880	11	37,574
Lease liabilities	12	2,562	15,635	(9,413)	1,413	10,197
Non-current						
Loans and borrowings	16	266,278	-	8,247	(422)	274,103
Lease liabilities	12	33,123	-	-	5,099	38,222
Total financial liabilities arising from financing activities		336,646	15,635	1,714	6,101	360,096

Note 18: Share-based payments

Performance Rights & Option Plan (PROP)

Under the Performance Rights & Option Plan (PROP), awards are made to executives and employees who have an impact on the Group's performance and are delivered in the form of options and rights.

Prior to 2022, Performance Rights (PRs) awarded under the PROP vest over a period of 3 years and are subject to the following Total Shareholder Return (TSR) outperformance conditions, and continuous service until the vesting date.

TSR performance condition (absolute, 50%)	Proportion of PROP which vest
If TSR falls below 7.5% return per annum	None of the performance rights vest
If TSR lies between 7.5% and 10% return per annum	50% of the performance rights vest
If TSR lies between 10% and 12.5% return per annum	75% of the performance rights vest
If TSR lies at or above the 12.5% return per annum	100% the performance rights vest
TSR performance condition (relative, 50%) [1]	**Proportion of PROP which vest**
Less than 50th percentile	None of the performance rights vest
Equal to or greater than 50th percentile	50% of the performance rights vest
Greater than 75th percentile	100% of the performance rights vest

1. TSR performance condition over the measurement period relative to the constituent companies of the ASX 300 Resources Index subject to the thresholds.

Following the review of the PROP, the performance conditions were revised in March 2022 and approved by the shareholders at the Annual General Meeting in November 2022. Under the updated PROP, Performance Rights awarded as a Long Term Incentive (LTI) vest over a period of 3 years and are subject to continuous service until the vesting date, and subject to either revised TSR performance conditions or production capacity performance conditions. The PRs have an expiry date of the earlier of 2 years after the vesting date and 5 years after the grant date.
The key performance conditions of the updated plan are as follows:

Relative TSR performance condition
The relative TSR performance condition measures the company's Total Shareholder Return over a three-year period relative to the TSR of a comparator peer group of 20 (2022: 20) companies.

Performance condition – Relative TSR	Proportion of Relative TSR Awards vesting
If Relative TSR below 50th percentile	Nil
If Relative TSR at 50th percentile	50%
If Relative TSR between 50th and 75th percentile	Straight-line pro-rata between 50% and 75%
If Relative TSR above 75th percentile	100%

Production Capacity performance condition
The production capacity performance condition measures the production capacity achieved by the Group against the production capacity target. The production capacity target for this purpose means the annualised demonstrated Lithium Carbonate Equivalent (LCE) production capacity of the Group's assets at the measurement date.

There are two types of Performance Rights with these performance conditions, a Base Production Capacity Performance Rights (Base PCPR) and a Bonus Production Capacity Performance Rights (Bonus PCPR).

Note 18: Share-based payments (continued)

Performance Rights & Option Plan (PROP) (continued)

Production Capacity Vesting Percentage:
Performance conditions for 2023-PROP
Measurement date: 30 June 2025

Achievement (tonnes)	% of Base	% Bonus PCPR to vest
120,000 or more	100%	100%
115,000 to 119,999	100%	80%
110,000 to 114,999	100%	60%
105,000 to 109,999	100%	40%
100,001 to 104,999	100%	20%
100,000	100%	0%
75,000 to 99,990	Pro-rata straight line vesting 75% to 99%	0%
Less than 75,000	Nil	0%

Performance conditions for 2022-PROP
Measurement date: 30 June 2024

Achievement (tonnes)	% of Base	% Bonus PCPR to vest
100,000 or more	100%	100%
95,000 to 99,999	100%	80%
90,000 to 94,999	100%	60%
85,000 to 89,999	100%	40%
80,000 to 84,999	100%	20%
75,000 to 79,999	100%	0%
56,250 to 74,999	Pro-rata straight line vesting 75% to 99%	0%
Less than 56,250	Nil	0%

Other Performance Rights

Short Term Incentive (STI) Performance Rights are awarded as part of executives' and employees' short term incentives. The amount received is dependent on achieving individual performance objectives and are subject to continuous service until the vesting date.

Long Term Awards to a limited number of value employees not on PROP plans, and Merger Retention Performance Rights are subject to continuous service until the vesting date. The PRs have an expiry date of the earlier of 2 years after the vesting date and 5 years after the grant date.

Note 18: Share-based payments (continued)

Performance Rights

Movements in the year of unvested performance rights are:

Grant Date	Vesting date	Expiry date	Exercise price (AU$)	1 July 2022 No.	Granted No.	Vested No.[1]	Forfeited/ lapsed No.	30 June 2023 No.
11 Mar 2020	31 Aug 2022	30 Sep 2022	-	1,221,519	-	(1,221,519)	-	**-**
13 Nov 2020	31 Aug 2023	30 Sep 2023	-	228,649	-	-	-	**228,649**
17 Dec 2020	31 Aug 2023	30 Sep 2023	-	991,410	-	(174,036)	(57,304)	**760,070**
10 Nov 2021	25 Aug 2022	25 Aug 2024	-	214,870	-	(214,870)	-	**-**
10 Nov 2021	25 Aug 2023	25 Aug 2025	-	168,053	-	-	(20,523)	**147,530**
10 Nov 2021	25 Aug 2024	25 Aug 2026	-	54,500	-	-	(19,578)	**34,922**
30 Nov 2021	30 Sep 2022	30 Sep 2024	-	131,219	-	(115,344)	(15,875)	**-**
30 Nov 2021	30 Sep 2023	30 Sep 2025	-	42,621	-	(17,755)	-	**24,866**
30 Nov 2021	30 Sep 2024	30 Sep 2026	-	222,806	-	(66,153)	-	**156,653**
22 May2022	1 Sep 2022	1 Sep 2024	-	270,997	-	(242,404)	(28,593)	**-**
22 May2022	30 Sep 2024	30 Sep 2026	-	634,290	-	-	(89,997)	**544,293**
22 May2022	30 Sep 2024	30 Sep 2026	-	65,357	-	-	(7,676)	**57,681**
15 Nov 2022	15 Nov 2025	15 Nov 2027	-	-	129,923	(9,450)	-	**120,473**
15 Nov 2022	15 Nov 2023	15 Nov 2025	-	-	48,189	-	-	**48,189**
23 Dec 2022	1 Sep 2023	1 Sep 2025	-	-	337,439	-	(12,142)	**325,297**
23 Dec 2022	1 Sep 2024	1 Sep 2026	-	-	43,615	-	-	**43,615**
23 Dec 2022	1 Sep 2025	1 Sep 2027	-	-	942,295	-	(25,700)	**916,595**
21 Mar 2023	1 Sep 2023	1 Sep 2025	-	-	35,525	-	-	**35,525**
21 Mar 2023	1 Sep 2025	1 Sep 2027	-	-	47,775	-	-	**47,775**
Total performance rights – unvested				**4,246,291**	**1,584,761**	**(2,061,531)**	**(277,388)**	**3,492,133**

1. The performance rights held by Mr Kaplan (formerly CFO, deceased 10 February 2023) are deemed to have vested for accounting purposes.

Movements in the year of performance rights that have vested and not exercised are:

	Exercise price (AU$)	1 July 2022 No.	Vested No.	Exercised No.	30 June 2023 No.
Total performance rights – vested and not exercised	**-**	**-**	**2,061,531**	**(1,584,104)**	**477,427**

During the year, 186,050 PRs (2022: 396,646) were granted to the KMP. Refer to the Remuneration Report for further details of PRs issued to KMP.

1,004,412 PRs were granted pursuant to the Company's LTI plan for Nil consideration (2022: 922,453). 364,393 PRs were granted during the year for the FY22 STI (2022: 360,119) and were issued for nil consideration. In 2022, 522,141 PRs were granted to staff as Merger Retention Bonuses. All PRs are exercisable at AU$0.00. PRs granted as STI and Merger Retention Bonus vest on the above dates providing continuous employment is maintained. 89,881 PRs (2022: 65,357) granted under the LTI plan vest to employees providing continuous employment is maintained. Remaining PRs granted under the LTI plan are subject to Relative TSR or Production hurdles.

All PRs granted are over ordinary shares, which confer a right of one ordinary share per PR. The PRs hold no voting or dividend rights. At the end of the financial year there are 695,793 PRs on issue to KMP (2022: 1,271,634).

At the date of issue, the weighted average share price of PRs granted in the current year was AU$11.81 (2022: AU$11.51). The PRs outstanding at 30 June 2023 had a weighted average exercise price of AU$0.00 (2022: AU$0.00) and a weighted average remaining contractual life of 1.06 years (2022: 1.04 years).

Note 18: Share-based payments (continued)

Performance rights (continued)

The weighted average fair value of options and PRs granted during the year was AU$12.17 (2022: AU$11.07).

The fair value of PRs granted is deemed to represent the value of the employee services received over the vesting period. The fair value of equity settled PRs are estimated at the date of grant using a Monte Carlo Simulation with the following inputs (taking into account the performance conditions described above):

PR Grant	2021 - PROP				2022 - LTI	
Grant date	13-Nov-20	13-Nov-20	17-Dec-20	17-Dec-20	30-Nov-21	30-Nov-21
Number issued	114,325	114,324	538,154	538,154	89,122	133,684
Fair value at grant date (AU$)	1.79	2.20	3.25	3.60	7.73	10.22
Share price (AU$)	2.97	2.97	4.31	4.31	10.22	10.22
Exercise price (AU$)	-	-	-		-	-
Expected volatility	52%	52%	53%	53%	54%	54%
Right's life	3 years	3 years	3 years	3 years	2.8 years	2.8 years
Expected dividends	-	-	-	-	-	-
Risk-free interest rate	0.10%	0.10%	0.10%	0.10%	0.81%	0.81%

PR Grant	2022 - LTI				2022 - Merger Completion	
Grant date	22-May-22	22-May-22	22-May-22	22-May-22	10-Nov-21	30-Nov-21
Number issued	229,826	143,652	260,812	65,357	161,976	42,097
Fair value at grant date (AU$)	13.05	13.05	10.81	13.05	9.18	10.22
Share price (AU$)	13.05	13.05	13.05	13.05	9.18	10.22
Exercise price (AU$)	-	-	-	-	-	-
Expected volatility	55%	55%	55%	55%	55%	54%
Right's life	2.4 years	2.4 years	2.4 years	2.4 years	0.8 years	0.8 years
Expected dividends	-	-	-	-	-	-
Risk-free interest rate	2.62%	2.62%	2.62%	2.62%	1.73%	0.81%

PR Grant	2022 - Merger Completion				2023 - LTI	
Grant date	10-Nov-21	10-Nov-21	10-Nov-21	10-Nov-21	15-Nov-22	15-Nov-22
Number issued	52,894	52,894	115,159	54,500	51,969	77,954
Fair value at grant date (AU$)	9.18	9.18	9.18	9.18	10.71	14.25
Share price (AU$)	9.18	9.18	9.18	9.18	14.25	14.25
Exercise price (AU$)	-	-	-	-	-	-
Expected volatility	55%	55%	55%	55%	56%	56%
Right's life	0.8 years	1.8 years	1.8 years	2.8 years	2.9 years	2.9 years
Expected dividends	-	-	-	-	-	-
Risk-free interest rate	1.73%	1.73%	1.73%	1.73%	3.27%	3.27%

PR Grant	2023 - LTI				2023-STI		
Grant date	23-Dec-22	23-Dec-22	21-Mar-23	21-Mar-23	15-Nov-22	23-Dec-22	21-Mar-23
Number issued	340,847	601,448	18,237	29,538	48,189	313,824	14,522
Fair value at grant date (AU$)	9.06	13.13	6.61	10.28	14.25	13.13	10.28
Share price (AU$)	13.13	13.13	10.28	10.28	14.25	13.13	10.28
Exercise price (AU$)	-	-	-	-	-	-	-
Expected volatility	55%	55%	53%	53%	56%	55%	53%
Right's life	2.7 years	2.7 years	2.5 years	2.5 years	0.8 years	0.7 years	0.8 years
Expected dividends	-	-	-	-	-	-	-
Risk-free interest rate	3.01%	3.01%	2.83%	2.83%	3.27%	3.01%	2.83%

Note 18: Share-based payments (continued)

Recognition and measurement

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements. The total expense arising from share-based payment transactions recognised during the period as part of employee benefit expense was US$10,768,000 (2022: US$5,254,000) and as part of discontinued operations was US$114,000 (2022: US$173,000).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss, expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payments transaction or is otherwise beneficial to the employees as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 5).

Significant judgements and estimates

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and assumptions made.

Note 19: Information relating to subsidiaries

The consolidated financial statements of the Group include:

Entity Name	Country of incorporation Principal place of business Tax residency	% equity interest held by the Group 2023	 2022
Borax Argentina Holding No 1 Pty Ltd [i)]	Australia	**-**	100.00
Borax Argentina Holding No 2 Pty Ltd [i)]	Australia	**-**	100.00
Borax Argentina S.A. [i)]	Argentina	**-**	100.00
Sales De Jujuy Pte Ltd	Singapore	**72.68**	72.68
Sales De Jujuy S.A.	Argentina	**66.50**	66.50
Borax Brasil Pelstras E Conferencias Ltda	Brazil	**100.00**	100.00
La Frontera Minerals S.A.	Argentina	**100.00**	100.00
Olaroz Lithium S.A.	Argentina	**100.00**	100.00
El Trigal S.A.	Argentina	**100.00**	100.00
Los Andes Compañía Minera S.A.	Argentina	**66.81**	66.81
A.C.N. 646 148 754 Pty Ltd	Australia	**100.00**	100.00
Advantage Lithium S.A.	Argentina	**100.00**	85.00
Allkem Corporate Services Pty Ltd [ii)]	Australia	**100.00**	-
South American Salar Minerals Pty Ltd	Australia	**100.00**	100.00
South American Salar S.A.	Argentina	**100.00**	100.00
Galaxy Resources Pty Ltd	Australia	**100.00**	100.00
Galaxy Lithium Australia Pty Ltd	Australia	**100.00**	100.00
Galaxy Resouces International Ltd	Hong Kong	**100.00**	100.00
Galaxy Lithium Holdings BV	Netherlands	**100.00**	100.00
Galaxy Lithium (CANADA) INC	Canada	**100.00**	100.00
Galaxy Lithium ONE INC	Canada	**100.00**	100.00
Galaxy Lithium (ONTARIO) INC	Canada	**100.00**	100.00
Allkem Financial Services Pty Ltd (formerly General Mining Corporation Pty Ltd)	Australia	**100.00**	100.00
Galaxy Lithium (SAL DE VIDA) S.A.	Argentina	**100.00**	100.00

i) Entities disposed and presented as discontinued operations (refer Note 2).
ii) Incorporated 19 December 2022.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

Note 19: Information relating to subsidiaries (continued)

Basis of consolidation (continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Profit from sales of goods to associates which remain on the associate's balance sheet at period end are recognised only to the extent of the unrelated investors' interests in the associate. Allkem's share of the profit on sales to associates is deferred against cost of sales and recognised as an other liability until the goods have been onsold by the associate.

Note 20: Material partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below. The group has an interest of 72.68% in Sales De Jujuy Pte Ltd and 66.5% in Sales De Jujuy S.A. The operations of the business are located in Argentina. The summarised financial information of the subsidiaries is provided below. This information is based on amounts before inter-company eliminations and include fair value from the business combination.

Summarised statement of profit and loss for the year ended 30 June 2023:

	2023	2022
	US$'000	US$'000
Revenue	**592,211**	292,758
Cost of sales	**(50,665)**	(40,982)
Gross profit	**541,546**	251,776
Corporate and administrative costs	**(29,039)**	(15,957)
Selling costs	**(37,200)**	(15,384)
Net finance income/(costs)	**13,830**	(24,153)
Depreciation	**(16,320)**	(17,717)
Foreign exchange	**(79,159)**	(7,478)
Profit before income tax	**393,658**	171,087
Income tax expense	**(158,810)**	(74,935)
Profit for the year from continuing operations	**234,848**	96,152
Other comprehensive income	**672**	1,959
Total comprehensive profit	**235,520**	98,111
Profit attributable to non-controlling interests	**79,586**	31,549

Summarised statement of financial position as at 30 June 2023:

	2023	2022
	US$'000	US$'000
Current assets	**321,011**	180,001
Non-current assets	**1,344,006**	1,117,399
Total assets	**1,665,017**	1,297,400
Current liabilities	**231,127**	75,730
Non-current liabilities	**930,000**	945,131
Total labilities	**1,161,127**	1,020,861
Net assets	**503,890**	276,539
Total equity	**503,890**	276,539
Attributable to:		
Equity holders of the parent	**333,303**	183,747
Non-controlling interest	**170,587**	92,792
Total equity attributable to members	**503,890**	276,539

Note 21: Investment in associate

The Group has a 75% economic interest in Toyotsu Lithium Corporation (TLC). Toyota Tsusho Corporation (TTC) has the remaining (25%) economic interest in TLC. The Group has a 49% ownership interest in TLC and TTC has the remaining 51% ownership interest.

Entity Name	Country of incorporation & principal place of business	% economic interest held by the Group	
		2023	2022
Toyotsu Lithium Corporation (TLC)	Japan	**75.00**	75.00

Reconciliation of the movement in investment in associate is set out below:

	2023	2022
	US$'000	US$'000
Balance at the beginning of year	**890**	4,230
Additional capital contribution during the period	**5,699**	-
Loss from equity accounted investment in associates	**(2,114)**	(2,951)
Foreign currency translation reserve	**(458)**	(389)
Balance at the end of year	**4,017**	890

	2023	2022
	US$'000	US$'000
Revenue	**60,845**	-
Cost of sales	**(60,740)**	-
Corporate and administrative expenses	**(2,833)**	(3,888)
Loss before income tax	**(2,728)**	(3,888)
Income tax expense	**(90)**	(47)
Loss for the period	**(2,818)**	(3,935)
Total comprehensive loss	**(2,818)**	(3,935)
Allkem's share of the loss for the year	**(2,114)**	(2,951)
Allkem's share of total comprehensive loss	**(2,114)**	(2,951)

TLC constructed and now operates the Naraha Lithium Hydroxide Plant, located in Japan. The primary grade lithium carbonate feedstock for the plant is sourced from the Olaroz Lithium Facility's Stage 2 expansion.

On 23 December 2022 the Group made the additional contribution of US$5.7 million to Toyotsu Lithium Corporation.

The Group has invested capital of JPY 1,500 million (2022: JPY 750 million) (US$12.4 million / 2022: US$6.7 million) into TLC.

TLC has been accounted for as an associate due to the fact that Allkem does not have control of TLC; but has significant influence. This is evidenced by Allkem having 2 of the 5 board members whilst decisions are made by a majority. The functional currency of TLC is Japanese YEN, therefore it generates an FCTR on translation to US dollars. A translation difference of US$69,000 (2022: US$301,000) was recognised in the current year. See Note 29c for the Group's accounting policy on Investment in associates and joint arrangements and associates. No dividends have been received from the associate.

Note 21: Investment in associate (continued)

Statement of financial position

	2023	2022
	US$'000	US$'000
Current assets	114,495	29,074
Non-current assets	49,877	68,977
Total assets	164,372	98,051
Current liabilities	107,935	50,820
Non-current liabilities	51,082	46,045
Total liabilities	159,017	96,865
Net assets	5,355	1,186
Contributed equity	16,563	8,964
Reserves	(934)	(323)
Accumulated losses	(10,274)	(7,455)
Total equity	5,355	1,186
Allkem's share of total equity	4,017	890

Note 22: Parent entity information

The following information relates to the parent entity. The ultimate parent entity within the Group is Allkem Limited.

The individual financial statements for the parent entity show the following aggregate amounts below:

	2023	2022
	US$'000	US$'000
Current assets	192,465	341,875
Non-current assets	2,688,066	2,482,719
Total assets	2,880,531	2,824,594
Current liabilities	195,104	74,195
Non-current liabilities	1,222	3,576
Total liabilities	196,326	77,771
Net assets	2,684,205	2,746,823
Contributed equity	2,663,213	2,665,524
Reserves	(37,184)	(43,978)
Accumulated profits	58,176	125,277
Total equity	2,684,205	2,746,823
(Loss)/profit for the year	(5,923)	52,325
Total comprehensive (loss)/income for the year	(5,923)	52,325

The parent entity has several employees. A portion of the costs associated with these employees are borne by a subsidiary of the parent entity and are not included in the above disclosures.

Recognition and measurement

The financial information for the parent entity, Allkem Limited, has been prepared on the same basis as the consolidated financial statements, except investments in subsidiaries, associates and joint venture entities are accounted for at cost in the individual financial statements of Allkem Limited.

Note 23: Companies covered by Deed of Cross Guarantee

The wholly-owned subsidiaries listed below have entered into a Deed of Cross Guarantee with Allkem Limited in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and are relieved from the Corporations Act 2001 requirement to prepare and lodge an audited financial report and directors' report. The effect of the deed is that each party guarantees the debts of the others.

The following wholly-owned subsidiaries are party to the Deed of Cross Guarantee during the financial year ended 30 June 2023:

- Allkem Ltd;
- Galaxy Resources Pty Ltd; and
- Galaxy Lithium Australia Pty Ltd.

The table below sets out the statement of financial performance for the entities that are party to the Deed of Cross Guarantee.

	2023	2022
	US$'000	US$'000
Revenue	**615,589**	451,931
Cost of sales	**(46,983)**	(74,077)
Gross profit	**568,606**	377,854
Other income	**7,087**	1,824
Corporate and administrative expenses	**(32,844)**	(20,066)
Acquisition costs	**-**	(12,760)
Merger costs	**(9,514)**	-
Selling expenses	**(52,549)**	(41,640)
Depreciation and amortisation expense	**(78,085)**	(28,558)
Foreign currency gain	**22,191**	18,884
Asset impairment and write down	**(18,515)**	-
Profit before interest and income tax	**406,377**	295,538
Finance income	**49,535**	18,036
Finance costs	**1,102**	(1,390)
Profit before income tax	**457,014**	312,184
Income tax expense	**(116,866)**	(17,989)
Profit for the year	**340,148**	294,195

The above results represent the period of performance that Allkem consolidates the entities that are party to the Deed of Cross Guarantee.

Note 23: Companies covered by Deed of Cross Guarantee (continued)

The table below sets out the statement of financial position for the entities that are party to the Deed of Cross Guarantee.

	2023	2022
	US$'000	US$'000
Current assets		
Cash and cash equivalents	**638,175**	562,504
Trade and other receivables	**114,216**	100,532
Inventory	**41,951**	13,113
Prepayments	**1,583**	834
Total current assets	**795,925**	676,983
Non-current assets		
Other receivables	**306,027**	299,846
Property, plant and equipment	**90,951**	81,751
Financial assets	**5,000**	-
Intangible assets	**168**	252
Exploration and evaluation assets	**8,906**	3,065
Net deferred tax assets	**3,078**	25,217
Investments at fair value through other comprehensive income	**3,474**	4,048
Investment in subsidiaries, associates and joint ventures	**1,956,161**	2,002,326
Other	**2,670**	3,841
Total non-current assets	**2,376,435**	2,420,346
Total assets	**3,172,360**	3,097,329
Current liabilities		
Trade and other payables	**42,405**	41,180
Provisions	**2,326**	1,896
Income tax payable	**73,405**	40,672
Lease liabilities	**9,651**	7,317
Total current liabilities	**127,787**	91,065
Non-current liabilities		
Other payables	**-**	1,670
Loans and borrowings	**-**	723
Provisions	**12,069**	13,357
Lease liabilities	**2,227**	1,820
Total non-current liabilities	**14,296**	17,570
Total liabilities	**142,083**	108,635
Net assets	**3,030,277**	2,988,694
Equity		
Issued capital	**2,663,213**	2,665,524
Reserves	**(37,183)**	(43,978)
Retained earnings	**404,247**	367,148
Total equity	**3,030,277**	2,988,694

Note 24: Reconciliation of profit for the year to net cash generated from operating activities

	2023	2022
	US$'000	US$'000
Profit after income tax	**521,297**	**337,223**
Adjustments for:		
Non-cash employee benefits expense	**10,768**	5,427
Depreciation and amortisation	**98,786**	63,344
Impairment loss	**-**	244
Foreign currency translation reserve transferred to profit	**5,749**	-
Gain on financial instruments	**(66,023)**	(32,033)
Share of net losses of associates	**2,114**	2,951
Unwinding of discount on rehabilitation provision	**1,244**	32
Unrealised foreign exchange	**58,476**	5,038
Changes in operating assets and liabilities:		
(Increase) in receivables	**(44,425)**	(46,254)
(Increase)/decrease in inventory	**(74,802)**	7,965
(Increase) in prepayments	**(20,587)**	(5,955)
Increase/(decrease) in payables	**39,798**	(2,403)
Increase in net deferred tax liabilities	**85,889**	48,898
Increase in income tax payable	**131,482**	44,692
(Decrease) in provisions	**(3,209)**	(5,806)
Increase in other liabilities	**44,353**	18,247
Net cash provided by operating activities	**790,910**	**441,610**

The consolidated statement of cashflows includes both continuing and discontinued operations.

Note 25: Auditors Remuneration

During the year the following fees were paid or payable for services provided by Ernst & Young (EY) as the auditor of the parent entity, Allkem Limited by EY's related network firms.

	2023	2022
	US$	US$
Audit and review of financial statements		
- Australia	**287,505**	323,581
- Argentina	**148,405**	177,500
Other audit services		
- Australia	**368,647**	-
Total auditors' remuneration	**804,557**	**501,081**
Corporate and administrative expenses	**435,910**	446,033
Acquisition and merger costs	**368,647**	-
Discontinued operations	**-**	55,048
Total auditors' remuneration	**804,557**	**501,081**

Note 26: Related party disclosures

Transactions with related parties and outstanding balances

Other Related Parties

The following table provides the total amount of transactions with related parties for the relevant financial year.

	Note	2023 US$	2022 US$
Transactions impacting the statement of profit or loss:			
Sales to a related party	1	**592,211,349**	292,757,620
Interest expense to a related party (gross of any capitalisation)	3f	**(8,387,484)**	(5,009,465)
Transactions impacting the statement of financial position:			
Trade and other receivables from a related party			
Trade receivables - current		**36,716,013**	39,078,658
Other receivables - current	6	**-**	13,869,439
Receivables - non-current i)	6	**31,934,000**	16,462,784
Loans payable to a related party			
Current	16	**5,137,222**	-
Non-current	16	**78,915,783**	84,776,481
Interest payable to a related party			
Current	13	**4,392,192**	-
Non-current	13	**16,658,291**	17,495,483

i) Non-current receivable from associate is denominated in Japanese Yen.

Key Management Personnel

Compensation of Key Management Personnel of the Group:

	2023 US$	2022 US$
Short-term employee benefits	**2,481,676**	2,544,973
Post-employment benefits	**18,928**	20,246
Other long-term benefits	**9,205**	22,903
Share-based payments	**2,106,185**	1,446,613
Total compensation	**4,615,994**	4,034,735

Transactions with Directors and Key Management Personnel

Mr. Turner and Ms. Heredia are respectively partners of legal firms Fasken (based in Canada) and Allende & Brea (based in Argentina) both of which provide professional legal services to the Group. These legal fees are paid by Allkem directly to Fasken and Allende & Brea on an arms' length basis.

The Board has determined that the value of these services is not sufficiently material to interfere with the Directors' capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Group as a whole rather than in the interests of an individual security holder or other party. In addition, Ms. Heredia does not personally receive the Director's fee paid by Allkem. This fee is paid by Allkem directly to Allende & Brea which then distributes the fee in accordance with its partner remuneration policy. Fees paid to Fasken and Allende & Brea for services provided in the 2023 financial year were CAD$979,686 and US$592,707 respectively.

Other than the items noted above, there have been no other transactions with key management personnel of the Group during 2023 (2022: Nil).

Note 27: Commitments

	2023 US$'000	2022 US$'000
Not later than 1 year		
Exploration commitments [i]	**10,657**	1,124
Contracts – Property, plant and equipment [ii]	**179,194**	114,919
Contracts - Operating [ii]	**19,059**	7,104
Total	**208,909**	123,148
Later than 1 year but not later than 5 years		
Exploration commitments [i]	**9,449**	4,762
Contracts - Property plant and equipment [ii]	**51,187**	-
Contracts - Operating [ii]	**33,302**	3,832
Total	**93,938**	8,594

i) The Group must meet minimum expenditure commitments in relation to option agreements over exploration tenements and to maintain those tenements in good standing. The commitments exist at balance sheet date but have not been brought to account. If the relevant mineral tenement is relinquished the expenditure commitment also ceases.
ii) The Group has contractual commitments regarding purchase agreements for construction and equipment at its operations and development sites.
iii) The Group has contractual commitments regarding purchase agreements for consumables and energy at its operations.

Note 28: Subsequent Events

On 25 July 2023, Allkem announced the signing of a US$130 million limited-recourse, sustainability-linked green project financing facility maturing in March 2033, with repayment commencing in March 2026. The facility bears interest at the Secured Overnight Funding Rate (SOFR) plus a margin of 4.8% with adjustments of up to +/- 0.25% based on the performance against agreed sustainability targets, as measured at June 2026, 2028 and 2030. The facility is supported by a guarantee until completion only and subject to affirmative and negative covenants with a requirement to hedge 75% of the floating rate exposure of the facility by completion of the Sal de Vida project.

On 11 August 2023, Allkem announced that effective 9 August 2023 that its James Bay Lithium Project in Quebec, Canada has increased its mineral resources to 110.2 Mt @1.3% Li_2O at a cut-off grade of 0.50% Li_2O. This includes 54.3 Mt @ 1.30% Li_2O in the indicated category and an additional 55.9Mt @ 1.29% Li_2O in the inferred category. The previous feasibility study from December 2021 included indicated resources of 40.3 MT @ 1.40% Li_2O and nil inferred resources at a 0.62% Li_2O cut-off.

Other than disclosed above, there were no significant events occurring after balance date.

Note 29: Summary of significant accounting policies

Other significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Where necessary, comparative information has been reclassified to conform with changes in presentation in the current year.

29a) Goods and Services Tax (GST) and Value-Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST (or overseas: VAT), except:

- When the GST/VAT incurred on a sale or a purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable, and
- When receivables and payables are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

The Group records VAT at fair value due to the hyperinflationary economy in Argentina and the highly devaluing local currency.

Note 29: Summary of significant accounting policies (continued)

29b) Foreign currency translation

The Group's consolidated financial statements are presented in US Dollars, which is the Parent's presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into USD at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the average exchange rate for each month of the financial year. The exchange differences arising on translation for consolidation purposes are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

29c) Investment in associates and joint arrangements

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

The Group's investments in its joint ventures are accounted for using the equity method. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Note 29: Summary of significant accounting policies (continued)

29c) Investment in associates and joint arrangements (continued)

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 29d.

The financial statements of the joint venture are prepared for the same reporting period as the Group. The financial statements of the associates are not aligned with group and the necessary disclosures are noted in Note 21. Adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

29d) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets in which case the asset is allocated to its appropriate CGU.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. The Group bases its impairment calculation on budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

The Group considers annually whether there have been any indicators of impairment and then tests whether non-current assets, including Investments in associates, property, plant and equipment and right-of-use assets, have suffered any impairment. If there are any indicators of impairment, the recoverable amounts of CGU's have been determined based on value in use calculations or fair value less cost of disposal. The assessment of impairment indicators and impairment calculations require the use of assumptions and estimates.

29e) Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which: represents a separate major line of business or geographical area of operations; or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the earliest comparative year presented.

29f) Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of the cashflows of recognised assets and liabilities, and highly probable forecast transactions (cashflow hedges).

29f) Derivative financial instruments and hedge accounting (continued)

At inception, the Group documents the relationship between hedging instruments and hedged items, the risk management objective and the strategy for undertaking various hedge transactions.

The Group, at inception and on an ongoing basis, documents its assessment of whether the derivatives used in hedging transactions have been, and will continue to be, highly effective in offsetting future cashflows of hedged items. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

The fair values of derivative financial instruments used for hedging purposes are disclosed in this section. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cashflow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income, and accumulated in reserves in equity limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. Ineffectiveness may arise where the timing of the transaction changes from what was originally estimated, or differences arise between credit risk inherent within the hedged item and the hedging instrument. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expense. When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for at the time of the hedge relationship rebalancing.

29g) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in corporate and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Note 29: Summary of significant accounting policies (continued)

29g) Business combinations (continued)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as a financial liability are subsequently remeasured to fair value with changes to fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the difference is recognised directly in profit or loss as a bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

29h) New and amended standards and interpretations adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year. There were no new and amended accounting standards and interpretations applied for the first time during the year by the Group that had an impact on the amounts recognised in prior periods or expected to significantly affect the current or future periods.

29i) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These new accounting standards and interpretations not yet adopted are not expected to have a material effect on the Group in the current period and on foreseeable future transactions.

Directors' Declaration

In accordance with a resolution of the directors of Allkem Limited, I state that:

1. In the opinion of the Directors:

    a) the financial statements and notes of Allkem Limited for the financial year ended 30 June 2023 are in accordance with the Corporations Act 2001, including:

        i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

        ii. complying with Accounting Standards and the Corporations Regulations 2001;

    b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in the Notes; and

    c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors by the Chief Executive Officer and (Acting) Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

Peter Coleman
Non-executive Chairman
22 August, 2023

Martin Perez de Solay
Managing Director and CEO
22 August, 2023

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Independent Auditor's Report to the Members of Allkem Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Allkem Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

Disposal of Borax Argentina S.A. and acquisition of Maria Victoria lithium tenement

Why significant	How our audit addressed the key audit matter
On 16 December 2022, the Group completed the sale of Borax Argentina S.A ("Borax") to Golden Wattle Springs Pty Ltd ("Golden Wattle") and acquired the María Victoria lithium tenement from Minera Santa Rita S.R.L ("MSR"). Golden Wattle is an entity under the control of MSR and the disposal and acquisition transactions were entered at the same time in contemplation of each other. Importantly, the María Victoria lithium tenement is an exploration asset in respect of which there was no measured reserves or resources at the time of the transaction. As disclosed in Note 2 to the financial statements, in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* the Group has treated the arrangement as an exchange transaction because of the interdependencies between the two transactions. The Group measured the cost of the acquired María Victoria lithium tenement with reference to the net assets given up by the Group on disposal of Borax, including the cash consideration received and paid between the Group and MSR. As a result, no gain or loss was recognised in profit or loss for the disposal of Borax. As required by AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, the Group separately discloses Borax's revenue and expense as a profit or loss from discontinued operations in the Group's consolidated statement of profit or loss for the year ended 30 June 2023 and re-presents the comparative period financial information. Given the complexity and judgement in the Group's accounting for the exchange transaction and the related disclosures in the financial report, we considered this to be a key audit matter.	Our audit procedures included the following: • Read the various interdependent, contractual agreements executed by the Group, MSR and Golden Wattle to give effect to the transactions. • Evaluated the Group's determination that the transaction was an exchange transaction with reference to relevant Australian Accounting Standards. • Assessed the Group's ability to reliably measure the fair value of the acquired María Victoria lithium tenement in the absence of measured reserves or resources. • Assessed the appropriateness of the Group's determination to measure the cost of the María Victoria lithium tenement with reference to the fair value of Borax's net assets at the date of the transaction (including the cash consideration received and paid between the Group and MSR) and the related judgement that the fair value of Borax's net assets was equivalent to their book value. • Tested the net assets of the Borax business disposed of as part of the exchange transaction at the completion date, including but not limited to cash, inventory, trade receivable, payables, rehabilitation provisions and property, plant and equipment. • Agreed cash consideration received and paid between the Group and MSR to bank statements • Involved EY's taxation specialists to assess the Australian capital gains tax impacts of the disposal of Borax and deferred tax accounting impacts of the acquisition of the María Victoria lithium tenement. • Assessed the adequacy of the disclosures in Note 2 to the financial statements.

Current and deferred tax accounting

Why significant	How our audit addressed the key audit matter
The Group has operations in several jurisdictions, including Argentina which is a hyperinflationary economy, and is subject to tax legislation and regulation in those jurisdictions. This creates complexity in the calculation of the Group's consolidated income tax position. As disclosed in Note 4 to the financial statements, the Group's income tax expense calculation includes a number of significant adjustments for the year ended 30 June 2023, including: • Adjustments for the different taxes and tax rates applicable in those jurisdictions in which the Group operates; and • Adjustment to tax bases of assets and liabilities (including carry forward tax losses and tax credits) of the Group's Argentinean operations and the associated deferred tax impact due to: ▪ The devaluation of the Argentinean Peso compared to the US dollar; and ▪ Application of specific Argentinean tax legislation in respect of inflation. Given the judgement and complexity in applying tax legislation, particularly as it relates to Argentina, this was considered a key audit matter.	Our audit procedures included the following: • Involved EY's taxation specialists in Australia and Argentina to consider the current and deferred tax balances for consistency with Australian Accounting Standards and applicable, jurisdiction specific tax legislation, including the impact of the devaluation of the Peso and inflation in Argentina. • Evaluated the competence and objectivity of the Group's external tax advisor who assisted the Group in assessing the application of Argentinean tax legislation and regulation in respect of inflation. • Assessed the Group's basis for: ▪ Recognising deferred tax assets for tax losses in Australia and Argentina, including consideration of criteria such as continuity of ownership and available fractions that effect the availability of tax losses; and ▪ Not recognising deferred tax assets for tax losses and temporary differences in jurisdictions, or for entities, where it was assessed the recovery of the deferred tax asset was not sufficiently probable at this time. • Assessed the adequacy of the disclosures included in Note 4 to the financial statements.

Information Other than the Financial Report and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company’s 2023 Annual Report, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Auditor's Independence Declaration to the Directors of Allkem Limited

As lead auditor for the audit of the financial report of Allkem Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b) No contraventions of any applicable code of professional conduct in relation to the audit; and

c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Allkem Limited and the entities it controlled during the financial year.

Ernst & Young

Andrew Carrick
Partner
22 August 2023

Shareholder and ASX Information

The following additional information is required by the ASX Limited (ASX) Listing Rules and is not disclosed elsewhere in this report.

The following information is provided as at 8 August 2023.

Distribution of Ordinary Shares

Fully Paid Ordinary Shares (Total) | Composition: CA, ORD

Range	Total holders	Units	% Units
1 – 1,000	28,002	10,977,813	1.72
1,001 – 5,000	15,815	37,206,383	5.83
5,001 – 10,000	3,077	21,937,051	3.44
10,001 – 100,000	2,224	54,038,061	8.47
100,001 Over	134	513,498,778	80.53
Rounding			0.01
Total	**49,252**	**637,658,086**	**100.00**

Distribution of Performance Rights

Range	Total holders	Units	% Units
1 – 1,000	113	46,215	1.17%
1,001 – 5,000	84	214,787	5.45%
5,001 – 10,000	38	257,036	6.52%
10,001 – 100,000	58	1,534,662	38.92%
100,001 Over	8	1,890,536	47.94%
Total	**301**	**3,943,236**	**100%**

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $ 14.7000 per unit	35	685	8,154

Top 20 Shareholders

Rank	Name	Units	% Units
1	HSBC Custody Nominees (Australia) Limited	163,063,406	25.57
2	J P Morgan Nominees Australia Pty Limited	83,709,773	13.13
3	Citicorp Nominees Pty Limited	80,314,444	12.60
4	Toyota Tsusho Corporation	39,296,636	6.16
5	BNP Paribas Nominees Pty Ltd Acf Clearstream	22,730,503	3.56
6	National Nominees Limited	19,951,670	3.13
7	BNP Paribas Noms Pty Ltd	17,417,879	2.73
8	Canadian Register Control	13,106,131	2.06
9	BNP Paribas Nominees Pty Ltd	10,435,817	1.64
10	HSBC Custody Nominees (Australia) Limited	6,304,266	0.99
11	Creat Resources Holdings Limited	3,650,000	0.57
12	Citicorp Nominees Pty Limited	3,583,346	0.56
13	HSBC Custody Nominees (Australia) Limited	3,337,217	0.52
14	Mr Nicholas Rowley	3,000,000	0.47
15	Citos Super Pty Ltd	2,306,000	0.36
16	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd	1,755,048	0.28
17	Argo Investments Limited	1,750,000	0.27
18	BNP Paribas Nominees Pty Ltd	1,742,030	0.27
19	BNP Paribas Noms (NZ) Ltd	1,707,096	0.27
20	HSBC Custody Nominees (Australia) Limited–A/C 2	1,599,744	0.25
Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (Total)		**480,761,006**	**75.39**
Total Remaining Holders Balance		**156,897,080**	**24.61**

Substantial Shareholders

The following are substantial shareholder accounts listed in the Company's register.

Rank	Shareholder Name	Number of Shares Held	% of Total Capital
1	Toyota Tsusho Corporation	39,296,636	6.16
2	State Street Corporation	35,008,752	5.49

Securities on Issue

The following securities were on issue.

Number	Class
637,658,086	Ordinary (AKE)
3,943,236	Unvested performance rights held by 301 participants.

Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting has one vote on a show of hands.

There are no voting rights attached to the Performance Rights but voting as detailed above will attach to the ordinary shares issued when the Performance Rights are exercised.

Market Buy-backs

There is currently no on market buy-back of the Company's shares.

On market share purchases for employee share scheme under Performance Rights and Option Plan

During the year Allkem Limited purchased 1,818,326 shares at an average price of $14.68 per share for the purpose of satisfying the entitlements of performance right holders under the Performance Rights and Option Plan.

Registers of Securities are held at the following addresses

Computershare Investor Services Pty Limited

Level 1 – 200 Mary Street
Brisbane, Queensland 4000 Australia

Computershare Investor Services Inc

100 University Avenue,
8th Floor Toronto ON, M5J 2Y1 Canada

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on the ASX Limited. Ordinary shares of the Company are also listed on the Toronto Stock Exchange (TSX).

Mineral Resources and Ore Reserves

The Mineral Resources and Ore Reserves for each project as at 30 June 2023 are detailed below. Where applicable, a summary of the results from the annual review and comparative tables from prior statements are also provided.

Mt Cattlin

Mt Cattlin Mineral Resources

A multi-phase resource extension program targeting multi-year mine life extension concluded in early 2023. The Mineral Resource Estimate at 30 June 2023 reflects infill drilling undertaken in 2022, mining and stockpile depletion.

Mt Cattlin Mineral Resource at 30 June 2023

Category		Tonnage	Grade	Grade	Contained Metal	Contained Metal
		Mt	% Li_2O	ppm Ta_2O5	('000) t Li_2O	lbs Ta_2O5
Measured	In-situ	0.2	1.0%	172	2,000	75,000
Indicated	In-situ	8.8	1.4%	165	121,000	3,197,000
	Stockpiles	1.8	0.8%	95	13,000	396,000
Inferred	In-situ	1.3	1.3%	181	17,000	518,000
Total		**12.1**	**1.3%**	**167**	**153,000**	**4,187,000**

Notes: Global In-situ Mineral Resource as at 30 June, 2023. COG 0.3% lithia. Depleted for mining 1.2Mt @1.2% lithia January–June, 2023

Mt Cattlin Mineral Resource at 30 June 2022

Category		Tonnage	Grade	Grade	Contained Metal	Contained Metal
		Mt	% Li_2O	ppm Ta_2O5	('000) t Li_2O	lbs Ta_2O5
Indicated	In-situ	4.5	1.3	135	57	1,339,000
	Stockpiles	2.4	0.8	122	19	646,000
Inferred	In-situ	6.4	1.3	131	82	1,850,000
Total		**13.3**	**1.2**	**131**	**158**	**3,835,000**

Notes: Reported at cut-off grade of 0.4% Li_2O contained within a pit shell generated and spodumene price of USD1,100 at 6% Li_2O. The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 edition. All tonnages reported are dry metric tonnes. Excludes mineralisation classified as oxide and transitional. Minor discrepancies may occur due to rounding to appropriate significant figures.

Mt Cattlin Ore Reserve

The Mt Cattlin Ore Reserve estimate is based on the updated 2022 Mineral Resource Estimate, incorporating infill drilling results, depleted mined material and site stockpiles at 30 June 2023, plus material to be mined after this date.

Pit optimisations were carried out using a fixed spodumene concentrate sale price of US$1,500/t and an exchange rate of 0.7 USD:AUD. Whittle pit optimisation software has been used to identify the preferred pit shell on which the pit design was based.

The Ore Reserve and planned mining schedule suggests a projected Life-of-Mine for the next 4-5 years (2027–2028) via open pit mining methods.

Mt Cattlin Ore Reserve Update as at 30 June 2023

Classification	Location	Ore Tonnes	Grade	Grade	Contained Metal	Contained Metal
		Mt	% Li_2O	ppm Ta_2O5	('000) t Li_2O	lbs Ta_2O5
Proved	In-situ	0.2	0.9	120	1	45,000
Probable	In-situ	5.2	1.3	130	69	1,500,000
	Stockpiles	1.8	0.8	95	13	396,000
Total		**7.1**	**1.2**	**120**	**84**	**1,900,000**

Notes: Ore Reserves mine designs were conducted on a 0.4% Li_2O cut-ff grade and Ore Reserves are reported above a marginal cut-off grade of 0.3 % Li_2O. Estimates have been rounded to a maximum of two significant figures, thus sum of columns may not equal.

Mt Cattlin Ore Reserve at 30 June 2022

Category		Tonnage	Grade	Grade	Contained Metal	Contained Metal
		Mt	% Li_2O	ppm Ta_2O5	('000) t Li_2O	lbs Ta_2O5
Proven	–	–	–	–	–	%
Probable	2NW only	3.3	1.12	105	37.0	764,000
	Stockpiles	2.4	0.80	122	19.0	646,000
Total		**5.8**	**0.98**	**113**	**56.0**	**1,410,000**

Notes: Reported at cut-off grade of 0.4 % Li_2O within current mine design. The preceding statements of Ore Reserves conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 edition. All tonnages reported are dry metric tonnes. Reported with 17% dilution and 93% mining recovery. Revenue factor US$650/tonne applied. Minor discrepancies may occur due to rounding to appropriate significant figures.

Olaroz

Olaroz Brine Resource Estimate

The Olaroz resource increased 27% to 20.7 Mt LCE, comprising 7.6 Mt of Measured Resource, 7.1 Mt of Indicated Resource and 6 Mt of Inferred Resource.

The recently acquired Maria Victoria property in the north of Olaroz contributed 2.8 Mt of the increase in resources, with the difference relating to expansion of the resource to the south following completion of the expansion drilling, plus results from Stage 2 production wells.

Olaroz Resource Estimate at 30 June 2023

Category	Brine volume	Average Li	In Situ Li	Li_2CO_3 Equivalent
	m^3	mg/l	('000) tonnes	('000) tonnes
Measured	2.15×10^9	657	1,420	7,550
Indicated	2.20×10^9	612	1,340	7,130
Measured and Indicated	4.35×10^9	634	2,760	14,680
Inferred	1.86×10^9	604	1,125	5,970
Total	**6.21×10^9**	**625**	**3,885**	**20,650**

Olaroz Resource Estimate at 30 June 2022

Classification	Area	Thickness	Sediments Million	Mean Specific Yield Porosity	Brine Million	Li	Tonnes	Tonnes
	km²	m	m³	%	m³	mg/L	Li	LCE
Allkem (SdJ JV)								
Measured 0–200 m	103.2	200	20,452	6.5%	1,338	646	864,000	4,600,000
Indicated 200–450 m	79.8	250	19,117	5.7%	1,095	667	730,000	3,890,000
Indicated 200–350 m	23.4	150	3,273	4.8%	157	560	88,000	470,000
Measured and Indicated	103.2	350/450	42,842	6.0%	2,590	650	1,682,000	8,960,000
Inferred total > 350/450 m	**103.2**	**Variable**	**29,656**	**5.3%**	**1,570**	**654**	**1,030,000**	**5,470,000**
Olaroz Lithium (Allkem 100%)								
Measured 0–200 m	9.6	200	1,913	7.7%	148	673	100,000	530,000
Indicated 200–450 m	6.7	250	723	4.2%	30	830	25,000	130,000
Indicated 200–350 m	2.9	150	925	4.1%	38	631	24,000	130,000
Measured and Indicated	9.6	350/450	3,562	6.1%	216	687	149,000	790,000
Inferred total > 350/450 m	**9.6**	**Variable**	**6,267**	**4.0%**	**249**	**718**	**180,000**	**950,000**
Measured and Indicated Total	**112.8**						**1,831,000**	**9,750,000**
Inferred Total	**112.8**						**1,210,000**	**6,420,000**
Grand Total	**112.8**						**3,041,000**	**16,170,000**

1 JORC definitions were followed for mineral resources.
2 The Qualified Person for this Mineral Resource estimate is Murray Brooker, RPGeo, MAIG.
3 Lithium is converted to lithium carbonate (Li2CO3) with a conversion factor of 5.32.
4 Zero cut off grade applied to the resource which is entirely within the salt lake boundary and all concentrations are economic.
5 Numbers may not add due to rounding.

Olaroz Reserve Estimate

There is currently no mineral reserve defined for the Olaroz Project.

Cauchari

The initial Mineral Resource published in 2019 remained current at 30 June 2023 as no estimation work was completed during the year.

Cauchari Resource Estimate

Cauchari Resource Estimate at 30 June 2019 and 30 June 2023

Category	Brine volume	Average Li	In Situ Li	Li_2CO_3 Equivalent
	m^3	mg/l	('000) tonnes	('000) tonnes
Measured	6.00×10^8	527	345	1,850
Indicated	1.20×10^9	452	550	2,950
Measured and Indicated	1.90×10^9	476	900	4,800
Inferred	6.00×10^8	473	290	1,500
Total	$\mathbf{2.50 \times 10^9}$	**476**	**1,190**	**6,300**

6 JORC and CIM definitions were followed for mineral resources.
7 The Qualified Person for this Mineral Resource estimate is Murray Brooker, RPGeo, MAIG.
8 Lithium is converted to lithium carbonate (Li2CO3) with a conversion factor of 5.32.
9 Zero cut off grade applied to the resource
10 Numbers may not add due to rounding.

Sal de Vida

Brine Resource and Reserve Estimate

The Mineral Resource and Reserve Estimate published in 2022 remained current at 30 June 2023 as no estimation work was completed during the year.

Sal de Vida Resource Estimate at 30 June 2022 and 30 June 2023

Category	Brine volume	Average Li	In Situ Li	Li_2CO_3 Equivalent
	m^3	mg/l	('000) tonnes	('000) tonnes
Measured	6.17×10^8	757	467	2,487
Indicated	8.87×10^8	793	703	3,743
Measured and Indicated	1.5×10^9	775	1,170	6,230
Inferred	2.1×10^8	563	117	621
Total	**1.7×10^9**	**752**	**1,287**	**6,851**

Sal de Vida Reserve Estimate at 30 June 2022 and 30 June 2023

Category	Time Period	Li Total Mass	Li_2CO_3 Equivalent
	years	('000) tonnes	('000) tonnes
Proven	1–8	51	270
Probable	7–40	276	1,470
Total	**40**	**327**	**1,740**

1 JORC definitions were followed for the estimation of Mineral Resources and Mineral Reserves.
2 The Qualified Person for this Mineral Resource estimate is Michael Rosko, MS, PG, RM- SME.
3 Lithium is converted to lithium carbonate (Li2CO3) using a conversion factor of 5.32.
4 A 500 mg/L lithium cut-off grade was applied to the Resource and Reserve estimates.
5 A 70% Li process recovery is assumed for the Reserve Estimate.
6 Numbers may not add due to rounding.
7 Proven Reserves are estimated for the East Wellfield during years 1–6, while Proven Reserves are estimated for the Southwest Wellfield during years 3–8; Probable Reserves are estimated for the East and Southwest Wellfields starting year 7 and year 9, respectively.

James Bay

Mineral Resource Estimate

The Mineral Resource Statement at 30 June 2023 remains consistent with the 2021 feasibility study.

Subsequent to the reporting period, the Mineral Resource Estimate increased 174% to 110.2Mt at 1.3% Li_2O, effective as of 9 August 2023. The update incorporates approximately 37,500m of additional drilling since 2021 including a resource extension drilling program conducted during FY23 which identified a new high-grade zone in the NW of the ore body.

James Bay Mineral Resource Estimate at 9 August 2023

Category	Tonnage	Grade	Contained Metal
	Mt	% Li_2O	('000) t Li_2O
Measured	–	–	–
Indicated	54.3	1.30	706
Measured and Indicated	54.3	1.30	706
Inferred	55.9	1.29	724
Total Mineral Resource	**110.2**	**1.30**	**1,430**

James Bay Mineral Resource Estimate at 30 June 2022 and 2023

Category	Tonnage	Grade	Contained Metal
	Mt	% Li_2O	('000) t Li_2O
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% Li_2O inside a conceptual pit shell optimised using spodumene concentrate price of USD 950/t containing 6.0% Li_2O, 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 Estimate

The Maiden Ore Reserve from 2021 remains current, however the reserve will be re-evaluated considering the recently expanded resource.

James Bay Ore Reserve – December 2021 and June 2023

Category	Ore tonnage	Lithium Grade	Contained Metal
	k dmt	% Li_2O	('000) t Li_2O
Proven	0	0	0
Probable	37,207	1.30	483.7
Proven and 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 (Li_2OConc = USD 950/t Li_2O at 6.0% Li_2O) and an exchange rate of CAD/USD 1.33.
3 A minimum mining width of 5 m was used.
4 Cut-off grade of 0.62% Li_2O.
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% Li_2O.

Controls and Governances

Allkem ensures that quoted Mineral Resource and Ore Reserve estimates are subject to internal controls and external review at both project and corporate levels. Mineral Resource and Ore Reserves are estimated and reported in accordance with the 2012 edition of the JORC Code.

Allkem stores and collects exploration data using industry standard software that contains internal validation checks. Exploration samples from drilling have certified reference material standards introduced to the sample stream at set ratios, typically 1 per 25 samples. These are reported as necessary to the relevant Competent Persons to assess both accuracy and precision of the assay data applied to resource estimates. In resource modelling, block models are validated by checking the input drill hole composites against the block model grades by domain.

Allkem engages independent, qualified experts and Competent Persons, on a commercial fee for service basis, to undertake Mineral Resource and Ore Reserve audit. Allkem internally reconciles the resource outcomes to validate both the process and the outcome.

The Company has developed its internal systems and controls to maintain JORC compliance in all external reporting, including the preparation of all reported data by Competent Persons who are members of the Australasian Institute of Mining and Metallurgy or a 'Recognised Professional Organisation' (RPO). As set out above, the Mineral Resource and Ore Reserve statements included in this announcement were reviewed by suitably qualified Competent Persons (opposite) prior to their inclusion, in the form and context announced.

Competent Person Statement

Mt Cattlin

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Albert Thamm, B.Sc. (Hons)., M.Sc. F.Aus.IMM (203217), a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Albert Thamm is a full-time employee of Galaxy Resources Pty. Limited. Albert Thamm has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Albert Thamm consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to the 30 June 2023 Mt Cattlin Ore Reserve is based on information compiled by Daniel Donald, B. Eng. (Mining), F.Aus.IMM (210032), a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Daniel Donald is an employee working for Entech Mining Pty Ltd and has been engaged by Allkem Limited to prepare the documentation for the Mt Cattlin operation on which the Ore Reserve Report is based, for the period ended 30 June 2023, and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Daniel Donald consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Technical information relating to the Company's Mt Cattlin project contained in this release is derived from, and in some instances is an extract from, the technical report entitled "Mt Cattlin Stage 4 Expansion Project" (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 Technical Report will be available for review under the Company's profile on SEDAR at www.sedar.com.

Olaroz

The information in this report that relates to Olaroz Exploration Results and Mineral Resources is based on information compiled by Mr Murray Brooker, a Competent Person who is a Member of the Australian Institute of Geoscientists, a 'Recognised Professional Organsation' (RPO) included in a list posted on the ASX website from time to time. Mr Brooker is an independent consultant employed by Hydrominex Geoscience Pty Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. He is also a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43–101. Mr Brooker consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Technical information relating to the Company's Olaroz project contained in this release is derived from, and in some instances is an extract from, the technical report entitled "Olaroz Resource Update March 2023" (Technical Report) which has been reviewed and approved by Murray Brooker (Hydrominex Geoscience Pty Ltd) as it relates to geology, drilling, sampling, exploration, QA/QC, mining methods and mineral resources and Mr Mike Gunn (Gunn Metals) as it relates to 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 Technical Report is available for review under the Company's profile on SEDAR at www.sedar.com.

Cauchari

The information in this report that relates to Cauchari Mineral Resources is based on information compiled by Mr Murray Brooker, a Competent Person who is a Member of the Australian Institute of Geoscientists, a 'Recognised Professional Organsation' (RPO) included in a list posted on the ASX website from time to time. Mr Brooker is an independent consultant employed by Hydrominex Geoscience Pty Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. He is also a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43–101. Mr Brooker consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Any information in this release that relates to Cauchari Project Mineral Resources and Ore Reserves is extracted from the release entitled "Cauchari JORC Resource increases to 4.8 million tonnes Measured + Indicated and 1.5 million tonnes Inferred LCE" released on 7 March 2019 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 Resource 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.

Sal de Vida

The information in this report that relates to Sal de Vida's Mineral Resources and Reserves is based on information compiled by Michael Rosko, MS PG, a Competent Person who is a Registered Member of the Society for Mining, Metallurgy and Exploration, Inc (SME), a 'Recognised Professional Organisation' (RPO) included in a list posted on the ASX website from time to time. Mike Rosko is a full-time employee of Montgomery and Associates Consultore Limitada and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mike Rosko consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The scientific and technical information contained in this report has been reviewed and approved by, Michael Rosko, MSc. Geology (Montgomery and Associates), as it relates to geology, modelling and resource reserve estimates; Michael Gunn, BSc. Chemical Engineering (Gunn Metals), as it relates to processing, facilities, infrastructure, project economics, capital and operating cost estimates; Scott Weston, BSc. (Hons) and MBA in Mineral Resources Management (Ausenco), as it relates to permitting and environmental and social studies. 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.

James Bay

Any information in this announcement that relates to James Bay Mineral Resources and Ore Reserves is extracted from the report entitled "James Bay resource increased by 173% to 110Mt" released on 11 August 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 Reserves 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.

The information in this report that relates to the James Bay Ore Reserve is based on information compiled by Carl Michaud, P. Eng., a Competent Person who is a Member of L'Ordre des Ingénieurs du Québec, a Recognised Professional Organisation included in a list posted on the ASX website from time to time. Carl Michaud is a full-time employee of G Mining Services Inc. Carl Michaud has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Carl Michaud consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Technical information relating to the Company's James Bay project contained in this release is derived from, and in some instances is an extract from, the technical report entitled "NI 43–101 Technical Report Feasibility Study James Bay Lithium Project, Québec, Canada" released on January 11th, 2022 (Technical Report) which has been reviewed and approved by James Purchase, P.Geo, MAusIMM (CP) (who is an employee of Galaxy Lithium (Canada) Inc.) as it relates to geology, drilling, sampling, exploration, QA/QC and mineral resources in accordance with National Instrument 43–101 – Standards for Disclosure for Mineral Projects. The Technical Report will be available for review under the Company's profile on SEDAR at www.sedar.com.

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.

Subject to any continuing obligation under applicable law or relevant listing rules of the ASX, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this Release to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statements are based. Nothing in this Release shall under any circumstances (including by reason of this Release remaining available and not being superseded or replaced by any other Release or publication with respect to the subject matter of this Release), create an implication that there has been no change in the affairs of the Company since the date of this Release.