ATLANTIC LITHIUM

CORPORATE UPDATE

AIM: ALL, ASX: A11, OTCQX: ALLIF

15 March 2023

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Interim Results

Highly successful operational, corporate and financial period

Robust Pre-Feasibility Study significantly derisks Ewoyaa Lithium Project

Further progress made towards building Ghana's first lithium mine

Atlantic Lithium Limited (AIM: ALL, ASX: A11, OTCQX: ALLIF, "Atlantic Lithium" or the "Company"), the funded African-focussed lithium exploration and development company targeting to deliver Ghana's first lithium mine, is pleased to announce its unaudited Interim Results for the half-year period ended 31 December 2022.

A full copy of today's report (including tables and diagrams referred to in this release) is also available through the Investor Centre of the Company's website (https://www.atlanticlithium.com.au).

Project Highlights

- Completed Pre-Feasibility Study ("PFS") on the Ewoyaa Lithium Project ("Ewoyaa"), demonstrating the significant profitability potential of this stand-out project:
  - LOM revenues exceeding US$4.84bn, Post-tax NPV_8 of US$1.33bn, IRR of 224% over 12.5 years
  - US$125m capital cost with industry-leading payback period of <5 months
  - Maiden Ore Reserve of 18.9Mt at 1.24% Li_20 declared, demonstrating sound resources to reserve conversion
  - 12.5-year mine life, 2Mtpa conventional dense media separation ("DMS") processing facility with average 255,000tpa 6% lithium spodumene concentrate ("SC6") production
- Mining Licence application lodged for the extraction of minerals from the proposed Ewoyaa Lithium Mine
- Awarded processing plant Front-End Engineering Design contract to Primero Group
- Completed a 47,000m resource infill and extensional reverse circulation ("RC") and diamond core ("DD") drilling programme. Results included:
  - Highest-grade assay result of 6.78% Li_2O over a 1m interval in drilling at the Ewoyaa Main 'Starter Pit'
  - Multiple broad and high-grade intersections within and outside of the previous MRE (30.1Mt @ 1.26% Li_2O), which were incorporated in the MRE upgrade announced post-period

Corporate Highlights

- Admitted to trading on the Official List of the Australian Securities Exchange ("ASX") on 21 September 2022, under the ticker 'A11'
- Appointment of Mr Keith Muller as Chief Operating Officer

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Financial Highlights

- Strong cash position of A$19.1m at 31 December 2022 (31 December 2021: A$23.3m)
- Exploration and evaluation expenditure held on the balance sheet for the period ended 31 December 2022 was A$12.7 million (2021: A$11.0 million) which is net of Piedmont Lithium Inc. contributions

Post-Period

- Significant Mineral Resource Estimate (MRE) upgrade at Ewoyaa to 35.3Mt at 1.25% Li_2O:
  - Includes 28Mt (79%) in the Measured and Indicated categories, which is expected to significantly improve project economics
- Final assay results received for a further 10,052m of exploration and infill diamond core ("DD") drilling and reverse circulation ("RC") drilling completed at Ewoyaa

Commenting, Chairperson Neil Herbert said:

"Atlantic Lithium is fully focused on advancing its flagship project, the Ewoyaa Lithium Project, to production as Ghana's first lithium mine. The second half of the year saw significant progress made in the pursuit of this aim.

"We were delighted to report the Pre-Feasibility Study for the Project in September 2022, further showcasing Ewoyaa as an industry-leading lithium asset. Ewoyaa is a low capex, low opex project with a simple processing flowsheet, soon to be producing highly sought-after, coarse grain spodumene concentrate. There are few spodumene projects that boast the existing infrastructure, minimal footprint and short timeline to production that Ewoyaa offers. It is unsurprising, therefore, the considerable level of interest that we have received in the remaining 50% of the offtake.

"During the period, our activities on the ground generated excellent results, with the 47,000m resource evaluation and exploration drilling programme increasing the confidence in the Project's resource category and extending mineralisation beyond the previous Mineral Resource footprint. Results included the highest-grade assay result that we have reported at the Project, of 6.78% Li_2O over 1m at the Ewoyaa Main 'Starter Pit', as well as multiple broad and high-grade intersections within and outside of the previous MRE.

"These results were followed, post-period end, by the significant upgrade to the Mineral Resource Estimate to 35.3Mt @ 1.25% Li_2O, including 3.5Mt at 1.37% Li_2O in the Measured category and 24.5Mt at 1.25% Li_2O in the Indicated category. 79% of the overall MRE now sits in Measured and Indicated, providing us with greater assurance of the Project's potential.

"As part of our evolution from explorer and developer towards producer, the Company appointed Keith Muller as Chief Operating Officer and Roux Terblanche as Project Manager during the half-year period. Keith and Roux bring considerable, directly relevant experience of operating in Africa and on lithium projects specifically. At this crucial time, as we move through the permitting phases, their insights are invaluable.

"Another major milestone during the half-year was the Company's successful admission to trading on the Official List of the ASX. Atlantic Lithium's profile has grown immensely in line with greater investor demand for exposure to the battery metals sector. The ASX listing serves to enable wider trading of the Company's shares around the world and allows us to gain recognition alongside fellow lithium peers.

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"Looking ahead, in the coming months, we hope to receive the grant of the Mining Licence application that was lodged post-period end, before we commence the EPA process. The Definitive Feasibility Study ("DFS") is on track for release in Q2 2023 and is progressing well. Incorporating the increased MRE announced post period-end, the DFS will evaluate an extended mine life and increased throughput to enhance the Project's economics.

"Further to the news flow regarding the permitting process, we also continue to explore our licences in Ghana within and outside of the current resource base and we look forward to sharing updates to this regard in due course.

"We look to the remainder of 2023 with great excitement and thank the loyal shareholders who are taking this journey with us."

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 Company signed a funding agreement with Piedmont Lithium Inc. for US$103m towards the development of the Ewoyaa Project. Based on the Pre-Feasibility Study, the Ewoyaa Project has indicated Life of Mine revenues exceeding US$4.84bn, producing a spodumene concentrate via simple gravity only process flowsheet.

Atlantic Lithium holds 560km^2 & 774km^2 of tenure across Ghana and Côte d'Ivoire respectively, comprising significantly under-explored, highly prospective licences.

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ATLANTIC LITHIUM LIMITED
AND CONTROLLED ENTITIES

ACN 127 215 132

FINANCIAL REPORT

FOR THE HALF-YEAR

ENDED 31 DECEMBER 2022

Registered Office & Principal Place of Business:

Level 33, Australia Square
264 George Street
Sydney NSW 2000

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DIRECTORS' REPORT

The Directors submit their report for the half-year ended 31 December 2022.

DIRECTORS
The names of the Directors in office during the financial period and up to the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Neil Herbert
Lennard Alexander Kolff van Oosterwijk
Amanda Harsas
Stuart Crow
Kieran Daly
Christelle Van der Merwe
Frans Olivier (alternate for Christelle van der Merwe)
Holly Waldeck (alternate for Kieran Daly)

CORPORATE STRUCTURE

Atlantic Lithium Limited ("Atlantic Lithium") is a company limited by shares that is incorporated and domiciled in Australia. It was converted to a public company on 22 August 2011 and was admitted to AIM, a market owned and operated by the London Stock Exchange Group Plc, on 12 February 2015. Atlantic Lithium Limited was admitted to the Australian Stock Exchange ("ASX") on 21 September 2022.

Atlantic Lithium Limited's registered office is at Level 33, Australia Square, 264 George St, Sydney, Australia.

PRINCIPAL ACTIVITIES
Atlantic Lithium is an African focused lithium development and exploration company, with an advanced lithium pegmatite asset in Ghana targeting to become the country's first lithium-producing mine and lithium pegmatite exploration assets in Ghana and Ivory Coast.

In Ghana, the Company holds 560km² of granted and under application tenure through direct applications and earn-in agreements. A significant JORC (2012) compliant Mineral Resource Estimate ("MRE") upgrade was released post end of reporting period, on 1 February 2023. To date, the Company has defined a 35.3Mt at 1.25% Li_2O spodumene-rich lithium pegmatite resource called the Ewoyaa Lithium Project ("Ewoyaa" or "the Project"), in close proximity to operational infrastructure (refer announcement of 1 February 2023). The Company is advancing the Project towards production. A Pre-Feasibility Study ("PFS") for the Project was announced on 22 September 2022. Regional exploration is also underway at the Project. In Côte d'Ivoire, the Company holds 774km² of under-application lithium tenure within highly prospective Birimian terrain (refer **Figure 1**).

The Company's corporate strategy is to create and sustain shareholder value through the evaluation, development and production of spodumene concentrate from Ewoyaa, the ongoing exploration and evaluation of its highly prospective lithium tenure package in Ghana and Ivory Coast, as well as the ongoing review of new opportunities.

The Project is funded towards production through a co-development agreement with Nasdaq-listed Piedmont Lithium Inc. (NASDAQ: PLL, ASX: PLL, "Piedmont"), announced on 1 July 2021, where Piedmont has the right to earn up to 50% interest at the project level for 50% SC6 spodumene concentrate offtake at market rates by sole funding US$17.0m towards studies and exploration and US$70.0m towards mine capex, with any cost overruns shared equally.

The Company will relinquish its remaining non-core tenure in Australia in FY2023 in order to improve operational efficiencies and streamline the Company's activities towards bringing Ewoyaa to production.

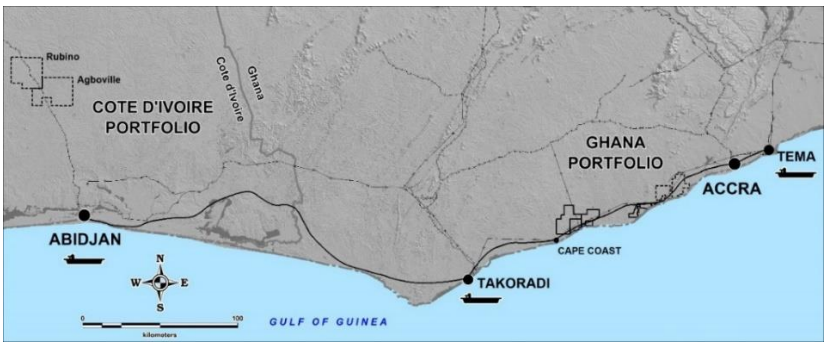

Figure 1: Lithium tenure and operational infrastructure in Ghana and Cote d'Ivoire.

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Operations Report

EWOYAA LITHIUM PROJECT, GHANA, WEST AFRICA

In Ghana, the Company continued to advance the Project during the period. The Project is located approximately 100km southwest of the capital of Accra and adjacent to operational infrastructure, including being 1km from the Takoradi - Accra N1 highway, 110km from the Takoradi deep-sea port and adjacent to hydroelectric sourced grid power, within the pro-mining jurisdiction of Ghana. The Project is proven to produce a premium spodumene concentrate ("SC6") product suitable for conversion to battery-grade lithium carbonate and hydroxide (refer **Figure 2**).

During the reporting period, the Company delivered a pre-feasibility ("PFS") with robust economic outcomes for the Project. On 21 September 2022, the Company was successfully admitted to the Official List of the ASX and commenced trading on 26 September 2022.

A total of 47,000 metres of resource evaluation and exploration drilling was completed at the Project and further high-grade assays received during the period, increasing the confidence in the Project's resource category and extending mineralisation beyond the previous Mineral Resource footprint.

In line with advancing the Project towards production, the Company appointed Keith Muller as Chief Operating Officer to oversee operations. The Front-End Engineering Design ("FEED") contract was awarded to Primero Group and Roux Terblanche was appointed as Project Manager to advance the required studies. Further drill results were received during the period, including the highest-grade intersections recorded to date at the Project.

Post end of reporting period, an upgraded MRE of 35.3Mt @ 1.25% Li_2O, which includes 3.5Mt at 1.37% Li_2O in the Measured category and 24.5Mt at 1.25% Li_2O in the Indicated category, was reported within the 560km^2 Cape Coast Lithium portfolio. 79% of the overall MRE is now in the higher confidence Measured and Indicated categories.

The Definitive Feasibility Study ("DFS") is progressing well and targeted for release in Q2 2023 calendar year. The DFS will evaluate an extended mine life and increased throughput to enhance Project economics.

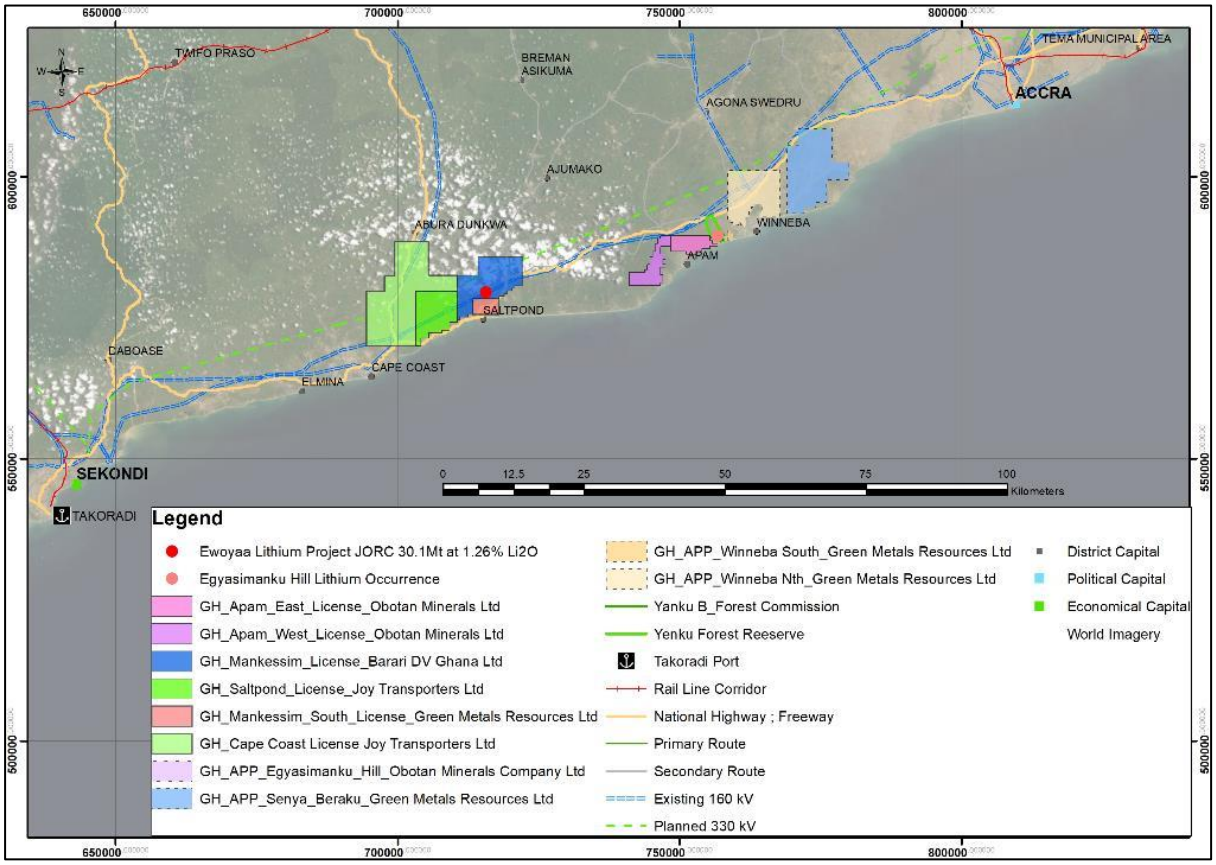

Figure 2: Project location and tenure, showing proximity to Takoradi Port, highway and grid power.

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Pre-Feasibility Study ("PFS")

On 22 September, the Group announced the completion of the PFS on the Ewoyaa Lithium Project, demonstrating the significant profitability potential of this stand-out project. The PFS was managed directly by the Company, engaging experienced internationally recognised consultants, and based on the previous 30.1Mt at 1.26% Li_2O JORC (2012) Compliant Mineral Resource, as announced on 24 March 2022.

Highlights were as follows:

- Post-tax NPV of US$1.33bn with free cash flow of US$2bn from Life of Mine ("LOM") revenues of US$4.84bn.
- Internal rate of return of 224% and payback less than five months, with average LOM EBITDA of US$248 million per annum.
- Maiden Ore Reserve of 18.9Mt at 1.24% Li_2O declared, demonstrating sound resource to reserve conversion.
- 12.5-year mine life, 2Mtpa conventional dense media separation ("DMS") processing facility with average 255,000tpa 6% lithium SC6 production.
- C1 cash operating costs of US$278 per tonne of SC6 Free-On-Board ("FOB") Ghana Port, after by-product credits.
- In addition to SC6 production, the PFS incorporated two additional revenue streams from by-products:
    - A saleable direct shipping ore fines product ("DSO fines")
    - A saleable feldspar by-product
- Capital cost estimate of US$125 million, including integrated 3-stage crushing facility ahead of the DMS processing facility; a major design change to the Scoping Study concept of contract crushing, reducing plant OPEX, improving operational control and reducing lithium losses.
- Key assumptions: Long-term average SC6 price of US$1,359/t FOB over 12.5 years, project funding via Piedmont agreement and cost estimation at +/- 20% level of accuracy (refer **Table 1**).
- First quartile cash costs; low capital and operating costs and low carbon footprint due to outstanding asset processes, logistics and access to infrastructure:
    - Conventional open cut mining operation from surface, LOM strip ratio of 8:1
    - Simple processing via conventional DMS only, producing a premium SC6 saleable product at a 10mm top size crush
    - Simple mineralogy and metallurgy with potential upside for improved DMS recoveries
    - Significant exploration upside potential within the 560km^2 portfolio
    - Skilled Ghanaian workforce readily available within the surrounding communities
    - Close proximity to excellent logistics and infrastructure - 110km by road from the deep-sea port of Takoradi, adjacent to highway and high voltage powerlines, including hydroelectric sources.

The proposed Project development programme targets first production of SC6 early 2025 calendar year, based on the Mining Licence being ratified by the Ghanaian parliament in Q4 2023 calendar year.

Figure 3 provides a planned site overview of the ultimate pit outlines, waste dumps, process plant and associated infrastructure required for the mining operation.

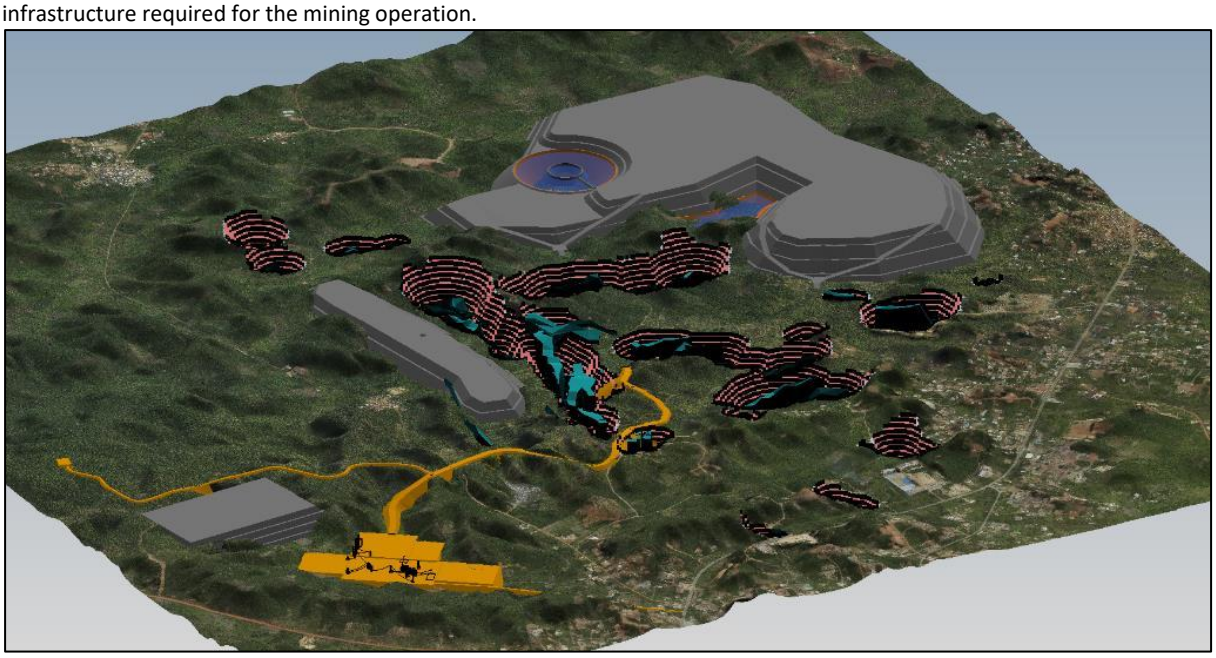

Figure 3: Ultimate mining operation overview showing all associated project development infrastructure

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Table 1: Ewoyaa PFS key Metrics (100% project basis[1])

Item	Units	PFS Statistic
Mineral Resource[2]	Mt @ %	30.1Mt @ 1.26% Li_2O
Indicated Mineral Resource	Mt @ %	20.5Mt @ 1.29% Li_2O
Inferred Mineral Resource	Mt @ %	9.6Mt @ 1.19% Li_2O
Mine Life	Years	12.5
Ore Reserve (Probable)[2]	Mt @ %	18.9Mt @ 1.24% Li_2O
Total Material Movement LOM	Mt	225
Mined Waste	Mt	200
DMS plant feed	Mt	25
Strip Ratio	W:O	8.0
DMS Plant Feed Rate LOM	Mtpa	2.0
Li_2O Head Grade	%	1.22
Average Whole of Ore Recovery SC6	%	62.5
SC6 Produced	LOM, t	3,180,000
Feldspar Produced	LOM, t	4,120,000
DSO Fines Produced	LOM, t	3,740,000
Project Total Capital Cost	US$M	125
SC6 Sell Price, LOM Average, FOB Ghana	US$/t	1,359
DSO Fines Sell Price, LOM Average, FOB Ghana	US$/t	85
Feldspar Sell Price, LOM Average, FOB Ghana	US$/t	50
Revenue (including by-products)	US$M	4,845
IRR	%	224%
C1 Cash Cost, after by-product credits	US$/t	278
All In Sustaining Cost (AISC)	US$/t	460
Surplus Cashflow, Post Tax	US$M	1,999
NPV (8%) Post Tax	US$M	1,328
Payback	Months	5
NPAT, LOM	US$M	1,873

[1]Whilst the project is currently wholly owned by Atlantic Lithium Limited, Piedmont Lithium Inc. can earn up to half of the Project through the funding agreement, whilst the Government of Ghana has the right to a 10% free carry once in production.
[2]Competent Person Statements - The information in this report that relates to the estimation and reporting of Ore Reserves and Mineral Resources for Ewoyaa was reported by the Company on 22 September 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates, Ore Reserve estimates, production targets and forecast financial information in that announcement continue to apply and have not materially changed.

Ore Reserve and Mineral Resource

A Probable Ore Reserve was declared for the Project based on the previous MRE and PFS modifying factors. All stated Probable Ore Reserves (refer **Table 2**) are completely included within the quoted Mineral Resources and are quoted in dry tonnes. Probable Ore Reserves were declared based on the Indicated Mineral Resources only contained within the pit designs. **Table 2** provides a summary of Ore Reserves and Resources by status for the Project, where the Ore Reserves are reported as part of the total Mineral Resource.

Table 2: Ore Reserve – As of 12 September 2022

Classification	Ore Reserve	
	Tonnes (Mt)	Li_2O Grade (%)
Probable	18.9	1.24

Competent persons note: All stated Ore Reserves are completely included within the quoted Mineral Resources and are quoted in dry tonnes. 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.

After the reporting period, a MRE upgrade was completed (refer announcement of 1 February 2023 and **Table 2**). The MRE increased to 35.3Mt at 1.25% Li_2O including 28Mt in the Measured and Indicated categories at the Ewoyaa deposit; reported in accordance with the JORC Code (2012). The MRE includes a total of 3.5Mt at 1.37% Li_2O in the Measured category, 24.5Mt at 1.25% Li_2O in the Indicated category and 7.4Mt at 1.16% Li_2O in the Inferred category (refer **Table 3**).

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The MRE upgrade is based on a total 137,153m of drilling (inclusive 47,000m programme completed during 2022), and includes 120,845m of reverse circulation ("RC") and 16,308m of diamond core ("DD") drilling.

Table 3: Ewoyaa MRE and JORC Classification (0.5% Li_2O Cut-off)

Type	Measured Mineral Resource		
	Tonnage Mt	Li_2O %	Cont. Lithium Oxide kt
Primary	3.5	1.37	48
Total	**3.5**	**1.37**	**48**
Type	**Indicated Mineral Resource**		
	Tonnage Mt	**Li_2O %**	**Cont. Lithium Oxide kt**
Weathered	0.5	1.09	5
Primary	24.1	1.26	302
Total	**24.5**	**1.25**	**307**
Type	**Inferred Mineral Resource**		
	Tonnage Mt	**Li_2O %**	**Cont. Lithium Oxide kt**
Weathered	1.8	1.13	20
Primary	5.6	1.17	66
Total	**7.4**	**1.16**	**86**
Type	**Total Mineral Resource**		
	Tonnage Mt	**Li_2O %**	**Cont. Lithium Oxide kt**
Weathered	2.2	1.12	25
Primary	33.1	1.25	415
Total	**35.3**	**1.25**	**440**

Competent Persons Note: The Mineral Resource has been compiled under the supervision of Mr. Shaun Searle who is a director of Ashmore Advisory Pty Ltd and a Registered 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 that he has undertaken to qualify as a Competent Person as defined in the JORC Code. All Mineral Resources figures reported in the table above represent estimates at January 2023. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

Mining Licence Application Lodged

The Company successfully lodged the Mining Licence ("ML") application in respect to the extraction of minerals from Ewoyaa to the Minerals Commission of Ghana in West Africa (refer announcement of 13 October 2022). Atlantic Lithium's majority-owned Ghana company, Barari DV Ghana Ltd, and wholly owned Ghana subsidiary company, Green Metals Resources Ltd, lodged initial documents in support of its ML application for the Project. The application will now be assessed by the Ghanaian Government as soon as practicably possible as part of the approval process ahead of the grant of the ML.

Processing Plant FEED Contract Awarded

On 13 December 2022, the Company announced the award of the processing plant FEED contract (the "Contract") for the Project to Primero Group ("Primero"), an industry-leading vertically integrated engineering group. Primero, a wholly owned subsidiary of NRW Holdings Limited (ASX: NRW), specialises in the design, construction and operation of global resource projects. The group has extensive experience in delivering large-scale construction contracts, including in the lithium industry

and in West Africa, demonstrating significant expertise, versatility, and competence. Primero has provided services for a number of lithium projects with comparable flow sheets to Ewoyaa, including Bald Hill (Alliance Mineral Assets), Pilgangoora (Pilbara Minerals), Finnis Lithium (Core Lithium), Mt Holland (Covalent Lithium) and Xuxa (Sigma Lithium). Under the terms of the Contract, Primero will provide services to optimise the Project's flow sheet, identify long lead items, look to maximise the Project's long-term profitability, reduce execution risk and ultimately support the advancement of the Project towards becoming a financially and operationally robust lithium-producing mine.

Resource Drilling Programme

The Company completed a 47,000m resource infill and extensional reverse circulation ("RC") and diamond core ("DD") drilling programme during the reporting period. The drilling programme was designed to test depth and strike extensions of known mineralisation and test exploration targets, convert Inferred to Indicated Resources, define Measured Resources for the first 1.5 years of planned mine production and for geotechnical and metallurgical drilling. Final results were received after the reporting period and culminated in a MRE upgrade after the reporting period.

Assay results for approximately 33,323m of drilling were reported during the period, including the highest reported diamond drilling assay of 6.78% Li_2O over 1m in hole GDD0071 from 30m and the highest single RC assay to date of 4.52% Li_2O over 1m in hole GRC0704 from 54m and 3.99% Li_2O over 1m from 53m.

Broad, high-grade infill drill intersections were returned within the previous MRE (30.1Mt @ 1.26% Li_2O), including highlights at a 0.4% Li_2O cut-off and a maximum 4m of internal dilution of (refer to **Figure 4**):

- GDD0073: 84.5m at 1.63% Li_2O from 6m
- GRC0690: 89m at 1.52% Li_2O from 9m
- GDD0071: 90.5m at 1.48% Li_2O from 0m including 1m at 6.78% Li_2O from 30m
- GDD0070: 77.5m at 1.5% Li_2O from 13m
- GDD0069: 71.5m at 1.49% Li_2O from 25m
- GRC0686: 62m at 1.29% Li_2O from 32m
- GDD0074: 63.3m at 1.1% Li_2O from 27m
- GDD0075: 44.6m at 1.56% Li_2O from 37m
- GDD0078: 47.3m at 1.4% Li_2O from 43.2m
- GRC0677: 50m at 1.25% Li_2O from 33m
- GDD0079: 55m at 1% Li_2O from 23m
- GRC0669: 59m at 0.95% Li_2O from 113m
- GRC0697: 95m at 1.48% Li_2O from 5m
- GRC0703: 87m at 1.61% Li_2O from 0m
- GRC0701: 78m at 1.67% Li_2O from 12m
- GRC0710: 74m at 1.65% Li_2O from 15m
- GRC0692: 76m at 1.43% Li_2O from 14m
- GRC0720: 62m at 1.34% Li_2O from 28m
- GRC0722: 57m at 1.31% Li_2O from 23m
- GRC0717: 47m at 1.57% Li_2O from 43m
- GRC0712: 72m at 0.85% Li_2O from 18m
- GRC0700: 44m at 1.32% Li_2O from 46m
- GDD0089: 68m at 1.37% Li_2O from 15m
- GRC0756: 60m at 1.36% Li_2O from 29m

Broad, high-grade drill intersections were returned outside of the previous MRE (30.1Mt @ 1.26% Li_2O), reported at the Ewoyaa Main, Grasscutter East and West, Anokyi and Kaampakrom West deposits, including highlights of:

- GRC0688A: 67m at 1.51% Li_2O from 235m
- GRC0721: 45m at 1.16% Li_2O from 274m
- GRC0785: 35m at 1.48% Li_2O from 111m
- GRC0760: 27m at 1.71% Li_2O from 155m

The results of the drilling programme were incorporated into the MRE upgrade announced after the reporting period.

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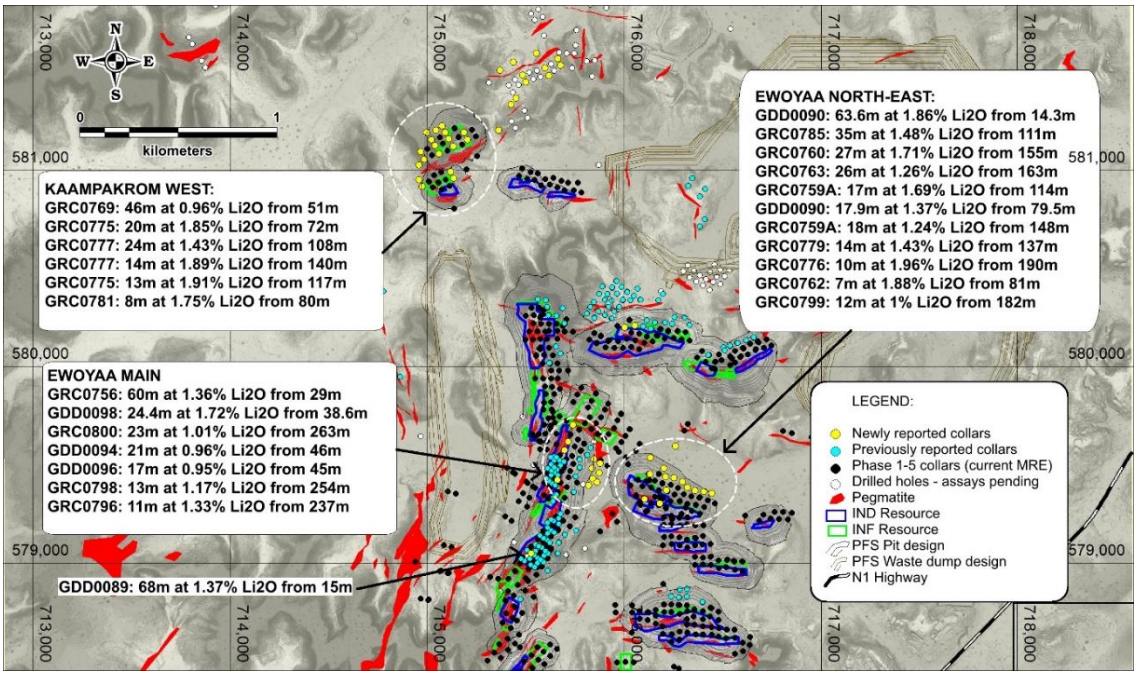

Figure 4: Location of selected reported assay results and drillhole IDs with highlight drill intersections at >10 lithium x metres metal content.

Regional Exploration

The Company engaged NRG South Africa for a regional airborne geophysical survey and field teams completed a 100m x 100m grid soil geochemistry survey over the Cape Coast licence area to complement the regional data sets over the adjacent licences for regional exploration targeting. Both surveys were completed for a total of 3,762-line kilometres of airborne survey and 9,145 soil samples collected and analysed in-house. Further soil sampling is currently underway after QAQC review highlighted field sampling errors (refer **Figure 5**).

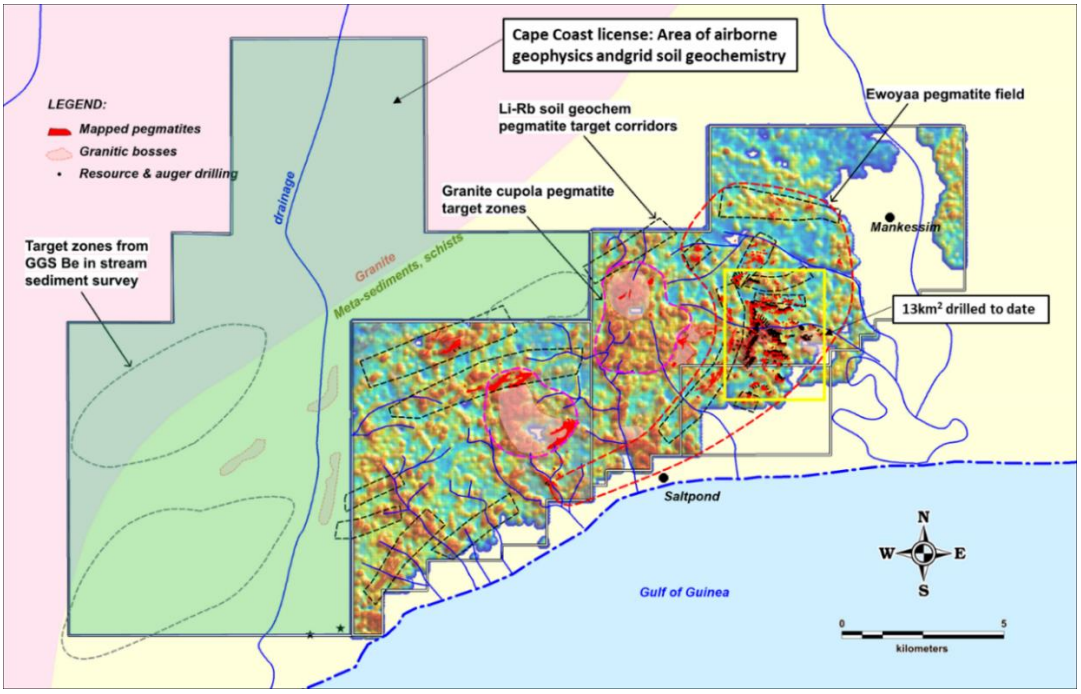

Figure 5: Cape Coast licence and area of new airborne geophysics survey and 100m x 100m grid soil geochemistry survey completed, with 13km² area of resource drilling to date.

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COTE D'IVOIRE:

In Côte d'Ivoire, the Company has two applications pending covering 774km^2 for lithium and associated minerals which covers highly prospective fractionated granitic intrusive centres with lithium and columbite-tantalum occurrences and outcropping pegmatites reported. Licence applications have been submitted through Khaleesi Resources SARL, a wholly owned local subsidiary of the Company. The applications are well serviced, with an extensive sealed road network, well established cellular network and high-voltage transmission line network within approximately 100km of the capital Abidjan.

Competent Person Statement:
Information in this report relating to the exploration results is based on data reviewed by Mr Lennard Kolff (MEcon. Geol., BSc. Hons ARSM), Chief Geologist and Interim CEO of the Company. Mr Kolff is a Member of the Australian Institute of Geoscientists who has more than 20 years' experience in mineral exploration and is a Qualified Person under the AIM Rules. Mr Kolff consents to the inclusion of the information in the form and context in which it appears.

Information in this report relating to metallurgical results is based on data reviewed by Mr Noel O'Brien, Director of Trinol Pty Ltd. Mr O'Brien is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr O'Brien consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

Information in this report relating to Mineral Resources at the Project was compiled by Shaun Searle of Ashmore Associates Ltd, 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.

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.

SIGNIFICANT EVENTS AFTER REPORTING DATE

On 12 January 2023, the Company announced final assay results from the resource and exploration 47,000m drilling programme completed at Ewoyaa.

On 1 February 2023, the Company announced a significant MRE upgrade to 35.3Mt at 1.25% Li_2O for the Project.

On 1 March 2023, the Company passed a resolution at an Extraordinary General Meeting to issue 7,000,000 unlisted options at a strike price of £0.60p to its current executive and senior independent non-executive team.

There have been no other events since the end of the half-year that impact the financial report as at 31 December 2022.

Signed in accordance with a resolution of the Board of Directors:

Lennard Kolff
Interim Chief Executive Officer
Sydney
15 March 2023

AUDITOR'S INDEPENDENCE DECLARATION

BDO

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DECLARATION OF INDEPENDENCE BY R J LIDDELL TO THE DIRECTORS OF ATLANTIC LITHIUM LIMITED

As lead auditor for the review of Atlantic Lithium Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Atlantic Lithium Limited and the entities it controlled during the period.

R J Liddell
Director

BDO Audit Pty Ltd

Brisbane, 15 March 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2022

	Notes	31 December 2022 A$	31 December 2021 A$
Revenue		-	-
Administration and consulting expenses		753,165	451,756
Broker and Investor Relations		268,457	189,851
Depreciation		11,486	7,924
Employment benefits expenses		574,489	499,095
Exploration costs written off		949	15,714
Interest expenses		-	839
Legal expenses		146,875	693,534
Marketing and Conferences		373,732	206,899
Non Salaried Directors		328,333	382,500
Regulatory and Compliance		139,575	139,307
Share based payments expenses	13	1,067,144	2,247,765
Unrealised foreign exchange losses		215,744	205,412
Write down on Demerger	14	-	16,228,010
(Loss) before income tax	3	**(3,879,949)**	**(21,268,606)**
Income tax (expense)/benefit	4	(539,594)	591,282
(Loss) for the period		**(4,419,543)**	**(20,677,324)**
Other comprehensive income (loss)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(70,054)	(307,517)
Items that will not be reclassified to profit or loss			
Change in fair value of financial assets	8	(55,000)	2,062,500
Income Tax relating to change in fair value of financial assets		16,500	(618,750)
Other comprehensive (loss)/income for the period, net of tax		**(108,554)**	**1,136,233**
Total comprehensive loss for the period		**(4,528,097)**	**(19,541,091)**

Loss per share		Cents per share	Cents per share
Basic earnings per share	5	(0.7)	(3.7)
Diluted earnings per share	5	(0.7)	(3.7)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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ATLANTIC LITHIUM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Notes	31 December 2022 A$	30 June 2022 A$
Current assets			
Cash and cash equivalents	6	19,051,423	23,881,650
Trade and other receivables	7	2,102,005	2,304,858
Other current assets		506,326	453,250
Total current assets		**21,659,754**	**26,639,758**
Non-current assets			
Other financial assets	8	1,177,020	1,232,520
Property, plant and equipment	9	432,809	209,137
Exploration and evaluation assets	10	12,717,438	11,050,354
Total non-current assets		**14,327,267**	**12,492,011**
Total assets		**35,987,021**	**39,131,769**
Current liabilities			
Trade and other payables	11	1,212,371	4,310,095
Total current liabilities		**1,212,371**	**4,310,095**
Non-current liabilities			
Provision for Long Service Leave		52,311	43,342
Total current liabilities		**52,311**	**43,342**
Total liabilities		**1,264,682**	**4,353,437**
Net assets		**34,722,339**	**34,778,332**
Equity			
Issued capital	12	129,873,020	126,468,060
Reserves		(8,648,932)	(9,607,522)
Accumulated losses		(86,501,749)	(82,082,206)
Total equity attributable to owners of Atlantic Lithium Limited		**34,722,339**	**34,778,332**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2022

	Issued Capital A$	Accumulated Losses A$	Share Based Payments Reserve A$	Foreign Currency Translation Reserve A$	Financial Asset Revaluation Reserve A$	Demerger Reserve A$	Total Equity A$
Balance at 1 July 2021	**102,939,352**	**(47,434,660)**	**13,725,264**	**(1,293,776)**	**301,815**	**-**	**68,237,995**
Loss for the period	-	(20,677,324)	-	-	-	-	(20,677,324)
Other comprehensive income	-	-	-	(307,517)	1,443,750	-	1,136,233
Total comprehensive income for the period	-	(20,677,324)	-	(307,517)	1,443,750	-	(19,541,091)
Transactions with owners in their capacity as owners:							
Shares issued during the period	21,824,665	-	-	-	-	-	21,824,665
Capital Reduction and In-specie Distribution (Refer to Note 14)	-	-	-	-	-	(28,794,153)	(28,794,153)
Share issue costs	(64,094)	-	-	-	-	-	(64,094)
Share based payments	-	-	2,247,765	-	-	-	2,247,765
Balance at 31 December 2021	**124,699,923**	**(68,111,984)**	**15,973,029**	**(1,601,293)**	**1,745,565**	**(28,794,153)**	**43,911,087**
Balance at 1 July 2022	**126,468,060**	**(82,082,206)**	**25,745,706**	**(7,068,660)**	**509,585**	**(28,794,153)**	**34,778,332**
Loss for the period	-	(4,419,543)	-	-	-	-	(4,419,543)
Other comprehensive income	-	-	-	(70,054)	(38,500)	-	(108,554)
Total comprehensive income for the period	-	(4,419,543)	-	(70,054)	(38,500)	-	(4,528,097)
Transactions with owners in their capacity as owners:							
Share issued during the period	4,625,514	-	-	-	-	-	4,625,514
Shares issue costs	(1,220,554)	-	-	-	-	-	(1,220,554)
Share based payments	-	-	1,067,144	-	-	-	1,067,144
Balance at 31 December 2022	**129,873,020**	**(86,501,749)**	**26,812,850**	**(7,138,714)**	**471,085**	**(28,794,153)**	**34,722,339**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2022

	Notes	31 December 2022 A$	31 December 2021 A$
Cash flows from operating activities			
Payments to suppliers and employees		(3,922,808)	(3,094,508)
Interest paid		-	(839)
Net cash flows used in operating activities		**(3,922,808)**	**(3,095,347)**
Cash flows from investing activities			
Refund of security deposits		500	2,500
Cash divested on demerger of subsidiary	14	-	(7,238,862)
Purchase of property, plant and equipment	9	(269,366)	(110,669)
Piedmont Contributions from farm-in arrangement		8,655,957	6,069,617
Payments for exploration and evaluation assets		(11,932,015)	(13,140,236)
Net cash flows used in investing activities		**(3,544,924)**	**(14,417,650)**
Cash flows from financing activities			
Proceeds from the issue of shares	12	4,625,514	21,824,665
Transactions costs on the issue of shares		(1,675,681)	(100,288)
Net cash flows from financing activities		**2,949,833**	**21,724,377**
Net (decrease)/increase in cash and cash equivalents		(4,517,899)	4,211,380
Cash and cash equivalents at the beginning of the period		23,881,650	19,135,463
Foreign exchange impact on cash		(312,328)	(44,963)
Cash and cash equivalents at the end of the period		**19,051,423**	**23,301,880**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2022

Note 1: Summary of Significant Accounting Policies

Corporate information

The consolidated financial report of Atlantic Lithium Limited for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors on 15 March 2023. Atlantic Lithium Limited or the Company is a public company limited by shares incorporated and domiciled in Australia. The Company's registered office is located at Level 33, Australia Square, 264 George St, Sydney, Australia.

Basis of preparation

This half-year financial report for the period ended 31 December 2022 prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, comprises the Company and its subsidiaries (together referred to as the "Group").

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

Accordingly, this half year financial report is to be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report except for the following:

(a) Change in Functional Currency

The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity and is only changed if there is a change to these underlying transactions, events and conditions. Management has considered the operational developments since signing the agreement with Piedmont Lithium Inc together with the results of the DFS concluded during the period. Per the Piedmont Lithium Inc agreement, Piedmont agreed to solely fund US$17.0m towards studies and exploration and US$70.0m towards mine capex (the "Initial Funding"). Any additional expenditure or cost savings beyond the Initial Funding or cost savings for the completion of the DFS and development of the Project will be shared equally between the Company and Piedmont Lithium Inc. Management believes that USD currency most faithfully represents the economic effects of the underlying transactions, events, and conditions and as a result of these changes, the Ghanian subsidiaries of Atlantic Lithium Limited changed its functional currency from Ghanian CEDI to United States Dollars (USD) from 1 July 2022.

Going concern

The half-year financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. For the period ended 31 December 2022, the Group incurred a loss of $4,419,543 (2021: $20,677,324), had net cash outflows from operations of $3,922,808 (2021: $3,095,347) and payments for exploration activities of $11,932,015 (2021: $13,140,236). The Group has not generated revenues from operations. As at 31 December 2022, the Group had net current assets of $20,447,383 and net assets of $34,722,339.

Atlantic Lithium Limited has a co-development agreement with Piedmont Lithium Inc which includes sole funding of US$17.0m towards studies and exploration and US$70.0m towards capex for building the mine. Any additional expenditure or cost savings beyond the Initial Funding or cost savings for the completion of the DFS and development of the Project will be shared equally between the Company and Piedmont Lithium Inc. As at the date of this report, the Group has fully utilised the initial US17.0m of sole funding and ongoing costs to complete the exploration and DFS are currently shared.

The Directors believe that the going concern basis of preparation is appropriate as the Directors believe there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to funds its ongoing activities. The Group has a proven ability to raise funds through share placements and capital raisings from new and existing shareholders.

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2022

Note 1: Summary of Significant Accounting Policies (continued)

New or amended Accounting Standards and Interpretations adopted

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2022. The consolidated entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new or amended accountings standards did not have a significant impact to the interim consolidated financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2: Segment Information

The Group has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Australia and Africa. Operating segments are determined based on financial information reported to the Board for the Group as a whole. The Group does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Group as having only one reportable segment, being exploration for base and precious metals. The financial results from this segment are equivalent to the financial statements of the Group. There have been no changes in the operating segments during the half year.

Geographical Information

	Geographical - Exploration and Evaluation assets	
	31 December 2022	30 June 2022
	A$	A$
Ghana	12,646,466	10,981,984
Ivory Coast	70,972	68,370
	12,717,438	11,050,354

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NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2022

	31 December 2022 A$	31 December 2021 A$
Note 3: Profit/ (Loss)		
Included in the profit / (loss) are the following specific expenses:		
Depreciation		
- Office equipment	9,105	4,715
- Plant and equipment	2,381	3,209
Defined contributions superannuation expense	47,622	32,209

	31 December 2022 A$	31 December 2021 A$
Note 4. Income Tax		
Components of tax expense recognised directly in equity		
Net deferred tax credited directly to equity	(523,094)	(27,468)
Net deferred tax - debited (credited) directly to financial assets revaluation reserve	(16,500)	618,750
	(539,594)	**591,282**
The prima facie tax on profit / (loss) before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit / (loss) before income tax at 30% (2021: 30%)	(1,163,985)	(6,380,582)
Add tax effect of:		
Permanent differences	-	5,738,253
Current tax loss not recognised	1,128,356	2,362,590
Share based payments	320,143	674,330
Temporary differences derecognised	239,060	-
Prior year under/over	16,020	-
Reversal of DTL on exploration and evaluation costs from acquisition of Tekton investment	-	(2,985,873)
Income tax expense	**539,594**	**(591,282)**
Deferred Tax Asset (at 30%)		
Recognised temporary differences	125,229	699,019
Recognised unused tax losses	-	187,521
Payables and provisions	106,285	50,074
Total deferred tax assets recognised	**231,514**	**936,614**
Deferred Tax Liability		
Assessable temporary differences	(86,290)	(246,892)
Financial Assets at Fair Value through Other Comprehensive Income	(145,224)	(689,722)
Total deferred tax liabilities recognised	**(231,514)**	**(936,614)**
Net deferred tax recognised	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2022

	31 December 2022 A$	31 December 2021 A$
Note 5: Loss Per Share (EPS)		
(a) Loss		
Loss used to calculate basic and diluted EPS	(4,419,543)	(20,677,324)
(b) Weighted average number of shares	**Number of Shares**	**Number of Shares**
Weighted average number of ordinary shares outstanding during the period, used in calculating basic earnings per share	596,737,835	554,710,476
Weighted average number of dilutive options, warrants, and performance rights outstanding during the period	-	-
Weighted average number of ordinary shares and potential ordinary shares outstanding during the period, used in calculating diluted earnings per share	**596,737,835**	**554,710,476**

	31 December 2022 A$	30 June 2022 A$
Note 6. Cash and Cash Equivalents		
Cash at bank	19,051,423	23,881,650
	19,051,423	**23,881,650**

	31 December 2022 A$	30 June 2022 A$
Note 7. Trade and Other Receivables		
GST receivable	74,670	56,083
Piedmont farm in contributions receivable	1,817,703	1,987,164
Other receivables	209,632	261,611
	2,102,005	**2,304,858**

GST and Other receivables are non-interest bearing and are generally on 30–60-day terms.
No allowance for credit loss has been recorded for the current and previous reporting period.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate fair value. The maximum exposure to credit risk is the carrying value of receivables. Collateral is not held as security.

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NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2022

	31 December 2022 A$	30 June 2022 A$
Note 8. Other Financial Assets –Non-current		
Security deposits	7,000	7,500
Investment in shares at fair value through Other Comprehensive Income	1,170,020	1,225,020
	1,177,020	**1,232,520**
Investment in shares at fair value through Other Comprehensive Income		
-Opening Balance	1,225,020	926,500
-Additions	-	-
Fair Value adjustment through other comprehensive income	(55,000)	298,520
	1,170,020	**1,225,020**

Investment in shares at net fair value through other comprehensive income comprise an investment in the ordinary issued capital of Aus Tin Mining Ltd $20 (30 June 2022: $20) and Australasian Metals Limited $1,045,000 (30 June 2022: $1,100,000), both listed on the Australian Securities Exchange and an investment in the ordinary issued capital of Auburn Resources Ltd $125,000 (30 June 2022: $125,000), an unlisted public company incorporated in Australia.

The investment in shares are equity instruments under AASB 9 which are not held for trading. The Group made an irrevocable election on initial recognition to designate these equity instruments at fair value through other comprehensive income. Gains or losses will be recognised in OCI and never reclassified from equity to profit or loss. Refer to Note 17 for disclosures in relation to fair value.

	31 December 2022 A$	30 June 2022 A$
Note 9. Property, Plant and Equipment		
Plant & Equipment – at cost	75,555	75,555
Accumulated depreciation	(72,253)	(69,872)
Written down value	3,302	5,683
Office equipment – at cost	81,291	41,680
Accumulated depreciation	(30,104)	(20,999)
Written down value	51,187	20,681
Motor Vehicle – at cost	537,920	303,729
Accumulated depreciation	(159,600)	(120,956)
Written down value	378,320	182,773
Total Written down value	**432,809**	**209,137**

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

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NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2022

	Motor Vehicle	Plant & Equipment	Office Equipment	Total
	A$	A$	A$	A$
Balance at 01 July 2022	**182,773**	**5,683**	**20,681**	**209,137**
Effect of foreign exchange on opening balances	2,999	-	-	2,999
Additions	229,755	-	39,611	269,366
Depreciation charged to exploration and evaluation	(37,207)	-	-	(37,207)
Depreciation charge for the year	-	(2,381)	(9,105)	(11,486)
At 31 December 2022	**378,320**	**3,302**	**51,187**	**432,809**

	31 December 2022 6 months A$	30 June 2022 12 months A$
Note 10. Exploration and Evaluation Assets		
Exploration and evaluation assets	12,717,438	11,050,354
Movements in carrying amounts		
Opening Balance as at 01 July	11,050,354	51,449,462
Effect of foreign exchange on opening balance	398,548	(3,272,244)
Additions	9,652,747	18,247,469
Piedmont receipts from farm-in arrangements (1)	(8,384,211)	(17,438,205)
Exploration and evaluation assets distributed to owners (refer to note 14)	-	(37,910,194)
Written-off during the reporting period	-	(25,934)
Balance at the end of the period	**12,717,438**	**11,050,354**

(1) Atlantic Lithium Limited has been funded under a co-development agreement with Piedmont Lithium Inc by solely funding US$17.0m towards studies and exploration and US$70.0m towards capex for building the mine. Any additional expenditure or cost savings beyond the Initial Funding or cost savings for the completion of the DFS and development of the Project will be shared equally between the company and Piedmont Lithium Inc. As at the date of this report the group has fully utilised the initial US$17.0m funding and ongoing costs to complete the exploration and DFS are currently shared.

The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or alternatively, sale of the respective areas of interest.

	31 December 2022 A$	30 June 2022 A$
Note 11. Trade and Other Payables		
Trade payables	738,606	2,369,124
Sundry payables and accrued expenses	134,927	1,673,913
Employee benefits	335,077	260,441
GST Payble	3,761	6,617
	1,212,371	**4,310,095**

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NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2022

	31 December 2022 A$	30 June 2022 A$
Note 12: Issued Capital		
(a) Issued and paid up capital		
Ordinary shares fully paid	133,633,327	129,007,813
Share Issue Costs	(3,760,307)	(2,539,753)
	129,873,020	**126,468,060**

Ordinary shares participate in dividends and the proceeds on winding up the Company. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

(b) Reconciliation of issued and paid-up capital	Number of Shares	A$
At 30 June 2022	**580,041,660**	**129,007,813**
28 July 2022 (1)	750,000	155,980
11 August 2022 (2)	9,450,000	-
19 Sepember 2022 (3)	11,500,000	2,390,680
19 September 2022 (4)	4,000,000	2,078,854
At 31 December 2022	**605,741,660**	**133,633,327**

(1) On 28 July 2022, 750,000, £0.12p (equivalent to $0.21) ordinary shares were issued on the exercise of employee options.

(2) On 11 August 2022, 9,450,000 ordinary shares of no par value were issued as a result of the exercise of vested unlisted performance rights for nil consideration.

(3) On 19 September 2022, 11,500,000 £0.12 (equivalent to $0.21) ordinary shares were issued on the exercise of employee options.

(4) On 19 September 2022, 4,000,000 £0.30 (equivalent to $0.52) ordinary shares were issued on the exercise of employee options.

(c) Options

As at 31 December 2022, there were 54,500,000 unissued ordinary shares of Atlantic Lithium Limited under option and warrant held as follows:

- 3,500,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited as an exercise price of £0.30. The options vested immediately and expire 08 April 2023.
- 4,000,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.30. The options vested immediately and expire 18 August 2023.
- 10,000,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.40. The options vested immediately and expire 18 August 2023.
- 12,000,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.50. The options vested immediately and expire 18 August 2023.
- 2,000,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.60. The options vested immediately and expire 28 November 2024.
- 8,000,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.70. The options vested immediately and expire 23 April 2024.
- 2,000,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.70. The options vested immediately and expire 28 November 2024.
- 8,000,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.75. The options vested immediately and expire 23 April 2024.
- 5,000,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.80. The options vested immediately and expire 23 April 2024.

During the half year period there was 16,250,000 options exercised, 2,250,000 unlisted options cancelled, and 4,000,000 unlisted options issued.

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NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2022

(d) Performance Rights

As at 31 December 2022 there was 2,700,000 of performance rights on issue held as follows:

	Number	Grant date	Expiry date	Maturity price
Unlisted Director Performance Rights	225,000	18/08/21	18/08/23	£0.60
	225,000	18/08/21	18/08/23	£0.65
	500,000	18/08/21	18/08/23	£0.70
	750,000	18/08/21	18/08/23	£0.75
	1,000,000	18/08/21	18/08/23	£1.00

During the half year period 9,450,000 unlisted vested Performance rights were converted to ordinary shares at no par value.

Note 13. Share Based Payments

The expense recognised for share based payments during the half year is shown in the table below:

	31 December 2022 A$	31 December 2021 A$
Expense arising from equity settled share-based payment transactions:		
Share options	898,205	1,221,844
Performance rights	168,939	1,025,921
	1,067,144	**2,247,765**

Employee share option plan (ESOP)

Share options are granted to employees. The employee share option plan is designed to align participants' interests with those of shareholders by increasing the value of the Company's shares.

When a participant ceases employment after the vesting of their share options, the share options are forfeited after 90 days unless cessation of employment is due to termination for cause, whereupon they are forfeited immediately. The Company prohibits KMP from entering into arrangements to protect the value of unvested ESOP awards.

Each option can be exercised from vesting date to expiry date for one share with the exercise price payable in cash.

Options Granted

On 28 November 2022, 2,000,000 Atlantic Lithium Limited share options were granted to an Employee under the Employee Share Option Plan. The options are to take up one ordinary share in Atlantic Lithium Limited at £0.60 per share. The options vested immediately and are due to expire on 28 November 2024.

On 28 November 2022, 2,000,000 Atlantic Lithium Limited share options were granted to an Employee under the Employee Share Option Plan. The options are to take up one ordinary share in A at £0.70 per share. The options vested immediately and are due to expire on 28 November 2024.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share based payment share options granted during the period:

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NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2022

	1 July 2022 - 31 Dec 2022	1 July 2022 - 31 Dec 2022
	No.	WAEP
Outstanding at the beginning of the period	69,000,000	£0.45
Granted during the period	4,000,000	£0.65
Forfeited/cancelled during the period	(2,250,000)	£0.12
Exercised during the period	(16,250,000)	£0.16
Outstanding at the end of the period	54,500,000	£0.56
Exercisable at the end of the period	54,500,000	£0.56

The weighted average remaining contractual life of the options was 0.96 years (30 June 2022: 1.01 years).

	Atlantic Lithium ESOP 01 July 2022 to 31 December 2022		
	28 November 2022	28 November 2022	Total
Exercise price	£0.60	£0.70	
Life of the option	2 years	2 years	
Underlying share price	£0.403	£0.403	
Expected share price volatility	79.194%	79.194%	
Risk free interest rate	3.240%	3.240%	
Number of options issued	2,000,000	2,000,000	
Fair value (black-scholes) per option	£0.133	£0.117	
Total value of options issued (GBP)	£266,690	£233,308	£499,998
Total value of options issued (AUD equivalent)	$479,470	$419,454	$898,925

Expected share price volatility was estimated based on historical share price volatility.

Performance Rights

There were no performance rights granted during the period ended 31 December 2022 (2021: 12,150,000). The performance rights entitled the holder to receive the corresponding number of ordinary shares in Atlantic Lithium based on share price performance hurdles. The performance rights vest on achievement of each Maturity price milestone and convert to fully paid ordinary shares. The Maturity price is based on a 15 trading day VWAP metric for each tranche of the performance rights.

The following table illustrates the number and movements in share-based payment performance rights during the period:

	July 2022 - Dec 2022	July 2021 - Dec 2021
	No.	No.
Outstanding at the beginning of the year	12,150,000	12,150,000
Granted during the period	-	12,150,000
Forfeited/cancelled during the period	-	(12,150,000)
Exercised during the period	(9,450,000)	-
Outstanding at the end of the period	2,700,000	12,150,000

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NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2022

The following table illustrates the share-based payment performance rights exercised during the period:

	Number	Grant date	Expiry date	Maturity price	Fair Value	Value of Performance Rights Issued (GBP)	Value of Performance Rights Issued (AUD)
Unlisted Director Performance Rights	675,000	18/08/21	18/08/23	£0.30	£0.159	£107,325	$203,963
	675,000	18/08/21	18/08/23	£0.35	£0.142	£95,850	$182,155
	675,000	18/08/21	18/08/23	£0.40	£0.130	£87,750	$166,762
	675,000	18/08/21	18/08/23	£0.45	£0.116	£78,300	$148,803
	675,000	18/08/21	18/08/23	£0.50	£0.107	£72,226	$137,260
	675,000	18/08/21	18/08/23	£0.55	£0.097	£65,475	$124,430
	450,000	18/08/21	18/08/23	£0.60	£0.088	£39,600	$75,257
	450,000	18/08/21	18/08/23	£0.65	£0.080	£36,000	$68,415
	1,000,000	18/08/21	18/08/23	£0.70	£0.074	£74,000	$140,631
	1,500,000	18/08/21	18/08/23	£0.75	£0.067	£100,501	$190,994
	2,000,000	18/08/21	18/08/23	£1.00	£0.045	£89,999	$171,035

Note 14: Demerger

On 24 December 2021 the Group completed the demerger of Ricca Resources Limited (and accordingly the gold assets in Ivory Coast and Chad), by way of a Capital Reduction and In-specie Distribution to Eligible Shareholders. Eligible Atlantic Lithium Limited shareholders received an in-specie distribution of 1 Ricca Resources Limited share for every 8 Atlantic Lithium Limited Shares held at the In-specie Distribution Record Date (23 November 2021). The demerger distribution is accounted for as a reduction in equity by a demerger reserve of $28,794,153.

Carrying amounts of assets and liabilities held for distribution to the owners were as follows

	A$
Cash and Equivalents	7,238,862
Other Current Assets	21,132
Property Plant and Equipment	54,916
Exploration and Evaluation Assets	37,910,194
Total Assets	**45,225,104**
Trade and Other Payables	(202,941)
Carrying value of net assets distributed	**45,022,163**
Write down on Demerger	(16,228,010)
Demerger Reserve	**28,794,153**

Note 15: Contingent Liabilities

1. The Group owns 5,500,000 shares in Australasian Metals Limited with a market value on 31 December 2022 of $1,045,000 (30 June 2022: $1,100,000). Should the company decide to dispose all or any of this investment, then 50% of the consideration will be payable to Ricca Resources Limited within 10 days of the disposal.
2. The Group has an investment of 1,000,000 in the ordinary issued capital of Auburn Resources Ltd, an unlisted public company incorporated in Australia. The valuation of $125,000 on 31 December 2022 (30 June 2022: $125,000) is based on share capital placement on 1 July 2021. Should the company decide to dispose all or any of this investment, then 50% of the consideration will be payable to Ricca Resources Limited within 10 days of the disposal.

The Directors are not aware of any other contingent assets or contingent liabilities at the date of this report.

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NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2022

Note 16: Fair Value Measurement

Fair value hierarchy
The following tables detail the consolidated entity's financial assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly Level 3: Unobservable inputs for the asset or liability

	Level 1 A$	Level 2 A$	Level 3 A$	Total A$
Consolidated -31 December 2022				
Financial assets at fair value through other comprehensive income	1,045,020	-	125,000	1,170,020
Total Assets	**1,045,020**	**-**	**125,000**	**1,170,020**
Consolidated -30 June 2022				
Financial assets at fair value through other comprehensive income	1,100,020	-	125,000	1,225,020
Total Assets	**1,100,020**	**-**	**125,000**	**1,225,020**

There were no transfers between levels during the financial half-year.

Valuation techniques for fair value measurements categorised within level 1
The financial assets at fair value through other comprehensive income are measured based on the quoted market prices at 31 December 2022 and 30 June 2022.

Level 3 assets and liabilities
The financial assets at fair value through other comprehensive income are measured based on the most recent capital raising price.

Note 17: Subsequent Events

On 12 January 2023, the Company announced final assay results from the resource and exploration 47,000m drilling programme completed at Ewoyaa.

On 1 February 2023, the Company announced a significant Mineral Resource Estimate upgrade to 35.3Mt at 1.25% Li_2O for the Project.

On 1 March 2023, the Company passed a resolution at an Extraordinary General Meeting to issue 7,000,000 unlisted options at a strike price of £0.60p to its current executive and senior independent non-executive team.

There have been no other events since the end of the half year that impact the financial report as at 31 December 2022.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Atlantic Lithium Limited, I state that: In the opinion of the Directors:

1. The attached half-year financial report and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

   (a) Giving a true and fair view of the financial position as at 31 December 2022 and the performance for the half-year ended on that date of the consolidated entity; and

   (b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Lennard Kolff
Interim Chief Executive Officer
Sydney
15 March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Atlantic Lithium Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Atlantic Lithium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

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Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

R J Liddell
Director

Brisbane, 15 March 2023

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