

 Early Warning System

IFC-45668

Sal de Vida



## Quick Facts

<b>Countries</b>	Argentina
<b>Specific Location</b>	Province of Catamarca
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Completed
<b>Bank Risk Rating</b>	A
<b>Voting Date</b>	2022-12-08
<b>Borrower</b>	GALAXY LITHIUM (SAL DE VIDA) S.A.
<b>Sectors</b>	Energy, Mining
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 200.00 million
<b>Loan Amount (USD)</b>	\$ 200.00 million



## Project Description

According to the Bank's website, The Sal de Vida Project (the "Project" or "SDV") consists of the construction and operation of a greenfield Lithium mine in the Salar del Hombre Muerto (the "Salar"), a salt pan located in the Catamarca Province in the Argentinian Andes at 4,100 meters above sea level and approximately 90 km from Antofagasta de la Sierra. Allkem Limited, a new company formed by the merger of Galaxy Resources and Orocobre (the "Company") is the fifth-largest Lithium producer globally and has acquired 31 concessions with its associated mining rights spanning a total of 263 km<sup>2</sup> in the Salar, which has an extension of 590 km<sup>2</sup> in an endorheic (closed) basin of near 4,000 km<sup>2</sup>. The Salar (Argentina's second largest) is located in a dry Puna, an ecoregion characterized by grassy vegetation and shrubland steppe with less than 300 millimetres of precipitation per year, low temperatures, and high solar radiation. Vegetation is represented by sparse grasslands, low scrub and extensive barren lands. The project is located within the Salar del Hombre Muerto Key Biodiversity Area (KBA), which is also an Important Bird and Biodiversity Area (IBA). Wildlife characteristic of this ecoregion include large mammals and birds such as the vicuña, puma, Andean cat, Andean fox, and three species of flamingo. Endemic plant and animal species are also present. The closest settlement, of approximately 30 total inhabitants, is Ciénaga Redonda located 5 km from the Project site. Main access to the site is via Catamarca's Provincial Route #43. In addition, there are sixteen dispersed rural dwellings or hamlets (puestos) in a radius of around 50 km. Between the dwellings and Ciénaga Redonda the approximate total population is 80. Other population centers (Antofalla, El Peñón) are located at distances greater than 150 km from the Project. The entire population of the Antofagasta de la Sierra Department in the Catamarca Province where the Project is located is 1,684. SDV will extract brine from a deep aquifer at depths between 200 and 300 meters through submersible pumps located in 8 wells. Most of Project activities are developed on the Salar itself, with limited impact to natural soils as part of Lithium mining activities. The process is mainly based on natural evaporation. The process area will be on the alluvial plain on the east side of the Rio Los Patos. The main components of the Project include a wellfield and brine distribution system, solar evaporation halite and muriate ponds, liming and primary Lithium Carbonate (LCE) production plant, salt discard stockpiles and ancillary infrastructure (camp, admin and support buildings). All process facilities will be located within Allkem tenements in the south-eastern sector of the Salar. The estimated production rate is 15 Ktonnes per annum (ktpa) of LCE for approximately 40 years, producing approximately 600,000 tonnes of product which will be trucked to the ports of Antofagasta in Chile or to the ports in Rosario or Buenos Aires in Argentina, to export to European and US markets as a key component for electric vehicles. SDV has successfully completed piloting and test-works that show that extracted brine readily upgrades to battery grade Lithium Carbonate. The Project has recently moved into early works and targets first production by the last quarter of 2023. Allkem has issued an engineering, procurement, and construction management (EPCM) contract with Worley Parsons for the evaporation ponds and Project infrastructure and is in the process of securing a specialized EPC Contractor for the Lithium Carbonate plant. IFC's proposed investment will comprise of a direct loan of US\$100 million and B loans of up to US\$100 million. The proceeds will be used towards developing the 15 ktpa LCE Project.



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## Investment Description

- International Finance Corporation (IFC)

The Project cost includes a project capex of \$271 million, financing related contingencies, owner's cost, working capital (VAT) and other financing expenses, and will be financed by a combination of debt and equity.

IFC's proposed investment consists of a financing package of up to \$200 million that includes an IFC A loan of up to \$100 million and mobilization from commercial banks of up to \$100 million. The tenor of the IFC A loan will be up to 9 years. Alkerm is working with IFC to potentially include sustainability linked features in the financing structure.



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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Galaxy Lithium Sal de Vida S.A	Undisclosed	-

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## Contact Information

### ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

### ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org) You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>



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## Bank Documents

- [20220915 SDV Social Baseline for Public Disclosure](#)
- [EIA](#)
- [Environmental & Social Review Summary \(ESRS\)](#)
- [Summary of Investment Information \(SII\)](#)

## Campaign Documents

- [Sal de Vida: A risky lithium mining project in Argentina](#)
- [Sal de Vida: A risky lithium mining project in Argentina](#)