

23 May 2024

ASX Compliance
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Sent by email: ListingsCompliancePerth@asx.com.au

Dear Sir/Madam,

Piedmont Lithium Inc. (ASX: PLL) – ASX Aware Letter

Piedmont Lithium Inc. (**PLL or Company**) refers to your letter dated 20 May 2024 (**ASX Letter**).

Defined terms in this letter have the same meaning as in the ASX Letter unless otherwise indicated.

Background

PLL is a U.S. mining company advancing a multi-asset, integrated lithium business in support of a clean energy economy and U.S. and global energy security. PLL aims to supply lithium hydroxide to the electric vehicle and battery manufacturing supply chains in North America by processing spodumene concentrate produced from assets owned by PLL or in which PLL has an economic interest.

PLL's wholly-owned projects are:

- Carolina Lithium, a wholly-owned proposed fully integrated spodumene ore-to-lithium hydroxide project in Gaston County, North Carolina; and
- Tennessee Lithium, a proposed merchant lithium hydroxide manufacturing plant in McMinn County, Tennessee.

On 15 April 2024, PLL announced that the North Carolina Department of Environmental Quality's Division of Energy, Mineral, and Land Resources had issued an approval of PLL's mining permit for the construction, operation and reclamation of the Carolina Lithium Project. PLL now plans to develop Carolina Lithium as one of the lowest-cost, most sustainable lithium hydroxide operations in the world, and as a critical part of the American electric vehicle supply chain.

The balance of PLL's project portfolio includes strategic investments in lithium assets in:

- Sayona Quebec Inc. (**SYQ**), a joint venture located in Quebec, Canada, that includes the now operating North American Lithium (**NAL**) mine, with Sayona Mining Limited (ASX: **SYA**) (**SYA**);
- the Ewoyaa lithium project, a joint venture located in Ghana, West Africa, with Atlantic Lithium Limited (ASX: **A11**); and
- the Killick lithium project, a joint venture located in Newfoundland, Canada, with Vinland Lithium.

PLL owns an equity (and economic) interest of 25% in SYQ, which owns a 100% interest in the NAL, Authier, Tansim and Vallée properties (SYA owns the majority 75% interest in SYQ). SYA is the operator of SYQ. In addition, PLL holds an offtake right with SYQ for the greater of (x) 113,000 dmt per year or (y) 50% of spodumene concentrate production at market prices, subject to a price floor of \$500 per dmt and a price ceiling of \$900 per dmt for 6.0% spodumene concentrate equivalent, on a life-of-mine basis. PLL in turn, has sold spodumene concentrate procured under its NAL offtake to PLL's own customers at market-based prices.

NAL is a brownfield open pit mining operation with an operating spodumene concentrator and a partially constructed lithium carbonate plant that was acquired by SYQ in August 2021. In March 2023, NAL restarted production of spodumene concentrate and began delivering shipments in August 2023. From 1 July 2023 to 31 December 2023, NAL produced 65,723 dmt of spodumene concentrate, of which 43,200 dmt were delivered to PLL in accordance with its offtake agreement.

SYA is an ASX-listed company and all of its announcements regarding NAL are made generally available to investors through the ASX Market Announcements Platform (**MAP**) under SYA's ASX ticker "SYA".

PLL and SYA are separate entities and PLL has no control over when SYA releases its announcements. PLL's main commercial interest in SYQ is the revenue generated from NAL. This includes PLL's minority equity interest of 25% in SYQ and its offtake arrangements from NAL. In February 2024, PLL sold its entire equity interest (approximately 12%) in SYA and is no longer a shareholder of SYA.

Accordingly, the NAL investment is important to PLL for its 25% interest in the revenue generated by NAL's production and PLL's offtake arrangement for NAL's production. PLL does not generally regard drill results from exploration activities by NAL as particularly significant to PLL's overall business operations. PLL notes that SYA's announcement on 13 May 2024 of NAL drill results was not significant to PLL's overall business. The NAL project has a 20-year mine life, and the drill results announcement did not impact the mine life or contain any information relating to NAL production or sales or disclose a new exploration target, a new production target or any new mineral resources or ore reserves relating to NAL.

The Company's response against each query in the ASX Letter is as follows:

1. Does PLL consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

a. New drilling results at NAL from 91 drill holes.

No.

b. The initial assessments which indicate the presence of high-grade lithium mineralisation outside the MRE pit shell which may represent a substantial additional to NAL's resource portfolio and may contribute to extending NAL's life of mine.

No.

c. That the new NAL drill results could confirm conversion of inferred resources to indicated and measured resources within the pit shell.

No.

2. If the answer to any part of question 1 is “no”, please advise the basis for that view, commenting specifically on the following matters:

- a. The Q1 2024 concentrate shipping tonnages contained in the PLL Q1 24 Report, which indicate PLL's share (25%) of NAL Q1 concentrate shipments represents 93.5% of PLL's Q1 concentrate shipments based on volume. (refer to data in table at para A(iii) above)**

We refer to our comments in the Background section of this letter regarding the commercial significance of its NAL investment based on revenue generated by NAL. The PLL Q1 24 Report was important to PLL as it contained information relating to production and revenue generated. The SYA Announcement of drill results referred to in question 1 only related to drill results and did not contain any information relating to NAL's mine life, NAL production or sales or disclose a new exploration target, a new production target or any new mineral resources or ore reserves relating to NAL.

- b. The price and volume movement in PLL's securities following the release of the SYA Announcements on 13 May 2024.**

We refer to our comments in the Background section of this letter.

In addition, the price and volume of PLL's securities are impacted by a number of factors (including, but not limited to, macroeconomic factors, factors specific to the lithium industry, PLL being a dual listed entity on NASDAQ and ASX and potential pricing differences on exchanges, price movements in lithium, foreign exchange movements, mining sector sentiment).

We note that the price of PLL's and SYA's securities actually *decreased* on 13 May 2024 following the release of the SYA Announcements (by 2.5% and 6.8% respectively).

Further, the increase in the price of PLL's securities referred to by ASX was 17.5% during a 3-day period in which U.S. indexes such as NASDAQ closed higher. The closing price of PLL's securities on Wednesday, 15 May 2024 was \$0.225, representing an increase in the price of PLL's securities of 12.5% over 3 trading days.

- c. PLL's recent prior disclosures in relation to NAL, including those announcements marked as 'price sensitive' by PLL.**

We refer to our comments in the Background section of this letter. Based on the announcements which have been selected by ASX in the ASX Letter, PLL marked announcements as 'price sensitive' if they are price sensitive to PLL, being first production, its quarterly results including revenue and production information and PLL's offtake arrangements. This is consistent with our responses in question 1 and PLL's belief of the commercial significance of its investment in NAL.

PLL did not regard the drill results of NAL as price sensitive to PLL given the value drivers of the investment in NAL, being its revenue generation to PLL, and PLL's owner-operated projects being Carolina Lithium and Tennessee

Lithium. The NAL drill results did not disclose a new exploration target, a new production target, or any new mineral resources or ore reserves relating to NAL.

d. Comments attributable to PLL's CEO regarding NAL contained in the PLL Announcement, including the following:

- i. 'We believe these results underscore the long-term potential of this important asset';**
- ii. 'NAL is the largest operation in North America, and ramp-up is nearing completion'; and**
- iii. 'NAL is highly strategic and the possibility of an extension to mine life and/or an increase in annual production is very exciting.'**

We refer to our comments in the Background section of this letter, as well as our other comments to the questions above. In addition, these comments are general comments made by PLL's CEO regarding its investment in NAL.

3. When did PLL first become aware of the information referred to in question 1 above? Please answer separately for each of the items in question 1 above.

On 3 May 2024, SYA advised PLL that it may release an announcement in relation to drill results from NAL and provided PLL with an incomplete draft of an ASX announcement relating to the drill results. The information in relation to the drill results was incomplete and remained subject to technical and competent person review by SYA. SYA did not advise PLL when it intended to release an announcement relating to the drill results. PLL is not the operator of SYQ, the joint venture entity which owns NAL; SYA is the operator of SYQ. PLL first became aware of the information in question 1 when SYA released its announcement on the ASX on 13 May 2024.

4. If PLL first became aware of the information referred to in question 1, or any part thereof, before the date of the PLL Announcement, did PLL make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe PLL was obliged to release the information under Listing Rule 3.1 and 3.1A and what steps PLL took to ensure that the information was released promptly and without delay. Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

PLL refers to its response to question 3 in respect of when it first became aware of the information referred to in question 1.

For the reasons contained in the Background section of this letter, the SYA Announcement was not considered price sensitive to PLL. Following SYA releasing the NAL drill results, PLL prepared its own announcement, being the PLL Announcement, for release on its primary stock exchange, NASDAQ, as a matter of good practice to make U.S. investors aware through U.S. newswire services of the NAL drill results which had been released on ASX by SYA. The PLL Announcement was released on ASX to ensure that the same information was being released on ASX and to ensure there was no selective disclosure on NASDAQ (i.e. there was no asymmetric information), which is required by U.S. securities laws.

5. Does PLL consider its current arrangements with SYA in respect of NAL are such that PLL can comply with LR 5.45?

Yes. PLL has contractual rights under its shareholders agreement with SYA governing the operation and management of SYQ. SYA, as the operator of the joint venture, must give PLL all the information PLL requires to comply with under the Listing Rules. Such information may be given to ASX for release to the market if necessary to comply with the Listing Rules. PLL will remind SYA of the information sharing arrangements with SYA and request that SYA tag PLL's ASX code on its announcements which relate to NAL.

6. If the answer to question 5 is 'yes', please explain the basis for that conclusion, specifically addressing the delay between the release of the SYA Announcement and the PLL Announcement (being 3 days).

For the reasons contained in the Background section of this letter, the SYA Announcement was considered not price sensitive to PLL. The Company reviewed the results of the drilling information contained in the SYA Announcement and prepared its own announcement, being the PLL Announcement, for release to the market. See the response to question 4 above for further details.

7. If the answer to question 5 is “no”, please describe steps PLL intends to take to ensure it is able to comply with the ASX Listing Rules, including Listing Rules 3.1 and 5.45 in respect of its interest in NAL.

Not applicable.

8. Please confirm that PLL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

9. Please confirm that PLL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PLL with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that its responses to the questions above have been authorised and approved by Bruce Czachor, an officer of the Company with delegated authority from the Board to respond to ASX on disclosure matters.

Yours sincerely,

[sent electronically without signature]

Bruce Czachor
Company Secretary



20 May 2024

Reference: 94499

Mr Bruce Czachor
Company Secretary
Piedmont Lithium Inc.

By email:

Dear Mr Czachor

Piedmont Lithium Inc. ('PLL'): ASX Aware Letter

ASX refers to the following:

A. PLL's announcement titled "*Piedmont Lithium Reports Q1 2024 Results*" ('PLL Q1 24 Report') released on the ASX Market Announcements Platform ('MAP') on 10 May 2024 which disclosed the following information relating to the North American Lithium ('NAL') operation, which is 25% held by PLL and 75% held by Sayona Mining Limited ('SYA'):

- (i) *'Record quarterly production at NAL with recoveries exceeding target; full run-rate production on track for H2'24'*;
- (ii) *'North American Lithium ("NAL"), the largest producing spodumene operation in North America, achieved record quarterly production of 40,439 dry metric tons ("dmt") of spodumene concentrate in Q124...'*; and
- (iii) the following table, which disclosed Q1 shipment tonnages for PLL's own operations and operations at NAL:

	Share	Units	Q1'24	Q4'23	Q3'23
Piedmont Lithium					
Concentrate shipped	100%	dmt thousands	15.5	14.2	29.0
North American Lithium					
Concentrate produced	100% ⁽¹⁾	dmt thousands	40.4	34.2	31.5
Concentrate shipped	100% ⁽²⁾	dmt thousands	58.0	23.9	48.2

B. SYA's announcement titled "*New High-Grade Zones Discovered at North American Lithium*" marked as 'price sensitive, and released on MAP at approximately 8:52 AM AEST on Monday 13 May 2024 disclosing exploration results at NAL including the following:

- (i) new drilling results from 91 drillholes and wedges totalling 26,605m;
- (ii) initial assessments which indicate the presence of high grade lithium mineralisation outside the MRE pit shell which may represent a substantial addition to NAL's resource portfolio and may contribute to extending NAL's life of mine; and
- (iii) the drill results could confirm conversion of inferred resources to indicated and measured resources within the pit shell.

(the 'SYA Announcement').

- C. The increase in the price of PLL's securities from \$0.20 at the close of trading on Friday, 10 May 2024 to an intra-day high of \$0.235 on Wednesday, 15 May 2024.
- D. PLL's announcement titled "*High-Grade Drill Results at North American Lithium*" (the 'PLL Announcement') released on MAP at approximately 8:18 AM AEST on Thursday, 16 May 2024 which appears to be a summarised version of the SYA Announcement. The Announcement also contains a hyperlink to access the SYA Announcement.
- E. PLL's recent disclosure of information in respect of NAL as summarised in the below table:

Date of PLL Announcement	Announcement Title	Marked as 'Price Sensitive'?
10 May 2024	Piedmont Lithium Reports Q1 2024 Results	Yes
1 May 2024	Piedmont Lithium Announces Q1 2024 NAL Production Results	Yes
3 November 2023	High-Grade NAL Drilling Shows Potential for Resource Upgrade	No
3 August 2023	Piedmont Announces First Commercial Shipments from NAL	Yes
3 March 2023	Sayona & Piedmont Lithium Announce Successful Restart of NAL	Yes

- F. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- G. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*
- H. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- I. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

3.1A.1 One or more of the following 5 situations applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- J. The concept of “confidentiality” detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”

- K. Listing Rule 5.45 which states that:

*“An entity must not, and must ensure that all its *child entities do not, enter into a joint venture agreement to investigate or explore a *mining tenement or a *petroleum tenement, unless the agreement provides that if the entity requires it, the operator of the joint venture will give the entity all the information the entity requires to comply with the Listing Rules; and that the information may be given to ASX for release to the market if necessary for the entity to comply with the Listing Rules.”*

Request for information

Having regard to the above, ASX asks PLL to respond separately to each of the following questions:

1. Does PLL consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
 - 1.1 New drilling results at NAL from 91 drill holes.
 - 1.2 The initial assessments which indicate the presence of high grade lithium mineralisation outside the MRE pit shell which may represent a substantial addition to NAL’s resource portfolio and may contribute to extending NAL’s life of mine.
 - 1.3 That the new NAL drill results could confirm conversion of inferred resources to indicated and measured resources within the pit shell.

Please answer separately for each of the above.
2. If the answer to any part of question 1 is “no”, please advise the basis for that view, commenting specifically on the following matters:
 - 2.1 The Q1 2024 concentrate shipping tonnages contained in the PLL Q1 24 Report, which indicate PLL’s share (25%) of NAL Q1 concentrate shipments represents 93.5% of PLL’s Q1 concentrate shipments based on volume. (refer to data in table at para A(iii) above)
 - 2.2 The price and volume movement in PLL’s securities following the release of the SYA Announcement on 13 May 2024.
 - 2.3 PLL’s recent prior disclosures in relation to NAL, including those announcements marked as ‘price sensitive’ by PLL.
 - 2.4 Comments attributable to PLL’s CEO regarding NAL contained in the PLL Announcement, including the following:
 - 2.4.1 ‘We believe these results underscore the long-term potential of this important asset’;
 - 2.4.2 ‘NAL is the largest operation in North America, and ramp-up is nearing completion’; and
 - 2.4.3 ‘NAL is highly strategic and the possibility of an extension to mine life and/or an increase in annual production is very exciting.’

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3. When did PLL first become aware of the information referred to in question 1 above? Please answer separately for each of the items in question 1 above.
 4. If PLL first became aware of the information referred to in question 1, or any part thereof, before the date of the PLL Announcement, did PLL make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe PLL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps PLL took to ensure that the information was released promptly and without delay. Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.
 5. Does PLL consider its current arrangements with SYA in respect of NAL are such that PLL can comply with LR 5.45?
 6. If the answer to question 5 is 'yes', please explain the basis for that conclusion, specifically addressing the delay between the release of the SYA Announcement and the PLL Announcement (being 3 days).
 7. If the answer to question 5 is 'no', please describe steps PLL intends to take to ensure it is able to comply with the ASX Listing Rules, including Listing Rules 3.1 and 5.45 in respect of its interest in NAL.
 8. Please confirm that PLL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 9. Please confirm that PLL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PLL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Thursday, 23 May 2024**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PLL's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require PLL to request a trading halt immediately if trading in PLL's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in PLL's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PLL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that PLL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours faithfully

ASX Compliance