Early Warning System

IFC-45668

Sal de Vida

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Quick Facts

Countries	Argentina
Specific Location	Province of Catamarca
Financial Institutions	International Finance Corporation (IFC)
Status	Completed
Bank Risk Rating	A
Voting Date	2022-12-08
Borrower	GALAXY LITHIUM (SAL DE VIDA) S.A.
Sectors	Energy, Mining
Investment Type(s)	Loan
Investment Amount (USD)	$ 200.00 million
Loan Amount (USD)	$ 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 km² in the Salar, which has an extension of 590 km2 in an endorheic (closed) basin of near 4,000 km2.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 Cie´naga 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 though 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.

Early Warning System Project Analysis

The Sal de Vida lithium project in Argentina's Salar del Hombre Muerto is associated with significant environmental and human rights risks, particularly due to intensive brine extraction in a water-scarce ecosystem, which civil society groups warn could deplete aquifers, damage high-altitude wetlands, and threaten local livelihoods (FARN report; AIDA analysis). Reports also highlight weak environmental impact assessments and failure to account for cumulative impacts from multiple lithium projects in the basin (FARN). Indigenous communities, including the Atacameños del Altiplano, have raised concerns over lack of free, prior and informed consent (FPIC) and risks to water sources and ancestral lands, leading to legal action that resulted in court orders suspending new mining permits and requiring cumulative impact assessments and community participation (Business & Human Rights Resource Centre). Broader civil society advocacy further points to human rights risks, including intimidation of community defenders and insufficient consultation, framing the project as part of a wider pattern where "green transition" mining may exacerbate local environmental harm and social conflict.(OHCHR submission; BHRRC overview).

People Affected By This Project

The project is located near the lands of the Indigenous community Atacameños del Altiplano, in the Argentinian province of Catamarca, around the Salar Hombre Muero. These are high altitude indigenous communities with deep ancestral tires to their territories, realying on the rivers, wrtlands and aquifers in the region. Their livelihoods are linked to pastoralims and small scale agriculture. Their cultural and economic life is closely tied to the fragile desert ecosystems and salt flats, making them highly vulnerable to water depletion and environmental change.

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. Allkem is working with IFC to potentially include sustainability linked features in the financing structure.

Private Actors Description

The Sal de Vida project is operated by Galaxy Lithium Sal de Vida S.A., a subsidiary of Allkem Limited (Australia), which merged with Livent Corporation (United States) in 2024 to form Arcadium Lithium (headquartered in Ireland).

In late 2024, mining giant Rio Tinto agreed to acquire Arcadium Lithium for $6.7 billion, following the sanctioning of the Scheme of Arrangement by the Royal Court of Jersey on 5 March. Rio Tinto is now the ultimate parent company of Arcadium Lithium, which will become Rio Tinto Lithium, and will also include the Rincon lithium project.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Rio Tinto Group	Parent Company	Mining	owns	Galaxy Lithium Sal de Vida S.A	Undisclosed	-

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 You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Bank Documents

- 20220915 SDV Social Baseline for Public Disclosure
- EIA
- Environmental & Social Review Summary (ESRS)
- OHCHR submission on Sal de Vida project
- Summary of Investment Information (SII)

Campaign Documents

- AIDA petitions Argentine court for protection of human rights in lithium mining case
- BHRRC: Galaxy Lithium
- Province of Catamarca lawsuit (re Salar del Hombre Muerto lithium mining projects, Argentina)
- Sal de Vida: A risky lithium mining project in Argentina