UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A
(Amendment No. 1)

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2022
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______ to ________

Commission File Number 001-38427

PIEDMONT LITHIUM INC.
(Exact name of Registrant as specified in its Charter)

Delaware	**36-4996461**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
42 E Catawba Street Belmont, North Carolina	**28012**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(704) 461-8000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value $0.0001 per share	PLL	The Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

☐ If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Securities Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act).

Yes ☐ No ☒

As of October 28, 2022, there were 18,010,228 shares of the Registrant's common stock outstanding.

EXPLANATORY NOTE

Piedmont Lithium Inc. (the "Company") filed its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 (the "Original Form 10-Q"), with the U.S. Securities and Exchange Commission (the "SEC") on November 4, 2022. The Company is filing this Amendment No. 1 to the Original Form 10-Q (this "Form 10-Q/A") solely to remove certain disclosures referencing our Equity Method Investees' prefeasibility study results that were not prepared in accordance with Item 1300 of Regulation S-K. This amendment solely relates to, and replaces, all information previously included in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Except as described above, no other changes have been made to the Original Filing, and this Form 10-Q/A does not modify, amend or update in any way any of the financial or other information contained in the Original Filing. Except as described below, this Form 10-Q/A does not reflect events that may have occurred subsequent to the filing date of the Original Filing.

Except as described above, this Amendment No. 1 does not amend, update or change any other information set forth in the Original Form 10-Q (including in the unaudited consolidated financial statements included therein) and does not reflect or purport to reflect any information or events occurring after the original filing date or modify or update those disclosures affected by subsequent events. Accordingly, this Amendment No. 1 should be read in conjunction with the Original Form 10-Q and the Company's other filings with the Securities and Exchange Commission. This Amendment No. 1 consists solely of the preceding cover page, this explanatory note, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, and a signature page and the exhibits filed herewith.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes included elsewhere in our Quarterly Report on Form 10-Q. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in our Quarterly Report on Form 10-Q and those in the sections of our Transition Report on Form 10-KT for the six-month transition period ended December 31, 2021 entitled "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," and "Cautionary Note Regarding Disclosure of Mineral Properties."

This management's discussion and analysis is a supplement to our financial statements (including notes) referenced elsewhere in our Quarterly Report on Form 10-Q and is provided to enhance your understanding of our operations and financial condition. This discussion is presented in millions, and due to rounding, may not sum or calculate precisely to the totals and percentages provided in the tables.

Cautionary Note to Investors

In the U.S., we are governed by the Exchange Act, including Regulation S-K, Subpart 1300 ("S-K 1300") thereunder. Sayona and Atlantic Lithium, however, are not governed by Exchange Act and from time to time report estimates of "measured," "indicated" and "inferred" mineral resources as such terms are used in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). In March 2022, our partner, Atlantic Lithium, published a JORC Code mineral resource estimate update for the Ewoyaa project. Also in March 2022, our partner, Sayona, published a JORC Code mineral resource estimate update for the Authier and North American Lithium projects. Although S-K 1300 and the JORC Code have similar goals in terms of conveying an appropriate level of confidence in the disclosures being reported, they at times embody different approaches or definitions. Consequently, investors are cautioned that public disclosures by Sayona, Atlantic Lithium, or us of measures prepared in accordance with the JORC Code may not be comparable to similar information made public by companies subject to S-K 1300 and the other reporting and disclosure requirements under the U.S. federal securities laws and the rules and regulations thereunder.

Executive Overview

Piedmont Lithium is a U.S., development stage company advancing a multi-asset, integrated lithium business in support of a clean energy economy and America's national energy security. We plan to supply lithium hydroxide to the electric vehicle and battery manufacturing supply chains in North America by processing spodumene concentrate produced from assets we own or in part. Our projects include our Carolina Lithium and Tennessee Lithium projects in the southeastern U.S. and strategic investments in lithium assets in Canada and Ghana. Subject to obtaining permits and approvals, we plan to bring spodumene concentrate production online in 2023 (Quebec) and 2024 (Ghana), lithium hydroxide production online in 2025 (Tennessee), and our integrated spodumene-to-hydroxide project in 2026 (North Carolina). Our investments in Canada should provide the opportunity for near-term revenue through production and offtake of spodumene concentrate. Offtake agreements from our international investments are expected to supply spodumene concentrate to our Tennessee Lithium project for conversion to lithium hydroxide, while our proposed Carolina Lithium project is a fully integrated spodumene-to-hydroxide operation in North Carolina. These diversified operations should enable us to have a pivotal role in supporting America's energy independence and the electrification of transportation and energy storage.

Strategy

Our goal is to become a leading producer of lithium hydroxide in North America, supplied by geographically diverse and sustainable spodumene mineral resources. American demand for large vehicles and the custom of driving relatively long distances, combined with automakers' plans for and commitments to electric vehicle production, should continue to expand the demand for North American lithium hydroxide. We believe our global portfolio of hard rock lithium assets should support a level of estimated lithium hydroxide production that will dramatically expand current production in North America.

We believe spodumene concentrate represents the lowest-risk and most commercially scalable raw material source for the production of lithium hydroxide. Our plan to produce battery-grade lithium hydroxide from spodumene concentrate will use the innovative Metso:Outotec alkaline pressure leach process combined with a number of processes commonly used in the lithium industry today. As part of our strategy, we will continue to evaluate opportunities to further expand our resource base and production capacity.

Together with our foreign investments, we have four key capital projects that are being developed on a measured timeline to provide the potential for both near-term cash flow and long-term value maximization. At production, we expect to have an estimated lithium hydroxide manufacturing capacity of 60,000 metric tons per year, compared to the current total estimated U.S. production capacity of

15,000 metric tons per year. This expected lithium hydroxide conversion capacity is supported by production and offtake rights of approximately 500,000 metric tons of spodumene concentrate per year.

Developing an Integrated Lithium Production Business—Key Projects

Quebec

Piedmont Lithium owns an equity interest of 25% in Sayona Quebec, which owns full interests in North American Lithium, the Authier Lithium project, and the Tansim Lithium project. These projects are located in the Abitibi region of Quebec, Canada. Additionally, we own an equity interest of approximately 14% in Sayona Mining, which is the parent company of Sayona Quebec, and we hold an offtake agreement for the greater of 113,000 metric tons or 50% of spodumene concentrate production at market prices, subject to a price floor of $500 per metric ton and a price ceiling of $900 per metric ton, from Sayona Quebec on a life-of-mine basis.

The restart of North American Lithium is proceeding as construction, procurement, recruitment, permit transfers and approvals, and other restart activities are well advanced, and most major equipment and machinery items required for the restart are currently onsite. The majority of operational leadership has been hired, and a 4-year mining contract has been awarded for the operation of North American Lithium's open pit. While potential delays in restart activities could defer the start date of production, we expect North American Lithium to begin spodumene concentrate production in the first half of 2023.

Depending upon the successful commencement of production and ability to produce 6% spodumene concentrate, shipments of spodumene concentrate from North American Lithium could commence in 2023, resulting in initial revenue generation from the operation as well as the resale of product received through Piedmont Lithium's offtake agreement with Sayona Quebec.

In addition to spodumene mining and concentrate production, the North American Lithium complex also includes a partially completed lithium carbonate refinery, which was developed by a prior operator of the project. Sayona Quebec recently announced the commencement of a prefeasibility study for the completion of this facility. Study results are expected in the first half of 2023.

Further evaluation of the production of lithium carbonate or lithium hydroxide in Quebec may follow completion of the prefeasibility study. In order for Sayona Quebec to proceed with the construction and operation of a lithium carbonate conversion plant or lithium hydroxide conversion plant, approvals are required from both Piedmont Lithium and Sayona.

Ghana

We own an equity interest of approximately 9% in Atlantic Lithium and have the ability to earn a 50% equity interest in Atlantic Lithium's spodumene projects in Ghana. This agreement includes an offtake agreement for 50% of annual production at market prices on a life-of-mine basis. The Ewoyaa project is Atlantic Lithium's flagship project in the Cape Coast region of Ghana, approximately 70 miles via a national highway to a major port, and is key for transporting spodumene concentrate to our planned Tennessee Lithium plant for conversion to lithium hydroxide.

In October 2022, Atlantic Lithium announced it had submitted the mining license application for the Ewoyaa project to the Minerals Commission of Ghana. We expect construction of the mine and concentrator to begin in 2023 and production of spodumene concentrate to begin in 2024, subject to the receipt of the mining license, approval of environmental studies, and other statutory requirements.

Tennessee Lithium

Tennessee Lithium (previously referred to as LHP-2) is expected to be a world-class lithium hydroxide production facility located within McMinn County in Etowah, Tennessee. With first production targeted by the end of 2025, the facility is expected to produce 30,000 metric tons per year of lithium hydroxide, doubling the current estimated U.S. production capacity of 15,000 metric tons per year. The plant is expected to be one of the most sustainable lithium hydroxide operations in the world and among the first to use the innovative Metso:Outotec technology.

In October 2022, Piedmont Lithium was selected for a $141.7 million grant from the DOE to expand domestic manufacturing of batteries for electric vehicles and the electrical grid and for materials and components currently imported from other countries. The funding will support the construction of our Tennessee Lithium project, which has an estimated cost of approximately $600 million. We expect Tennessee Lithium to create approximately 120 new, direct jobs.

On October 31, 2022, Piedmont Lithium submitted its construction and operating conditional major non-Title V air permit application for the its Tennessee Lithium project to the Tennessee Department of Environment and Conservation.

In September 2022, Piedmont Lithium announced the award of a front-end engineering design ("FEED") contract to Kiewit Corporation, a leading U.S. based Engineer, Procure, and Construct ("EPC") firm, and Primero Group, an EPC firm specialized in lithium projects. We expect FEED, which commenced shortly after the contract award, to be completed in the first half of 2023. Permit applications for Tennessee Lithium are progressing, and subject to receipt of all material required permits as well as the completion of FEED and project financing, we expect to sign an EPC contract for the construction of Tennessee Lithium. Contingent upon the timely receipt and completion of items discussed above, we expect to begin construction in 2023 with first production of lithium hydroxide targeted by the end of 2025.

Carolina Lithium

Our fully-integrated Carolina Lithium project ("Carolina Lithium") is a development stage, hard rock lithium project located within the Carolina Tin-Spodumene Belt and in close proximity to lithium and byproduct markets. Carolina Lithium is expected to consist of a mining operation, concentrator, and lithium hydroxide conversion plant. A feasibility study completed in December 2021 estimated a project capital investment requirement of approximately $1 billion. The project is expected to produce 30,000 metric tons of lithium hydroxide per year. Given the quality of this asset, integration of the operation, strong infrastructure, and proximity to lithium and byproduct markets, we believe Carolina Lithium should enable us to be one of the lowest cost producers in the world.

We are currently engaged in permitting activities with state and local representatives for Carolina Lithium. Our goal is to obtain the necessary permits and rezoning in 2023, commence construction in 2024, and begin production of lithium hydroxide in 2026. A Prevention of Significant Deterioration – Title V Air Permit application has been submitted and is under review by the North Carolina Division of Air Quality for the Carolina Lithium project. Piedmont Lithium has until January 2023 to respond to North Carolina Division of Energy, Minerals, Land, and Resources second additional information request; which progresses the mine permit application.

Change in Fiscal Year End

Effective January 1, 2022, we changed our fiscal year end from June 30 to December 31. The six-month period from July 1, 2021 to December 31, 2021 served as a transition period. Our fiscal year 2022 commenced on January 1, 2022 and will end on December 31, 2022.

Critical Accounting Polices and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our unaudited consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes in the significant accounting policies followed by us during the nine months ended September 30, 2022 from those disclosed in our Transition Report for the six-month period ended December 31, 2021.

Components of our Results of Operations

Exploration and Mine Development Costs

We incur costs in resource exploration, evaluation and development during the different phases of our resource development projects. Exploration costs incurred before the declaration of proven and probable ore reserves, which primarily include exploration, drilling, engineering, metallurgical test-work, site-specific reclamation, and compensation for employees associated with exploration activities, are expensed as incurred. We have also expensed as incurred engineering costs attributable to the evaluation of land for our future concentrator and chemical plants, development project management costs, feasibility studies and other project expenses that do not qualify for capitalization. After proven and probable ore reserves are declared, exploration and mine development costs necessary to bring the property to commercial capacity or increase the capacity or useful life will be capitalized.

General and Administrative Expenses

General and administrative expenses relate to overhead costs, such as employee compensation and benefits for corporate management and office staff including accounting, legal, human resources and other support personnel, professional service fees, insurance, and costs associated with maintaining our corporate headquarters. Included in employee compensation costs are cash and stock-based compensation expenses.

Loss from Equity Investments in Unconsolidated Affiliates

Loss from equity investments in unconsolidated affiliates reflects our proportionate share of the net loss resulting from our investments in Sayona, Sayona Quebec and Atlantic Lithium. These investments are recorded under the equity method and adjusted each period, on a one-quarter lag, for our share of each investee's loss. Our equity method investments are an integral and integrated part of our ongoing operations. We have determined this justifies a more meaningful and transparent presentation of our proportional share of income in our equity method investments as a component of our loss from operations. In the third quarter of 2022, we reclassified our share of loss in equity method investments to operating income for all periods presented. See Note 3—*Equity Investments in Unconsolidated Affiliates* for further discussion.

Other Income (Expense)

Other income (expense) consists of interest income (expense), foreign currency exchange gain (loss), and gain on dilution of equity investments in unconsolidated affiliates. Interest income consists of interest earned on our cash and cash equivalents. Interest expense consists of interest incurred on long-term debt related to noncash acquisitions of mining interests financed by the seller as well as interest incurred for lease liabilities. Foreign currency exchange gain (loss) relates to our foreign bank accounts and marketable securities denominated in Australian dollars. Gain on dilution of equity investments in unconsolidated affiliates relates to our reduction in ownership of Sayona and Atlantic Lithium due to their issuance of additional shares through public offerings and employee stock compensation grants.

Results of Operations

Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021

	Three Months Ended September 30,			
	2022	2021	$ Change	% Change
Exploration and mine development costs	$ 434,177	$ 5,563,028	$ (5,128,851)	(92.2)%
General and administrative expenses	7,160,482	4,818,647	2,341,835	48.6%
Total operating expenses	7,594,659	10,381,675	(2,787,016)	(26.8)%
Loss from equity investments in unconsolidated affiliates	(2,002,617)	(410,538)	(1,592,079)	387.8%
Loss from operations	(9,597,276)	(10,792,213)	1,194,937	(11.1)%
Other income (expense)	29,684,376	(69,146)	29,753,522	*
Tax expense	3,422,219	—	3,422,219	100.0%
Net income (loss)	$ 16,664,881	$ (10,861,359)	$ 27,526,240	(253.4%)

* Not meaningful.

Exploration and Mine Development Costs

Carolina Lithium entered the development stage in December 2021. As such, direct costs incurred in the three and nine months ended September 30, 2022 were capitalized and recorded to "Property, plant, and mine development, net" in our consolidated balance sheets. Direct costs incurred in the three months ended September 30, 2021 were recorded to "Exploration and mine development costs" in our consolidated statements of operations.

Exploration and mine development costs decreased $5.1 million, or 92.2%, to $0.4 million in the three months ended September 30, 2022 compared to $5.6 million in the three months ended September 30, 2021. The decrease was primarily due to the capitalization of direct costs totaling $2.7 million during the three months ended September 30, 2022, as discussed above.

Excluding the impact of capitalizing direct costs of $2.7 million in the three months ended September 30, 2022, exploration and mine development costs decreased $2.4 million, or 42.8%, to $3.2 million in the three months ended September 30, 2022 compared to $5.6 million in the three months ended September 30, 2021. The decrease in costs was primarily driven by a decline in engineering, drilling and metallurgical testwork activities, partially offset by an increase in employee compensation expenses related to additional headcount in the three months ended September 30, 2022 compared to the three months ended September 30, 2021.

General and Administrative Expenses

General and administrative expenses increased $2.3 million, or 48.6%, to $7.2 million in the three months ended September 30, 2022 compared to $4.8 million in the three months ended September 30, 2021. The increase in general and administrative expenses was primarily driven by an increase in employee compensation costs associated with the hiring of additional management and support staff at our headquarters in Belmont, North Carolina. Stock-based compensation expense was $1.1 million and $0.5 million in the three months ended September 30, 2022 and September 30, 2021, respectively.

Loss from Equity Investments in Unconsolidated Affiliates

Loss from equity investments in unconsolidated affiliates was $2.0 million in the three months ended September 30, 2022 compared to $0.4 million in the three months ended September 30, 2021. The loss reflects our proportionate share of the net loss resulting from our investments in Sayona, Sayona Quebec, and Atlantic Lithium. Due to the timing of our equity investment in Atlantic Lithium, we did not have income or loss from this equity investment in the three months ended September 30, 2021.

Other Income (Expense)

Other income was $29.7 million in the three months ended September 30, 2022 compared to other expense of less than $0.1 million in the three months ended September 30, 2021. The vast majority of the increase was due to our gain on dilution in equity method investments, specifically Sayona, of $29.4 million in the three months ended September 30, 2022 and to a lesser extent an increase in interest income of $0.4 million in the three months ended September 30, 2022 compared to September 30, 2021.

Income Tax Expense

Income tax expense was $3.4 million for the three months ended September 30, 2022 compared to $0 in the three months ended September 30, 2021. The increase was mostly related to deferred tax expense of $7.4 million recorded on the gain on dilution of equity method investments of $29.4 million in the three months ended September 30, 2022, partially offset by a $4.0 million tax benefit for a release in valuation allowance against certain deferred tax assets in the three months ended September 30, 2022.

Nine Months Ended September 30, 2022 Compared to Nine Months Ended September 30, 2021

	Nine Months Ended September 30,			
	2022	2021	$ Change	% Change
Exploration and mine development costs	$ 1,484,889	$ 12,865,364	$ (11,380,475)	(88.5)%
General and administrative expenses	20,199,852	11,506,078	8,693,774	75.6%
Total operating expenses	21,684,741	24,371,442	(2,686,701)	(11.0)%
Loss from equity investments in unconsolidated affiliates	(6,547,499)	(475,164)	(6,072,335)	*
Loss from operations	(28,232,240)	(24,846,606)	(3,385,634)	13.6%
Other (expense) income	29,583,405	(223,763)	29,807,168	*
Tax expense	3,422,219	—	3,422,219	100.0%
Net loss	$ (2,071,054)	$ (25,070,369)	$ 22,999,315	(91.7%)

* Not meaningful.

Exploration and Mine Development Costs

For purposes discussed above, direct exploration and mine development costs related to development stage projects incurred in the nine months ended September 30, 2022 were capitalized and recorded to “Property, plant, and mine development, net” in our consolidated balance sheets. Direct costs incurred in the nine months ended September 30, 2021 were recorded as expense to “Exploration and mine development costs” in our consolidated statements of operations.

Exploration and mine development costs decreased $11.4 million, or 88.5%, to $1.5 million in the nine months ended September 30, 2022 compared to $12.9 million in the nine months ended September 30, 2021. The decrease was primarily due to the capitalization of direct costs totaling $7.9 million in the nine months ended September 30, 2022.

Excluding the impact of capitalizing direct costs of $7.9 million noted above, costs decreased $3.5 million, or 26.9%, to $9.4 million in the nine months ended September 30, 2022 compared to $12.9 million in the nine months ended September 30, 2021. The decrease in costs was primarily driven by a decline in drilling and engineering activities, partially offset by an increase in engineering, permitting activities and an increase in employee compensation expenses related to additional headcount in then the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021.

General and Administrative Expenses

General and administrative expenses increased $8.7 million, or 75.6%, to $20.2 million in the nine months ended September 30, 2022 compared to $11.5 million in the nine months ended September 30, 2021. The increase in general and administrative expenses was primarily due to increased professional fees, including legal and accounting services, consulting services, and insurance expense as we became subject to U.S. public company requirements as part of the Redomiciliation. Employee compensation costs also contributed to higher general and administrative expenses due to the hiring of additional management and support staff at our headquarters in Belmont, North Carolina. Stock-based compensation expense was $2.5 million and $1.1 million in the nine months ended September 30, 2022 and September 30, 2021, respectively.

Loss from Equity Investments in Unconsolidated Affiliates

Loss from equity investments in unconsolidated affiliates, was $6.5 million in the nine months ended September 30, 2022 compared to $0.5 million in the nine months ended September 30, 2021. The loss reflects our proportionate share of the net loss resulting from our investments in Sayona, Sayona Quebec, and Atlantic Lithium. For purposes discussed above, we did not have income or loss from our equity investment in Atlantic Lithium in the nine months ended September 30, 2021. We had only one quarter of income or loss from our equity investment in Sayona Quebec in the nine months ended September 30, 2021.

Other Income (Expense)

Other income increased $29.8 million to income of $29.6 million in the nine months ended September 30, 2022 compared to $0.2 million of expense in the nine months ended September 30, 2021. The increase was mostly due to our gain on dilution of equity method investments of $29.4 million in the nine months ended September 30, 2022 and to a lesser extent an increase in interest income of $0.4 million in the nine months ended September 30, 2022 compared to September 30, 2021.

Income Tax Expense

Income tax expense was $3.4 million for the nine months ended September 30, 2022 compared to $0 in the nine months ended September 30, 2021. The increase was primarily related to deferred tax expense of $7.4 million recorded on the gain on dilution of equity method investments of $29.4 million in the nine months ended September 30, 2022, partially offset by a $4.0 million deferred tax benefit for a release in valuation allowance against certain deferred tax assets in the nine months ended September 30, 2022.

Liquidity and Capital Resources

Overview

As of September 30, 2022, we had cash and cash equivalents of $117.6 million compared to $64.2 million as of December 31, 2021. As of September 30, 2022, our cash balances held in the U.S. totaled $116.1 million, or 98.8%, and the remaining $1.5 million, or 1.2%, of our cash balances were held in Australia. Our cash balances in Australia can be repatriated to the U.S. with inconsequential tax consequences.

Our predominant source of cash has been generated through equity financing from issuances of our common stock. Prior to 2022, we had entered into noncash seller financed debt agreements to acquire land for Carolina Lithium. Since our inception, we have not generated revenues, and as such, have principally relied on equity financing to fund our operating and investing activities and to fund our debt payments.

In October 2022, Piedmont Lithium was selected for a $141.7 million grant from the DOE Office of Manufacturing and Energy Supply Chains and the Office of Energy Efficiency and Renewable Energy under the Bipartisan Infrastructure Law—Battery Materials Processing and Battery Manufacturing to expand domestic manufacturing of batteries for electric vehicles and components currently imported from other countries. Funding from the grant is solely in support for the construction our Tennessee Lithium project, which is estimated to cost approximately $600 million.

Our primary uses of cash during the nine months ended September 30, 2022 consisted of: (i) equity investments in Sayona Quebec mainly for the operational restart of North American Lithium totaling $13.0 million; (ii) purchases of real property and associated mining interests of $15.7 million and exploration and development expenditures of $5.1 million for Carolina Lithium; (iii) advances to Atlantic Lithium for exploration and evaluation activities related to phase one of the Ewoyaa project totaling $9.8 million; and (iv) working capital. As of September 30, 2022, we had working capital of $113.7 million.

As of September 30, 2022, we had long-term debt of $0.2 million, net of the current portion of $0.5 million, related to seller financed debt, as discussed above.

In March 2022, we issued 2,012,500 shares of our common stock at $65.00 per share for $130.8 million. We received cash proceeds of $122.1 million, which is net of $8.7 million in share issuance costs associated with the U.S. public offering under our shelf registration statement. As of September 30, 2022, we had $369.2 million remaining under our shelf registration statement, which expires on September 24, 2024.

Outlook

We expect our current cash balances to fund cash expenditures in the fourth quarter of 2022 and fiscal year 2023 primarily related to: (i) continued equity investments in Sayona Quebec primarily for the restart of North American Lithium, (ii) continued cash advances to Atlantic Lithium for phase one of the Ewoyaa project, (iii) real property acquisition costs and engineering and permitting activities associated with our Tennessee Lithium project, (iv) real property and associated mineral rights acquisition costs and continued permitting, engineering and testing activities associated with our Carolina Lithium project, and (v) working capital requirements.

As we progress our projects in accordance with our strategic timeline, we expect to incur certain additional cash expenditures in 2023, which will require additional equity or debt financing. These additional cash expenditures primarily relate to: (i) funding of phase two of the Ewoyaa project and (ii) the purchase of long-lead equipment which is likely to occur in the first half of 2023 and the beginning of construction in the second half of 2023 for our Tennessee Lithium project. These additional cash expenditures are dependent upon reaching certain milestones such as completion of a definitive feasibility study and the decision to proceed with phase two of the Ewoyaa project as well as obtaining certain permits and approvals for the Tennessee Lithium project. As we approach construction decisions for our lithium projects, we will evaluate various project financing options, including possible strategic partnering opportunities. We will also require approval from our Board of Directors prior to proceeding with these additional cash expenditures.

As of September 30, 2022, we had entered into land acquisition contracts in North Carolina totaling $40.8 million, of which we expect to close and fund $3.5 million throughout the remainder of 2022, $20.2 million in 2023, $15.6 million in 2024, and $1.5 million in 2025. These amounts do not include closing costs such as attorney's fees, taxes and commissions. We are not obligated to exercise our land option agreements, and we are able to cancel our land acquisition contracts, at our option and with de minimis cancellation costs, during the contract due diligence period. Certain land option agreements and land acquisition contracts become binding upon commencement of construction for Carolina Lithium.

We believe our current cash balances are sufficient to fund our cash requirements for at least the next 12 months. In the event costs were to exceed our planned expenditures, we will reduce or eliminate current and/or planned discretionary spending. If further reductions are required, we will reduce certain non-discretionary expenditures.

We have submitted loan applications to the Advanced Technology Vehicles Manufacturing Loan Program ("ATVM") of the Loan Programs Office of the DOE for potential funding of program eligible capital costs associated with a concentrator and lithium hydroxide conversion facilities for our proposed Carolina Lithium project and a lithium hydroxide conversion facility for our proposed Tennessee Lithium project. We cannot be certain that our loan applications will be approved or will have terms acceptable to us. Additionally, our eligibility for an ATVM loan for our Tennessee Lithium project may be reduced as a result of our award of the DOE $141.7 million grant for the same project.

Historically, we have been successful raising cash through equity financing; however, no assurances can be given that additional financing will be available in amounts sufficient to meet our needs or on terms that are acceptable to us. If we issue additional shares of our common stock, it would result in dilution to our existing shareholders. There are many factors that could significantly impact our ability to raise funds through equity and debt financing as well as influence the timing of future cash flows. These factors include, but are not limited to, permitting and approvals for our projects, our ability to access capital markets, stock price volatility, commodity price volatility, uncertain economic conditions, and access to labor. See Part I, Item 1A "Risk Factors." in our Transition Report for the six-month period ended December 31, 2021.

Cash Flows

The following table is a condensed schedule of cash flows provided as part of the discussion of liquidity and capital resources:

	Nine Months Ended September 30,	
	2022	2021
Net cash used in operating activities	$ (22,041,466)	$ (21,988,447)
Net cash used in investing activities	(45,794,340)	(81,293,071)
Net cash provided by financing activities	121,179,738	114,297,676
Net increase in cash and cash equivalents	$ 53,343,932	$ 11,016,158

Cash Flows from Operating Activities

Operating activities used $22.0 million and $22.0 million in the nine months ended September 30, 2022 and 2021, respectively, resulting in an increase in cash used in operating activities of $0.1 million. The increase in cash used in operating activities was primarily due to changes in working capital totaling $4.1 million, partially offset by a decrease in net loss adjusted for noncash items of $4.0 million in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021.

Cash Flows from Investing Activities

Investing activities used $45.8 million and $81.3 million in the nine months ended September 30, 2022 and 2021, respectively, resulting in a decrease in cash used in investing activities of $35.5 million. The decrease in cash used in investing activities was mainly due to a decrease in equity investments in Sayona for purchases of Sayona's common stock totaling $17.4 million, Sayona Quebec primarily for the restart of North American Lithium totaling $11.5 million, and Atlantic Lithium totaling $15.9 million. These decreases were partially offset by increases in cash advances to Atlantic Lithium for exploration and evaluation activities for phase one of the Ewoyaa project totaling $9.8 million in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021.

Cash Flows from Financing Activities

Financing activities provided $121.2 million and $114.3 million in the nine months ended September 30, 2022 and 2021, respectively, resulting in an increase in cash of $6.9 million. The increase in cash from financing activities was mainly due to a $7.3 million increase in net cash proceeds from issuances of our common stock and cash exercises of stock options in the nine months ended September 30, 2022 compared to September 30, 2021. The increase in cash was partially offset by an increase in debt payments totaling $0.4 million.

Item 6. EXHIBITS.

Exhibit Index

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of Piedmont Lithium Inc. (filed with the SEC as Exhibit 3.1 to the Company's Current Report on Form 8-K12B filed on May 18, 2021)
3.2	Amended and Restated Bylaws of Piedmont Lithium Inc. (filed with the SEC as Exhibit 3.2 to the Company's Current Report on Form 8-K12B filed on May 18, 2021)
31.1*	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document - - embedded within the Inline XBRL document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover page Interactive Data file (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

\+ Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Piedmont Lithium Inc.
(Registrant)

Date: February 17, 2023

By: /s/ Michael White
Michael White
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)