ATLANTIC LITHIUM

20th March 2023

ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

RESPONSE TO ASX REQUESTS FOR INFORMATION

Atlantic Lithium Limited (**Company** or **A11**) provides the following response to the requests for information set out in ASX's letter dated 14 March 2023 (ASX's requests set out in italics):

1. Please explain the apparent discrepancy between A11's assertion that the value of the shares to acquire Joy Transporters was approximately £280,000 (paragraph B), while A11's financial statements indicate that the value was £542,808 (paragraph C).

The value of the 2,360,035 shares set out in A11's financial statements (£542,808) for the year ended 30 June 2021 is based on the purchase agreement dated 11 March 2020 with the price agreed between the parties as part of the agreement to provide the shares as consideration, being £0.23. This was at a premium to the actual market price on AIM at the time which was £0.12.

In the Company's announcement dated 10 March 2023, the reference to "*which were valued at approximately GBP280k (US$330k) at the time*" was a reference to the value of the shares based on the market price on AIM at the time the purchase agreement to provide the shares as consideration was entered into, being 11 March 2020. As noted above, the market price of the Company's shares on AIM at that time was £0.12.

2. In relation to A11's comments which suggest that no revenue is anticipated from the Joy Transporters licenses and therefore no royalty will be payable:

2.1 Please confirm whether A11 has any current or future plans to perform any exploration activities on these licensed areas.

The Company notes that its statement that no revenue is anticipated from the Joy Transporters licenses did include the qualification "at this time".

The reason that no revenue is anticipated at this time is because the Company has undertaken only preliminary mapping and limited sampling within the Cape Coast license area and preliminary drilling within the Saltpond license. These areas, while prospective ground holdings, presently contain no defined JORC resource. A prospecting license entitles the holder to prospect for specified minerals in the area covered by the license. The Company will be required to apply for a mining lease to exploit the mineral rights.

The Company's present strategic focus is the completion of its Definitive Feasibility Study for its flagship Ewoyaa Project. The Saltpond and Cape Coast licenses are geographically adjacent to the Ewoyaa Project. The Company considers that they represent an extensive tenure package that provides valuable synergies with the Company's existing portfolio and team.

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The Company intends to conduct further exploration activities in the Saltpond and Cape Coast areas which would then involve a multi year exploration program to define a resource on these licences and progress through studies to determine if they are of economic benefit.

2.2 If the answer to question 2.1 is 'no', please explain the rationale behind acquiring the Joy Transporters licenses.

The reasoning behind acquiring the Joy Transporters licenses is to provide the opportunity for the Company to expand its lithium exploration portfolio in Ghana, with a prospective ground holding adjacent to its flagship Ewoyaa Project. These licences are also prospective for feldspar which is widely used in the ceramics industry.

2.3 Please clarify whether A11 expects to incur an impairment charge on Joy Transporters licenses, given A11 has stated that no revenue is anticipated.

The Company does not expect to incur an impairment charge at this time.

3. Please confirm that A11 is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is complying with the Listing Rules and Listing Rule 3.1.

4. Please confirm that A11's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of A11 with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that its responses to the questions above have been authorised and approved by an officer of A11 with delegated authority from the board to respond.

Yours sincerely,

Amanda Harsas
Finance Director and Company Secretary
Atlantic Lithium Limited

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ASX

14 March 2023

Reference: 70135

Ms Amanda Harsas
Finance Director & Company Secretary
Atlantic Lithium Limited
264 George Street
Sydney NSW 2000

By email: aharsas@atlanticlithium.com.au

Dear Ms Harsas

Atlantic Lithium Limited ('A11'): Query Letter

ASX refers to the following:

A. Blue Orca Capital's research report, released on 9 March 2023 (AEST). This report stated (relevantly, emphasis added) that:

"To acquire Joy Transporters, Atlantic paid the owners [US]***$730,000 in stock*** *and promised the sellers an additional 2.5% production royalty potentially worth tens of millions of dollars. Atlantic never directly disclosed the names of Joy Transporters' principals, but our extensive due diligence of public information, databases and corporate records in Ghana indicates that Joy Transporters was owned by the son of a high-ranking politician: Johnson Asiedu Nketiah (a/k/a General Mosquito), the National Chairman of the National Democratic Congress, one of Ghana's two main political parties."*

B. A11's announcement titled "Response to Online Report & Restoration of Trading" lodged on the ASX Market Announcements Platform ('**MAP**') on 10 March 2023 which disclosed (relevantly, emphasis added):

"On 12 March 2020, the Company announced that it had entered into an agreement to purchase 100% of the ownership of Joy Transporters, with the ***consideration being the issue of 2,360,035 shares in the Company, which were valued at approximately GBP280k (US$330k) at the time****. As per the original terms, the selling party retains its Net Smelter Return of 2.5% (of which 50% can be acquired by the Company for US$3m). The Joy Transporters licences do not form part of the Company's defined resources and are excluded from the Company's Mining Licence application for the Ewoyaa Lithium Project.* ***At this time no revenue is anticipated from the Joy Transporters licences and subsequently no royalty will be payable.****"*

C. A11's announcement titled 'Full year accounts to 30 June 2021', lodged on MAP on 21 September 2021 (under A11's former name, IronRidge Resources Limited), which disclosed on page 61 that:

"On 4th February 2021, 2,360,035 £0.23 (equivalent to $0.40) ordianry (sic) *shares were issued for the Acquisition of Joy Transporters Limited"*. ASX notes that this payment had a value of AUD$955,686, or £542,808.

D. A11's announcement titled 'Replacement Prospectus', lodged on MAP on 21 September 2021, which disclosed on page 272 that A11's legal advisers had reviewed a *"Share Sale and Purchase Agreement dated 11th March, 2020 between Kwaku Asiedu-Nketiah, Albert Kwateng, IronRidge Resources Limited and Joy Transporters Limited"*.

E. Listing Rule 18.7, which states:

"An entity must give ASX any information, document or explanation that ASX:

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(a) asks for to enable ASX to be satisfied that the entity is, and has been, complying with, or will comply with, the listing rules or any conditions or requirements imposed under the listing rules; or

(b) reasonably requires to perform its obligations as a licensed market operator."

Request for information

Having regard to the above, ASX asks A11 to respond separately to each of the following questions and requests for information:

1. Please explain the apparent discrepancy between A11's assertion that the value of the shares to acquire Joy Transporters was approximately £280,000 (paragraph B), while A11's financial statements indicate that the value was £542,808 (paragraph C).
2. In relation to A11's comments which suggest that no revenue is anticipated from the Joy Transporters licenses and therefore no royalty will be payable:
   - 2.1 Please confirm whether A11 has any current or future plans to perform any exploration activities on these licensed areas.
   - 2.2 If the answer to question 2.1 is 'no', please explain the rationale behind acquiring the Joy Transporters licenses.
   - 2.3 Please clarify whether A11 expects to incur an impairment charge on Joy Transporters licenses, given A11 has stated that no revenue is anticipated.
3. Please confirm that A11 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
4. Please confirm that A11's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of A11 with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT Monday, 20 March 2023** . You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, A11's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require A11 to request a trading halt immediately.

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

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in A11's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;

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- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in A11's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to A11's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that A11's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

Yushra Haniff
Adviser, Listings Compliance