

Continued strong product pricing and operational update

Allkem Limited (ASX|TSX: “**AKE**”, the “**Company**”) provides an update on product pricing and operations.

Lithium carbonate

Continued strong market conditions positively impacted the price received for lithium carbonate from the Olaroz Lithium Facility. The June quarter FY22 average price received for lithium carbonate is expected to be approximately 14% above prior guidance at US\$40,000/t FOB¹ on sales of approximately 3,500 tonnes. Customers continue to value security of supply which is reflected in a fully committed order book for the remainder of the calendar year.

Spodumene

Similarly strong conditions continue in the spodumene market with realised spodumene concentrate pricing in the June quarter of approximately US\$5,000/t SC6% CIF. Shipped spodumene concentrate for the quarter is anticipated to be approximately 38,000 dry metric tonnes (“**dmt**”) at an average grade in line with customer requirements of 5.3% with a further 15,000 dmt to be shipped in early July 2022.

Current estimated annual spodumene production for FY22 is anticipated to fall marginally short of guidance by approximately 2-4%, at between 192,000 - 196,000 dmt, due to production delays resulting from the highly competitive Western Australian resources labour market and COVID-19 related requirements due to the delayed re-opening of the Western Australian border. Strategies have been implemented to mitigate these temporary impacts on production.

Argentine reference price

Argentina’s Customs Agency has recently set a reference price for lithium carbonate of US\$53,000/t. This reference price is used by regulatory authorities when reviewing export sales of lithium chemicals to prevent under-invoicing and improve pricing transparency. This price is not used for calculation of taxes, royalties or duties and Allkem does not expect it will have any material impact on product exports, realised prices or profitability.

ENDS

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

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¹ “**FOB**” (Free On Board) excludes insurance and freight charges included in “**CIF**” (Cost, Insurance, Freight) pricing. Therefore, the Company’s reported prices are net of freight (shipping), insurance and sales commission. FOB prices are reported by the Company to provide clarity on the sales revenue that is recognised by SDJ, the joint venture company in Argentina

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