ATLANTIC LITHIUM

AIM: ALL, ASX: A11, OTCQX: ALLIF



22 November 2023

Project Development Update

Atlantic Lithium takes major strides in the development of the Ewoyaa Lithium Project, targeting the commencement of construction in late 2024 and initial production in early 2025

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 provide the following progress update with regards to the development of the Company's flagship Ewoyaa Lithium Project ("Ewoyaa" or the "Project") in Ghana, West Africa.

Highlights

- Bulk Customer Permit awarded in respect of the electricity requirements of the Company's Ewoyaa Lithium Project, expected to deliver a 30-50% overall power cost reduction for the Project.

- Key contracts on the critical path for the Project progressing, including:
    - Advanced discussions ongoing for the award of the Engineering, Procurement, Construction and Management ("EPCM") contract for the main processing plant and all non-processing infrastructure;
    - Tender stage underway to appoint a mining contractor and for the procurement of the modular Dense Media Separation ("DMS") unit, respectively;
    - Tender stage to commence imminently for the procurement of the mobile crusher to feed the modular DMS unit; and
    - Award of the contract to divert the transmission lines crossing the Project site expected in Q2 2024.

- Completion of the Flotation Scoping Study; results confirm the viability of the inclusion of a downstream flotation circuit at Ewoyaa for future value addition.

- Maiden feldspar Mineral Resource Estimate expected in Q4 2023; in line with the Feldspar Study underway to evaluate the viability of the production of feldspar as a by-product of spodumene production at the Project.

- Work underway with Engineering Procurement and Construction firm Mincore to assess the potential to establish a downstream lithium conversion plant in Ghana, as agreed under the terms of the grant of the Mining Lease for the Project.

- Appointment of three General Managers, including General Manager, Operations, as the Company steps up recruitment to strengthen its leadership team, with a focus on mine build and operating experience, as it transitions from explorer and developer to producer.

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Commenting on the Company's latest progress, Keith Muller, Chief Executive Officer of Atlantic Lithium, said:

"Following the grant of the Mining Lease in October 2023, we are now firmly on the path towards building Ewoyaa as Ghana's first lithium mine. Alongside our ongoing, recently extended exploration programmes, which continue to add value to the Project, excellent progress is being made towards achieving shovel readiness.

"The permitting phase is well underway, with active engagement with local stakeholders within and surrounding the Project's Lease Area. In October, we held the inaugural Community Consultative Committee meeting, whereby we welcomed the open discussion of how the Project can benefit the local community. Ever since the Company began operating in Ghana, the local population has shown incredible backing for the Project, and this continues even as we near construction.

"As anticipated, the results of the Flotation Scoping Study support the viability of processing both the fines and the middlings materials through flotation, as well as the potential to achieve significantly enhanced recovery of the P2 finer-grained pegmatite material. The results firmly confirm the Company's case for the inclusion of a flotation circuit, which will operate independently and downstream from the main DMS plant. Construction and integration of the circuit will be carried out post the main processing plant achieving steady state 2.7Mt annualised throughput.

"In line with the terms agreed under the grant of the Mining Lease, work on both the feldspar and downstream conversion studies is progressing at pace. Concurrently, discussions are underway with a number of parties with regards to commercial contracts that are critical to the development of the Project, with updates expected on each of these over the coming months.

"Being now within only two years from initial production, the Company continues to actively recruit experienced individuals to bolster the expertise of the leadership team ahead of mine build and operation, while also ensuring a successful transition to becoming a lithium producer. We are delighted to welcome three General Managers to the team, each bringing significant expertise from across the mining sector. We expect to continue to grow our teams, both in Ghana and in Australia, as we near construction.

"With a number of key milestones ahead, we look forward to sharing our progress in due course."

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Key Contracts

A Bulk Customer Permit has been awarded by Ghana's Energy Commission, the technical regulator of Ghana's energy sector, in respect of the Company's Ewoyaa Lithium Project. The permit, which is valid for one year and renewable before its expiration, classifies the Project as a bulk consumer of electricity, allowing the Company to enter into a competitive bid process with various bulk energy suppliers in Ghana, expected to reduce the overall power cost for the Project by 30-50%. An overall operating cost reduction for the Project will be recalculated once an agreement with the Company's preferred bulk supplier has been finalised.

The Company is in advanced discussions to appoint an engineering firm to conduct the EPCM of the main processing plant and all non-processing infrastructure.

Having conducted site visits and shortlisted its preferred firms, the Company has entered the tender stage to appoint a mining contractor for the Project and, separately, for the procurement of the modular Dense Media Separation ("DMS") unit.

The Company intends to imminently commence the tender stage for the procurement of the mobile crusher to supply feed to the modular DMS unit.

Following receipt of the approval from EPA for the diversion of the transmission lines which traverse the Project site (*refer announcement of **10 October 2023***), the Company has selected its preferred vendor to carry out the diversion and intends to award the contract for the work in Q2 2024, ensuring alignment with the critical path for the Project.

Studies

Flotation Scoping Study

In partnership with DRA Global Limited (ASX: DRA, JSE: DRA, "DRA"), the Company has now completed the Flotation Scoping Study to assess the viability of including a flotation circuit downstream from the DMS-only plant at Ewoyaa.

As anticipated by the Company, the results of the Scoping Study confirm the viability of beneficiating the 4.7Mt of 1.2% Li_2O naturally-occurring fines material[1], currently intended to be sold as a low-grade lithium secondary product (as outlined in the Definitive Feasibility Study for the Project, *refer announcement of **29 June 2023***), as feedstock for the flotation circuit. The higher value, lower volume flotation concentrate product would replace the secondary product, reducing the Company's exposure to the low-grade lithium-bearing products market in the event that the market is adversely affected in the near-to-medium term.

The Study also supports the potential to process the DMS processing plant middlings, which were not previously considered a saleable product from Ewoyaa, through the flotation circuit to achieve >5% Li_2O concentrate grades. Repeatability testwork is required to determine the volume and grade that can be achieved to evaluate the potential enhancement to the value of the Project.

In addition, the results of the Study confirm the significant (circa fourfold) improvement of metal recovery of the finer-grained P2 spodumene-bearing pegmatite material through the flotation circuit versus when it is processed through the main DMS plant alone.



Results of the Study, therefore, support the Company's case for the inclusion of a flotation circuit, which is not on the critical path for the construction or operation of the main DMS plant, as a value-addition proposition at the Project.

The Company intends to commence construction and the staged integration of the flotation circuit once the main plant consistently delivers its intended nameplate throughput of 2.7Mt per annum.

Feldspar Study

Identified as an opportunity to further enhance the economics of the Project and to be supplied into the local Ghanaian ceramics market, in August 2023, the Company signed a Memorandum of Understanding with the University of Mines and Technology ("UMaT"), Tarkwa in the Western Region of Ghana, to conduct a Definitive Feasibility Study ("Feldspar Study") to assess the viability of producing feldspar as a by-product of spodumene concentrate production at the Project.

In line with the Feldspar Study, the Company has now completed sodium analysis of archive drilling sample pulps stored at the Project site. The sodium analysis, along with X-ray diffraction ("XRD") analysis of a selection of whole rock pegmatite samples, will enable the Company to define a maiden Mineral Resource Estimate ("MRE") for feldspar production at Ewoyaa.

The maiden MRE, which will prioritise the first five years of the Project's mine schedule, is expected in Q4 2023, with the results of the Feldspar Study expected in Q1 2024, as agreed under the terms of the grant of the Mining Lease for the Project.

The Company believes that the Project represents a major domestic source of feldspar. If proven to be viable, the Company believes that Ewoyaa's feldspar production can generate significant value to the Project, to the local communities within the Central Region and to Ghana more broadly, including through the creation of new direct jobs in the ceramics sector and the development of businesses and services closely related to the industry.

The Project's economics under the terms of the grant of the Mining Lease (*refer announcement of **20 October 2023***) do not currently consider the inclusion of any activity related to the production of feldspar.

Downstream Conversion Study

Initiated in September 2023, the Company has commenced work in partnership with major Engineering Procurement and Construction firm Mincore to conduct a Scoping Study to assess the viability and economic benefits of delivering a downstream conversion plant in Ghana ("Downstream Conversion Study") and the potential to produce higher purity lithium products from spodumene concentrate produced at Ewoyaa.

As agreed under the terms of the grant of the Mining Lease for the Project, the Company expects to announce the results of the Downstream Conversion Study in Q1 2024.

Subject to the results of the Downstream Conversion Study and the evaluation of the relevant economic and market conditions, the Company has the right to establish a lithium conversion plant in Ghana. The Government believes that the establishment of a downstream plant will generate considerable benefits to Ghana and, as such, has offered incentives to support the Company if it decides to undertake the work.

Permitting

Following ministerial grant of the Mining Lease for the Project in October 2023, representatives of the Government of Ghana have publicly expressed their desire to ratify the Mining Lease before the end of the calendar year.

Concurrently, the Company is undergoing activities to obtain the necessary approvals and permits required ahead of construction of the Project.

The Company has submitted its Scoping Report, which includes the Terms of Reference and is based on the activities proposed in the agreed Mining Lease, for Environmental Protection Agency ("EPA") review and approval. The Report has subsequently been gazetted by the EPA for public consideration and comment.

The Company has held multiple stakeholder meetings each year since it commenced exploration activities in Ghana. On 26 October 2023, the Company held its inaugural Community Consultative Committee ("CCC") meeting in Saltpond, within Ghana's Mfantseman Municipality. Chaired by Municipal Chief Executive, Hon. Ike Lord Ennu and comprising representatives of the communities surrounding the Project area, including chiefs and elders of the local communities, the CCC has been established to enable transparent discussion to maximise the value of the Project for the local population. During the inaugural meeting, Country Manager Abdul Razak explained in greater detail the proposed activities of the Company, as referred to in the grant of the Mining Lease for the Project.

The local community continues to express its overwhelming support for the advancement of the Project, acknowledging the significant benefit Ewoyaa can bring to the communities surrounding the Project area.





Inaugural meeting of the Community Consultative Committee, held in Saltpond

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Final Investment Decision ("FID")

Final Investment Decision is expected to be made by the Company and its funding partner, Piedmont Lithium Inc. (Nasdaq: PLL; ASX: PLL, "Piedmont") upon receipt of EPA approval and the grant of a Mine Operating Permit.

Ahead of FID, using a risk-based approach, the Company will establish criteria for its funding of milestones deemed on the critical path for the development of the Project. This is intended to enable the completion of early works, which includes purchasing long-lead items and awarding both strategic contracts and limited notices to proceed.

Key Strategic Appointments

The Company has made a number of recent strategic hires, including the appointment of three General Managers, to bolster the experience and expertise of the team to prepare the Company as it continues to grow, ultimately targeting shovel readiness, mine build and operatorship.

Ahmed-Salim Adam joins the Company as General Manager, Operations. Ahmed-Salim is an accomplished mining General Manager with over 15 years' experience leading various large-scale projects in Ghana, across all stages of mine development, production and closure, with a focus on safety and sustainability. With a thorough understanding of technical, financial and regulatory complexities within the mining sector, as well as strong leadership qualities, Ahmed-Salim has a proven ability of managing challenging technical operations and implementing initiatives to improve processes and deliver upon operational and business objectives.

Andrew Henry joins the Company as General Manager, Commercial and Finance. Andrew brings to the Company significant commercial and finance management experience, including within the mining sector, where he has honed his expertise on strategy, planning and analysis, contracts, and large-scale project development. Most recently, Andrew held the role of Commercial Manager at global lithium chemicals company Allkem and, prior to that, he spent over 4 years with major gold mining company Newcrest Mining.

Simone Horsfall joins the Company as General Manager, People. Simone is a senior human resources professional with a focus on the mining sector. She previously spent over a decade at AngloGold Ashanti as Human Resources Manager and, more recently, at 29Metals as Group Manager, Human Resources. Simone's appointment aims to support the Company's successful transition towards becoming a globally significant lithium producer.

In line with the growth of the Company's Project development team, Atlantic Lithium has signed a 5-year lease for an office in West Perth, Australia.

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 Production Targets is extracted from the Ewoyaa Lithium Project Definitive Feasibility Study ("DFS"), announced by the Company on 29 June 2023, which is available at atlanticlithium.com.au. The Company confirms that all technical parameters underpinning the DFS continue to apply. Material assumptions for the Project have been revised on grant of the Mining Lease for the Project, announced by the Company on 20 October 2023. The Company is not aware of any new information or data that materially affects the information included in this announcement or the announcements dated 29 June 2023 and 20 October 2023.

FOR ANY FURTHER INFORMATION, PLEASE CONTACT:

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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 Definitive Feasibility Study for the Project indicates the production of 3.6Mt of spodumene concentrate over a 12-year mine life, making it one of the top 10 largest spodumene concentrate mines in the world.

The Project, which was awarded a Mining Lease in October 2023, is being developed under a funding agreement with Piedmont Lithium Inc.

Atlantic Lithium holds 509km^2 and 774km^2 of tenure across Ghana and Côte d'Ivoire respectively, comprising significantly under-explored, highly prospective licences.

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