

Mining Lease Granted for Ewoyaa Lithium Project

Ghana awards historic first Mining Lease for lithium,
paving the way for Ewoyaa to become one of the next major spodumene concentrate producers

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 Ghana’s Ministry of Lands and Natural Resources has granted a Mining Lease in respect of the Company’s flagship Ewoyaa Lithium Project (“Ewoyaa” or the “Project”), comprising the proposed Ewoyaa Lithium Mine and Processing Plant, enabling the advancement of the Project towards commercial production.

Highlights

- Mining Lease terms, secured in the interests of all stakeholders through close cooperation with the Government of Ghana, in line with establishing its new Green Minerals Policy, maintain the Project’s position as one of the lowest capital and operating cost hard rock lithium projects globally and indicate strong commercial viability and exceptional profitability potential for a 2.7Mtpa steady state operation, producing a total of 3.6Mt of spodumene concentrate (approximately 350,000tpa) over a 12-year mine life¹:
 - Ewoyaa to become one of the top 10 largest spodumene concentrate producers globally¹;
 - Payback period of main processing plant of 9.5 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\$675/t;
 - Development cost estimate of US\$185m; to be substantially funded by Piedmont Lithium and planned investment by Ghana’s sovereign wealth fund, the Minerals Income Investment Fund (“MIIF”);
 - Post-tax NPV₈ of US\$1.3bn, with free cash flow of US\$2.1bn from Life of Mine (“LOM”) revenues of US\$6.6bn.
- Mining Lease represents a considerable de-risking milestone in the development of the Project.
- First Mining Lease to be granted for lithium in Ghana, demonstrating the Government’s strong support in the Company as its ‘partner of choice’ to deliver long-term lithium production and serving as a major landmark in the country’s efforts to reaffirm its status as a leading mining destination and establish itself as a key player in the global decarbonisation drive in Africa.
- Atlantic Lithium granted exclusive rights to carry out mining and commercial production activities over the Mining Lease area for an initial 15-year period, renewable in accordance with Ghanaian legislation.
- Project to be funded by strategic partnerships with Piedmont Lithium and MIIF, with competitive offtake partnering process underway to secure Project funding for a portion of the remaining 50% available feedstock.

- Under the terms of the Mining Lease, the Company agrees to list on Ghana Stock Exchange and is provided the opportunity, with incentives offered by the Government of Ghana as support, to participate in further value addition by undertaking studies to assess the viability of the production of feldspar at Ewoyaa and for downstream conversion in Ghana, offering the potential to significantly enhance shareholder value.
- The Company intends to outline the next steps regarding the Project's development in the coming weeks.

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

"As the first to be granted for lithium in the country, the award of the Mining Lease for the Ewoyaa Lithium Project is auspicious for both Ghana and Atlantic Lithium. It serves as Ghana's statement of intent to establish itself as a leading hub in Africa in the EV supply chain through the long-term production of lithium, with Atlantic Lithium as its partner of choice in this objective.

"The Mining Lease is a major endorsement of the viability of the Project and a landmark de-risking milestone in its advancement towards production. The Government of Ghana, which is eager to build upon its mining history that spans back over a century and diversify away from its long-standing gold production, has remained incredibly cooperative throughout our application process. We wholeheartedly welcome their support, alongside the intent shown by Ghana's sovereign wealth fund, MIF, at this pivotal moment.

"We believe that Ewoyaa will showcase the Central Region and Ghana more broadly as a highly attractive mining investment jurisdiction. As a first mover in Ghana, we look forward to working closely with our in-country partners to set an example for responsible, modern mining, delivering long-lasting benefits to all stakeholders in the process.

"We consider the Project to be one of the industry's leading lithium assets. Speaking on behalf of the entire Atlantic Lithium team, we are incredibly excited and proud to be playing such an important role in the development of Ghana's economy, including the opportunity to support Ghana's aspirations to further develop its lithium value chain.

"With our sights set on first production, work is now well underway to prepare Ewoyaa for shovel readiness. Meanwhile, we continue to de-risk and enhance the value of the Project through further exploration. We look forward to sharing our progress on these activities in due course."

Grant of Mining Lease

Following the release of the Company's Pre-Feasibility Study ("PFS") for the Company's Ewoyaa Lithium Project (*refer announcement of 22 September 2022*), the Company submitted its application for a Mining Lease in respect of the Project (*refer announcement of 13 October 2022*).

On 19 October 2023, the Company was granted the Mining Lease in respect of the application area ("Lease Area") within the Mankessim licence, held by Barari DV Ghana Limited ("Barari"), which contains the Company's flagship Ewoyaa Lithium Project.

The Lease Area contains the 35.3Mt @ 1.25% Li₂O MRE¹, which includes a total of 3.5Mt @ 1.37% Li₂O in the Measured category, 24.5Mt @ 1.25% Li₂O in the Indicated category and 7.4Mt @ 1.16% Li₂O in the Inferred category.

Summary of Key Terms

In line with the Government of Ghana's initiative to establish a new Green Minerals Policy, the terms of the Mining Lease were agreed upon by the Company and the Minerals Commission as being attractive to Ghana and to the Company's shareholders.

The Mining Lease grants the Company exclusive rights to work, develop and produce lithium (and other associated minerals) over the entirety of the 42.63 km² Lease Area for an initial period of 15 years, renewable under Ghana's *Minerals and Mining Act, 2006 (Act 703)*.

The Mining Lease is subject to parliamentary ratification and the Company obtaining the necessary approvals and permits required by law in relation to its proposed activities, including but not limited to, the Environmental Protection Agency.

Under the terms of the Mining Lease, the Company must commence commercial production within 24 months from the date of its ratification and comply with Ghana's Local Content Regulations.

The Government of Ghana has publicly stated its ambitions for long-term lithium production in Ghana and its objective to establish itself as a major hub in Africa in the EV supply chain. Through the grant of the Mining Lease, the Government of Ghana supports Atlantic Lithium as its partner of choice in these ambitions, which include evaluating the establishment of feldspar production and downstream conversion opportunities in Ghana.

Fiscal Regime

The following key financial terms, agreed under the grant of the Mining Lease, have been updated from those considered as part of the Definitive Feasibility Study ("DFS") for the Project (*refer announcement of 29 June 2023*).

Under the terms of the Mining Lease, the Government of Ghana will be entitled to a 13% free carried interest in the Project, representing a 3% increase from the 10% free carried interest incorporated in the DFS.

The Government of Ghana will also be entitled to a 10% royalty rate, increased from the 5% royalty rate incorporated in the DFS.

Table 1 below is a summary of the key metrics table that has been prepared to estimate and evaluate Project cash flows and economic viability for a 2.7Mtpa steady state operation over a 12-year mine life, using the parameters as defined in the DFS and incorporating the agreed terms of the Mining Lease.

The full Project metrics can be found in Table 3 in the Appendix.

TABLE 1 SUMMARY OF EWOYAA KEY METRICS - DFS VERSUS MINING LEASE TERMS (100% PROJECT BASIS²)

Item	Units	DFS Result	Mining Lease
Revenue (all products)	US\$M	6,566	6,566
LOM Concentrate Pricing, FOB Ghana	US\$/t	1,587	1,587
Post-tax IRR	%	105	94
C1 Cash Cost, after secondary product credits	US\$/t	377	377
All In Sustaining Cost (AISC)	US\$/t	610	675
Surplus Cashflow, Post Tax	US\$M	2,438	2,091
NPV ₈ Post Tax	US\$M	1,498	1,301
Payback - Combined	Months	19	17
Payback – Main Plant	Months	-	9.5
Payback – Modular DMS Unit	Months	-	3
EBITDA	US\$M	3,798	3,365
EBIT	US\$M	3,527	3,022
NPAT, LOM	US\$M	2,284	2,004

² Whilst the asset is currently wholly owned by Atlantic Lithium Ltd, Piedmont Lithium Inc. can earn up to half of the Company's ownership in the Project through its funding agreement whereby Piedmont will sole fund the first US\$70m, and 50% of additional costs thereafter, of the total US\$185m development expenditure indicated in the DFS for the Project. The Government of Ghana has the right to a 13% free carry once in production and the Minerals Income Investment Fund has agreed Heads of Terms with the Company, which will see it earn a 6% contributing interest in the Project.

³ Mr S. Searle of Ashmore Advisory Pty Ltd is the Competent Persons for Mineral Resources and Mr H. Warriess of Mining Focus Consultants Pty Ltd for Ore Reserves. For full Competent Persons statements, refer to the Competent Persons section later in this announcement.

NOTE: Mineral Resources are inclusive of the Ore Reserves.

Feldspar

The Company has agreed to undertake a Feasibility Study ("Feldspar Study") to assess the viability of producing and processing feldspar feedstock as by-product of spodumene concentrate production at the Project.

As announced on 15 August 2023, the Company has signed a Memorandum of Understanding ("MOU") with The University of Mines and Technology ("UMaT"), Tarkwa in the Western Region of Ghana to undertake the Feldspar Study. The DFS for the Project does not currently consider any activity in relation to the production of feldspar. The Company believes that the commercialisation of feldspar at Ewoyaa offers the potential to reduce the Project's waste footprint and generate significant value to the Company and to Ghana, in addition to the Project's lithium production.

Downstream Processing

Under the terms of the Mining Lease, the Company will also conduct a scoping study ("Downstream Conversion Study") to evaluate the economic benefits and viability of downstream lithium conversion in Ghana. Subject to the results of the Downstream Conversion Study and relevant economic and market conditions, the Company has the right, with incentives offered by the Government of Ghana in support, to establish a lithium processing plant in Ghana. This is believed to generate considerable benefits to Ghana and presents the Company the opportunity to significantly enhance shareholder value.

Ghana Stock Exchange Listing

In accordance with Ghana's Local Content Regulations, companies are required to list on the Ghana Stock Exchange ("GSE") within five years of the commencement of mining operations. The Company has committed to establish a path for the Company to begin trading on the GSE, while also ensuring ongoing compliance with the Company's Constitution and its ASX and AIM listings, as soon as practicable.

Project Ownership and Financing

Piedmont Earn-In Agreement

On 1 July 2021, the Company announced a staged investment agreement (the “Agreement”) with Piedmont Lithium Inc (Nasdaq: PLL; ASX: PLL, “Piedmont”), whereby, through the fast-tracked development of the Project, Piedmont will earn up to a 50% interest in the Company’s share of its lithium projects in Ghana (“Ghana Portfolio”) and 50% of the total spodumene concentrate (SC6) offtake at market rates.

Through the satisfaction of the terms set out in Stage 2 of the “Agreement”, Piedmont has exercised its option to acquire an initial 22.5% interest in the Ghana Portfolio (*refer announcement of 17 August 2023*).

To earn the full 50% interest, as set out in Stage 3 of the Agreement, Piedmont has committed to sole fund the first US\$70m, and 50% of any additional development expenditure, towards the total US\$185m development expenditure for the Project indicated in the DFS.

Minerals Income Investment Fund Strategic Investment

The Minerals Income Investment Fund of Ghana (“MIIF”) has agreed non-binding Heads of Terms with the Company to invest a total of US\$32.9m (A\$51.4m / £26.3m) in the Company and its Ghanaian subsidiaries (“Strategic Investment”) to support the development of the Project (*refer announcement of 8 September 2023*).

Under the terms of the Strategic Investment, MIIF will acquire a 6% contributing interest of the Ghana Portfolio, inclusive of the Project, for a total consideration of US\$27.9m (A\$43.6m / £22.3m), payable on completion of the Strategic Investment. The contributing interest will take the form of funding of development, exploration and studies expenditure incurred via monthly cash calls.

Government Free Carry

Under the terms of the Mining Lease, the Government of Ghana will be entitled to a 13% free carried interest in the Project once in production.

Based on the assumption of the completion of the agreements the Company has in place, Table 2 below sets out the Project’s ownership structure once in production:

TABLE 2 EWOYAA LITHIUM PROJECT OWNERSHIP (ONCE IN PRODUCTION)

Company	% Ownership
Atlantic Lithium	40.5
Piedmont Lithium	40.5
Minerals Income Investment Fund	6
Government of Ghana	13

Project Financing

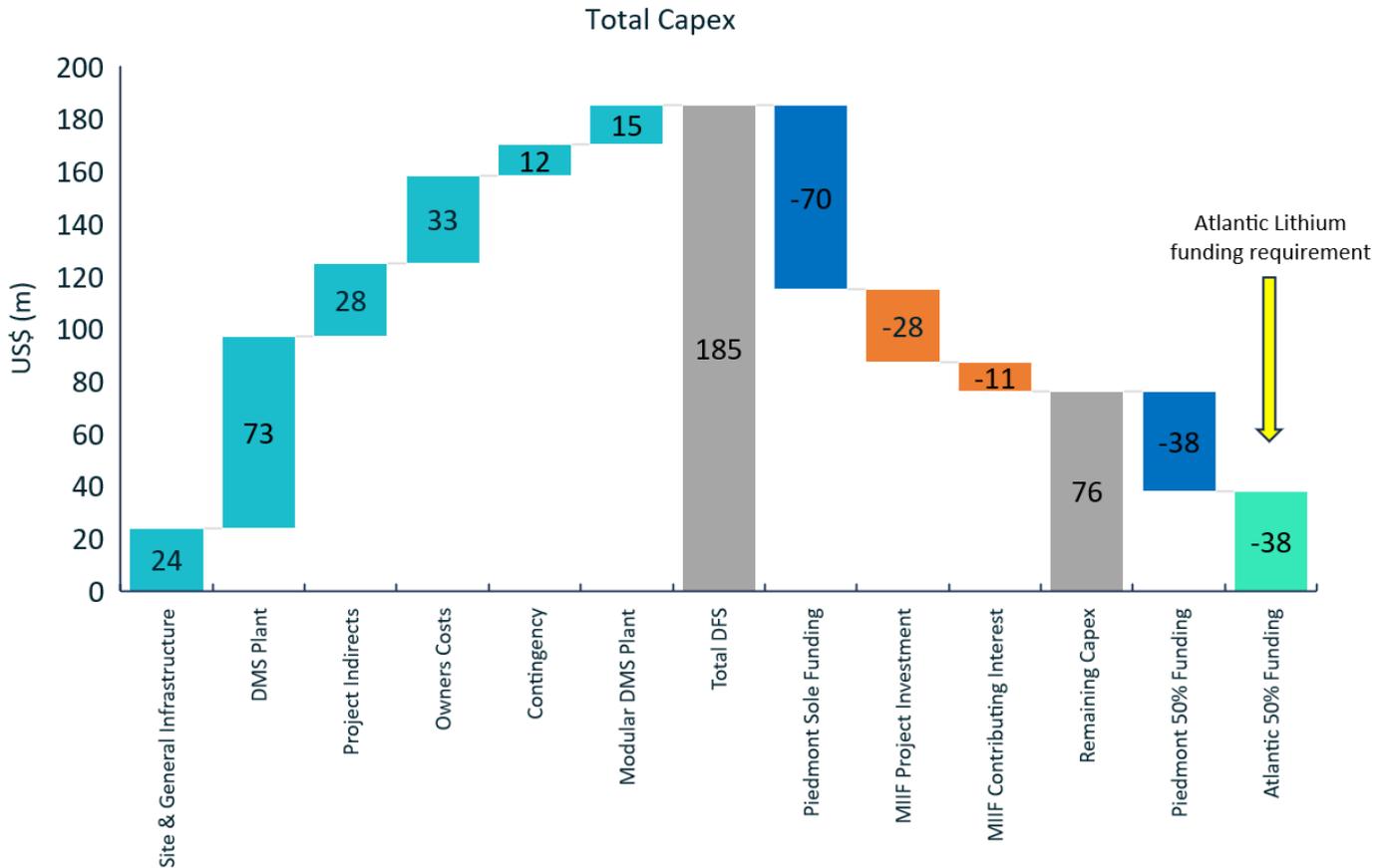
Considering a total development expenditure of US\$185m for the Project, as indicated in the DFS, Figure 1 below indicates the expected allocation of Project expenditure based on the assumption of the completion of the agreements the Company has in place. This indicates the Company’s allocation of the remaining development expenditure equates to US\$38m.

As at end 30 June 2023, the Company had cash resources of US\$10m (A\$15.3m / £8m) and no debt (*refer announcement of 31 July 2023*).

As part of its non-binding Strategic Investment, MIIF has also agreed to subscribe for Atlantic Lithium shares for a value of US\$5m (A\$7.8m / £4m) (refer announcement of **8 September 2023**).

The Company has also commenced a competitive offtake partnering process with a major investment bank, aiming to attract funding offers to expediate and de-risk the Project. The Company’s preference is for a pre-payment agreement whereby the pre-payment covers the Company’s allocation of the remaining development expenditure for the Project.

FIGURE 1 PROJECT FUNDING



Payback Period

In the DFS for the Project, the model for the payback period was calculated on a yearly basis, whereby the calculation commences from the beginning of the year of initial production from the Modular DMS unit.

When the model is calculated on a monthly basis, as used to determine the metrics under the terms granted for the Mining Lease, the commencement of the payback period calculation is more precise.

As such, on a combined basis (considering the payback for both the Modular DMS Unit and the main plant), the payback period for the Project has been reduced to 17 months.

On a standalone basis for each production stream, the payback period for the Modular DMS unit is 3 months and the payback period for the main plant is 9.5 months.

End Notes

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 ("DFS"), 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 MRE and the DFS 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.

Ewoyaa to become one of the top 10 largest spodumene concentrate producers globally - Based on a comparison of targeted spodumene concentrate production capacity (ktpa, 100% basis) of select hard rock spodumene projects globally (*refer Company presentation dated 8 September 2023*).

Competent Persons

Information in this report relating to Mineral Resources was compiled by Shaun Searle, a Member of the Australian Institute of Geoscientists. Mr Searle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Searle is a director of Ashmore. Ashmore and the Competent Person are independent of the Company and other than being paid fees for services in compiling this report, neither has any financial interest (direct or contingent) in the Company. Mr Searle consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

The reported Ore Reserves have been compiled by Mr Harry Warries. Mr Warries is a Fellow of the Australasian Institute of Mining and Metallurgy and an employee of Mining Focus Consultants Pty Ltd. He has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' of December 2012 ("JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. Mr Warries gives Atlantic Lithium Limited consent to use this reserve estimate in reports.

Appendix

TABLE 3 EWOYAA KEY METRICS - DFS VERSUS MINING LEASE TERMS (100% PROJECT BASIS²)

Item	Units	DFS Result	Mining Lease
Mineral Resource ³	Mt @ %	35.3Mt @ 1.25% Li ₂ O	35.3Mt @ 1.25% Li ₂ O
Measured Indicated Mineral Resource	Mt @ %	3.5Mt @ 1.37% Li ₂ O	3.5Mt @ 1.37% Li ₂ O
Indicated Mineral Resource	Mt @ %	24.5Mt @ 1.25% Li ₂ O	24.5Mt @ 1.25% Li ₂ O
Inferred Mineral Resource	Mt @ %	7.4Mt @ 1.16% Li ₂ O	7.4Mt @ 1.16% Li ₂ O
Mine Life	Years	12	12
Ore Reserves (Probable)	Mt @ %	25.6Mt @ 1.22% Li ₂ O	25.6Mt @ 1.22% Li ₂ O
Total Material Movement LOM	Mt	406	406
Mined Waste	Mt	375.4	375.4
Mined Ore	Mt	30.6	30.6
Strip Ratio	W:O	12.3	12.3
Processed Ore LOM	Mt	27.3	27.3
DMS Plant Feed Rate	Mtpa	2.7	2.7
Li ₂ O Head Grade (average)	%	1.22	1.22
Average Whole of Ore Recovery SC6	%	62.1	62.1
Average Whole of Ore Recovery SC5.5	%	67.2	67.2
Secondary Product Mass Yield (% of ROM Feed)	%	17.0	17.0
SC6 Produced	LOM, t	1,792,222	1,792,222
SC5.5 Produced	LOM, t	1,792,195	1,792,195
Secondary Product Produced	LOM, t	4,733,264	4,733,264
Project Total Upfront Development Cost	US\$M	185	185
SC6 Sell Price, LOM Average, FOB Ghana	US\$/t	1,695	1,695
SC5.5 Sell Price, LOM Average, FOB Ghana	US\$/t	1,478	1,478
Secondary Product Sell Price, LOM Average, FOB Ghana	US\$/t	186	186
Revenue (all products)	US\$M	6,566	6,566
Spodumene Revenue	US\$M	5,687	5,687
Secondary Product Revenue	US\$M	878	878
Post-tax IRR	%	105	94
C1 Cash Cost, after secondary product credits	US\$/t	377	377
All In Sustaining Cost (AISC)	US\$/t	610	675
Surplus Cashflow, Post Tax	US\$M	2,438	2,091
NPV ₈ Post Tax	US\$M	1,498	1,301
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indicated in the DFS for the Project. The Government of Ghana has the right to a 13% free carry once in production and the Minerals Income Investment Fund has agreed Heads of Terms with the Company which will see it earn a 6% contributing interest in the Project.

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NOTE: Mineral Resources are inclusive of the Ore Reserves.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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 Project. At the Ewoyaa Project, Atlantic Lithium intends to be producing spodumene concentrate via a 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.