

Partner Commits to Ewoyaa Development Funding

Piedmont Lithium exercises option to acquire initial 22.5% interest in Atlantic Lithium's Ghana Portfolio and commits to sole fund the first US\$70 million of Ewoyaa's total development expenditure and 50% of any additional development expenditure required to build Ghana's first lithium mine

Atlantic Lithium Limited (AIM: ALL, ASX: A11, OTCQX: ALLIF, "Atlantic Lithium" or the "Company"), the African-focused lithium exploration and development company targeting to deliver Ghana's first lithium mine, is pleased to announce that its partner Piedmont Lithium (Nasdaq: PLL; ASX: PLL, "Piedmont") has notified the Company of its intent to support the development of Atlantic Lithium's flagship Ewoyaa Lithium Project ("Ewoyaa" or the "Project") in Ghana towards production.

As part of the staged investment agreement (the "Agreement") to earn a 50% interest in Atlantic Lithium's spodumene projects in Ghana ("Ghana Portfolio"; refer announcement of **1 July 2021**), Piedmont has exercised its option to acquire an initial 22.5% interest to fast-track the development of the Project. To earn the full 50% interest in the Company's share of the Ghana Portfolio, Piedmont will sole fund the first US\$70 million, and 50% of any additional development expenditure, towards the total US\$185 million development expenditure for the Project indicated in the Definitive Feasibility Study¹ ("DFS"), which confirms the Project's economic viability and exceptional profitability potential for a 2.7Mtpa steady state operation, producing 3.6Mt of spodumene concentrate over a 12-year Life of Mine (refer announcement of **29 June 2023**).

Completion of Stage 2

Atlantic Lithium confirms that Piedmont has earned a 22.5% interest in the Company's Ghana Portfolio through the satisfaction of the terms set out in Stage 2 of the Agreement, comprising Piedmont's sole funding of:

- US\$5 million towards the Company's 2022 regional exploration programme; and
- US\$12 million towards the delivery of the Pre-Feasibility Study ("PFS") (refer announcement of **22 September 2022**) and the DFS¹ for the Project.

Commencement of Stage 3

Under the terms set out in Stage 3 of the Agreement, Piedmont will sole fund an initial US\$70 million towards the total US\$185 million Project development expenditure indicated in the DFS¹, with all additional development expenditure split 50:50 between Piedmont and the Company thereafter.

In consideration of the initial sole funding of US\$70 million and 50% of the additional development expenditure towards the Project's US\$185 million development expenditure, Piedmont will earn a further 27.5% of the Company's interest in the Ghana Portfolio, taking its total interest to 50%.

Stage 3 is intended to result in the completion of construction and initial production of spodumene concentrate at Ewoyaa, with production currently estimated to begin in 2025, after required licences and approvals have been received from the relevant authorities.

A summary of the commercial terms of the Agreement are detailed further below in this announcement.

The DFS for the Project incorporates the 35.3Mt @ 1.25% Li₂O Mineral Resource Estimate¹ ("MRE"), which was based on a total 137,153m of drilling, including the 47,000m programme completed in 2022 (*refer announcement of 1 February 2023*) and Ore Reserves¹ of 25.6Mt @ 1.22% Li₂O.

Highlights from the DFS include:

- 2.7Mtpa steady state operation over a 12-year mine life;
- Total production of 3.6Mt of spodumene concentrate;
- Post-tax NPV₈ of US\$1.5bn, with free cash flow of US\$2.4bn from Life of Mine ("LOM") revenues of US\$6.6bn, Internal Rate of Return ("IRR") of 105%;
- Average LOM EBITDA of US\$316 million per annum, short payback of 19 months;
- C1 cash operating costs of US\$377/t of concentrate Free-On-Board ("FOB") Ghana Port, after by-product credits, All in Sustaining Cost ("AISC") of US\$610/t;
- Capital cost estimate of US\$185 million;
- Increased Production Target of approximately 350,000tpa of spodumene concentrate;
- Early-stage revenue potential via construction of a Modular DMS plant for starter-pit operations;
- DFS considers LOM concentrate pricing of US\$1,587/t, FOB Ghana Port.

Commenting, Neil Herbert, Executive Chairman of Atlantic Lithium, said:

"Since our initial agreement in July 2021, Piedmont Lithium remained a highly supportive and collaborative partner, working alongside the Company to achieve our shared goal of delivering a successful spodumene concentrate mine at Ewoyaa. We are, therefore, delighted that Piedmont has elected to proceed with the next phase of Ewoyaa's development."

"In line with the Agreement, Piedmont is expected to contribute c. 70% of the Project's total US\$185 million development expenditure as it earns up to 50% of the Company's share of its lithium projects in Ghana, which includes the Ewoyaa Lithium Project. Following the recent delivery of the milestone Ewoyaa Definitive Feasibility Study, which reaffirmed the Project's economic viability and represented the final condition of Stage 2 of the Agreement, Piedmont has notified the Company of its intent to provide the agreed funding needs towards the Project's development expenditure."

"We believe that this commitment to the next stage of development reflects Piedmont's strong belief in Ewoyaa, further de-risking the Project and moving us ever closer to first spodumene concentrate production in Ghana."

"We look forward to providing further updates in due course."

Keith Phillips, President and Chief Executive Officer of Piedmont Lithium, added:

"We are pleased with the results of the Ewoyaa Lithium Project DFS and our election to earn our initial 22.5% interest in Atlantic Lithium's Ghanaian lithium project portfolio. The Ewoyaa Project is a key part of Piedmont's global portfolio, and we are confident with the progress that our partners have made, both with the robust Definitive Feasibility Study and in discussions with Ghana's Minerals Commission about Ewoyaa's Minerals Lease. We look forward to continuing to work with Atlantic Lithium to advance the Project."

Summary of Commercial Terms

Piedmont expects to earn up to 50% of the Company's lithium project portfolio in Ghana ("Ghana Portfolio"), inclusive of the Ewoyaa Lithium Project ("Ewoyaa" or the "Project"), in the following stages:

Stage 1: Initial Investment into the Company (c. US\$16m)

- *Completed 31 August 2021*

Stage 2: Funding of Regional Exploration and Studies (US\$17m)

- Piedmont to earn up to an initial 22.5% of the Ghana Portfolio upon completion of sole funding of:
 - US\$5 million towards an accelerated regional exploration programme to enhance the Ewoyaa resource;
 - US\$12 million towards the delivery of the PFS and DFS¹ for the Project.
 - Any additional expenditure and/or savings shared equally.
- *Completed 17 August 2023*

Stage 3: Development Expenditure Funding

- Piedmont to earn a further 27.5% of the Ghana Portfolio via:
 - The sole funding of an initial US\$70 million towards the Project's total development expenditure
 - Including a minimum "DFS criteria" to deliver a 1.5mtpa to 2mtpa run-of-mine ("ROM") operation for a 10-year to 8-year life of mine ("LOM") respectively.
 - Funding of any additional development expenditure required.

Other key Terms:

- Piedmont is entitled to:
 - One board position in the Company, which has been taken up through the appointment of Patrick Brindle to the Board (*refer announcement of 23 June 2023*).
 - Offtake agreement for 50% of annual spodumene concentrate (SC6) production for the life of the Company's lithium production operations within Ghana.
 - Price to be determined using the prevailing price of lithium products, ensuring the Company captures value-add margins.
- Commencement of funding by Piedmont is conditioned upon receipt of all regulatory approvals necessary to begin construction on the Project, or otherwise agreed between the Company and Piedmont.
- Ownership of the Project (and broader Ghana Portfolio) is via an intermediary subsidiary. Under Ghana's current mining framework, a 10% carried interest is attributed to the Government of Ghana at the asset level once in production, meaning a 45:45:10 interest ratio between the Company, Piedmont and the Government of Ghana, respectively.

End note

¹ Ore Reserves, Mineral Resources and Production Targets


The information in this announcement that relates to Ore Reserves, Mineral Resources and Production Targets complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). The information in this announcement relating to Ore Reserves of 25.6Mt @ 1.22% Li₂O and Production Targets is extracted from the Ewoyaa Lithium Project Definitive Feasibility Study, announced by the Company on 29 June 2023, and information in this announcement relating to the Mineral Resource Estimate ("MRE") of 35.3 Mt @ 1.25% Li₂O for Ewoyaa is extracted from the Company's announcement dated 1 February 2023, both of which are available at atlanticlithium.com.au. The MRE includes a total of 3.5 Mt @ 1.37% Li₂O in the Measured category, 24.5 Mt @ 1.25% Li₂O in the Indicated category and 7.4 Mt @ 1.16% Li₂O in the Inferred category. The Company confirms that all material assumptions and technical parameters underpinning the Mineral Resource Estimate and the Definitive Feasibility Study continue to apply and have not materially changed, and it is not aware of any new information or data that materially affects the information included in this announcement or the announcements dated 1 February 2023 or 29 June 2023.

For any further information, please contact:


Atlantic Lithium Limited

Neil Herbert (Executive Chairman)

Amanda Harsas (Finance Director and Company Secretary)

 www.atlanticlithium.com.au

 IR@atlanticlithium.com.au

 **Tel: +61 2 8072 0640**



SP Angel Corporate Finance LLP

Nominated Adviser

Jeff Keating

Charlie Bouverat

Tel: +44 (0)20 3470 0470



Yellow Jersey PR Limited

Charles Goodwin

Bessie Elliot

atlantic@yellowjerseypr.com

Tel: +44 (0)20 3004 9512



Canaccord Genuity Limited

Company Broker

Raj Khatri / James Asensio

Harry Rees

Tel: +44 (0) 20 7523 4500

Notes to Editors:

About Atlantic Lithium

www.atlanticlithium.com.au

Atlantic Lithium is an AIM and ASX-listed lithium company advancing a portfolio of lithium projects in Ghana and Côte d'Ivoire through to production.

The Company's flagship project, the Ewoyaa Project in Ghana, is a significant lithium spodumene pegmatite discovery on track to become Ghana's first lithium-producing mine. The Company signed a funding agreement with Piedmont Lithium Inc. towards the development of the Ewoyaa Project. Atlantic Lithium is currently advancing the Ewoyaa Project through feasibility studies and intends to be producing a spodumene concentrate via simple gravity only process flowsheet.

Atlantic Lithium holds 560km² and 774km² of tenure across Ghana and Côte d'Ivoire respectively, comprising significantly under-explored, highly prospective licences.