ATLANTIC LITHIUM

AIM: ALL, ASX: A11, OTCQX: ALLIF

31 October 2023

Quarterly Activities and Cash Flow Report for the quarter ended 30 September 2023

Historic Mining Lease granted post-period end, following major funding commitments from Project partners
Ewoyaa Lithium Project considerably de-risked towards commercial production

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The Board of 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 present its Quarterly Activities and Cash Flow Report for the period ended 30 September 2023.

Highlights from the Reporting Period:

- Commitment from partner Piedmont Lithium to sole fund the first US$70m, and 50% of any additional costs thereafter, of the total US$185m development expenditure indicated in the Definitive Feasibility Study ("DFS") for the Company's flagship Ewoyaa Lithium Project ("Ewoyaa" or the "Project") in Ghana, comprising the proposed Ewoyaa Lithium Mine and Processing Plant.

- Planned investment of a total US$32.9m (A$51.4m / £26.3m) by the Minerals Income Investment Fund of Ghana ("MIIF") in the Company and its Ghanaian subsidiaries to expedite the development of the Project.

- Commenced competitive offtake partnering process to secure Project funding for a portion of the remaining 50% available feedstock from Ewoyaa.

- Memorandum of Understanding ("MoU") signed with The University of Mines and Technology, Tarkwa ("UMaT") to assess the viability of producing feldspar feedstock at the Project.

- Appointment of DRA Global Limited ("DRA") to conduct a Scoping Study for the inclusion of an additional downstream flotation circuit to the proposed Dense Media Separation ("DMS") processing plant.

- Advancement of 2023 resource and exploration drilling programme at Ewoyaa:
    - Further assay results received for a total 11,594m of infill and exploration reverse circulation ("RC") and groundwater monitoring drilling completed at Ewoyaa, part of the ongoing planned 18,500m programme.
    - Auger drilling ongoing at Saltpond, with two rigs active, part of the 20,000m 2023 programme.
    - Soil sample analysis underway following completion of geochemistry survey over the Cape Coast licence.

- Cash on hand at end of quarter was A$10.6m.

Atlantic Lithium Limited
ACN 127 215 132
AIM: ALL, **ASX:** A11, **OTCQX:** ALLIF

Registered Address
Level 33, Australia Square, 264
George Street, Sydney NSW 2000

Contact
T: +61 2 8072 0640
E: info@atlanticlithium.com.au
W: www.atlanticlithium.com.au

Post-period end

- Mining Lease granted for the Ewoyaa Lithium Project, representing a major de-risking milestone for the Project.
  - Agreed terms maintain Ewoyaa's position as one of the lowest capital and operating cost hard rock lithium projects globally.
  - Project economics indicate strong commercial viability and exceptional profitability potential for a 2.7Mtpa steady state operation, producing a total of 3.6Mt of spodumene concentrate (approximately 350,000tpa) over a 12-year mine life[1]:
    - Payback period of main processing plant of 9.5 months;
    - C1 cash operating costs of US$377/t of concentrate Free-On-Board ("FOB") Ghana Port, after by-product credits, All in Sustaining Cost ("AISC") of US$675/t;
    - Development cost estimate of US$185m;
    - Post-tax NPV_8 of US$1.3bn, with free cash flow of US$2.1bn from Life of Mine ("LOM") revenues of US$6.6bn.

- Environmental Protection Agency authorisation to commence the diversion of the transmission lines crossing the Mankessim licence, moving the Project a step closer to shovel readiness.

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NEIL HERBERT
EXECUTIVE CHAIRMAN

Commenting on the Company's latest progress, Neil Herbert, Executive Chairman of Atlantic Lithium, said:

"The news of the Mining Lease for the Ewoyaa Lithium Project follows yet another remarkable period of progress for Atlantic Lithium. The Mining Lease represents the Government's belief in the Company as its partner of choice in its long-term lithium production objectives and sets Ewoyaa on a path to become one of the next major hard rock spodumene mines.

"During the quarter, we announced two major funding commitments which underscore the Project's commercial viability and significantly de-risk Ewoyaa from a funding perspective. We are delighted that Ghana's sovereign wealth fund, the Minerals Income Investment Fund, has agreed terms to invest in the Company and its local Ghanaian subsidiaries. Having MIIF invest at the listed company and Project level more closely aligns the Government with the success of the Project, enables us to return further value from Ewoyaa to Ghana and strengthens the Company's cash balance.

"Our partner Piedmont Lithium also demonstrated its unwavering support of the Project by committing to sole fund the first US$70m, and 50% of any additional costs thereafter, of the total development expenditure indicated in the DFS for the Project, constituting the next phase of its staged earn-in agreement. We welcome Piedmont's ongoing funding and technical support as we work together towards our shared goal of delivering Ewoyaa as one of the next globally significant lithium producers.

"Based on the US$185m total development expenditure figure indicated in the DFS for the Project, and on the assumption of the completion of the agreements the Company currently has in place with MIIF and Piedmont, the Company's funding allocation is considerably reduced, equating to only US$38m. We have commenced a competitive offtake partnering process with a global investment bank for a portion of the remaining 50% of the available feedstock from Ewoyaa and expect to cover this remaining figure through a pre-payment arrangement.

"Following the grant of the Mining Lease, we are now working to deliver upon a number of growth catalysts as we move towards production. These include the completion of the permitting process, conducting the flotation, feldspar and downstream conversion studies, preparing the Company for shovel readiness and enhancing the value of the Project through further exploration.

"We look forward to providing further updates in due course."

Ewoyaa Lithium Project, Ghana, West Africa

Ewoyaa is the Company's flagship project, targeted to become Ghana's first lithium-producing mine.

The Project has secured project development funding via a partnership agreement with Piedmont Lithium Inc. (NASDAQ: PLL; ASX: PLL, "Piedmont", *refer announcement of* ***31 August 2021***). The Project, located in Ghana, West Africa, approximately 100km southwest of the capital of Accra, comprises eight main deposits, including Ewoyaa, Okwesi, Anokyi, Grasscutter, Abonko, Kaampakrom, Sill and Bypass. The Project is well located being adjacent to operational infrastructure including within 1km of the Takoradi - Accra N1 highway, 110km from the Takoradi deep-sea port and adjacent to grid power, within the pro-mining jurisdiction of Ghana (*refer* ***Figure 1***). The Project is proven capable of producing spodumene concentrate suitable for conversion to battery-grade lithium carbonate and hydroxide.

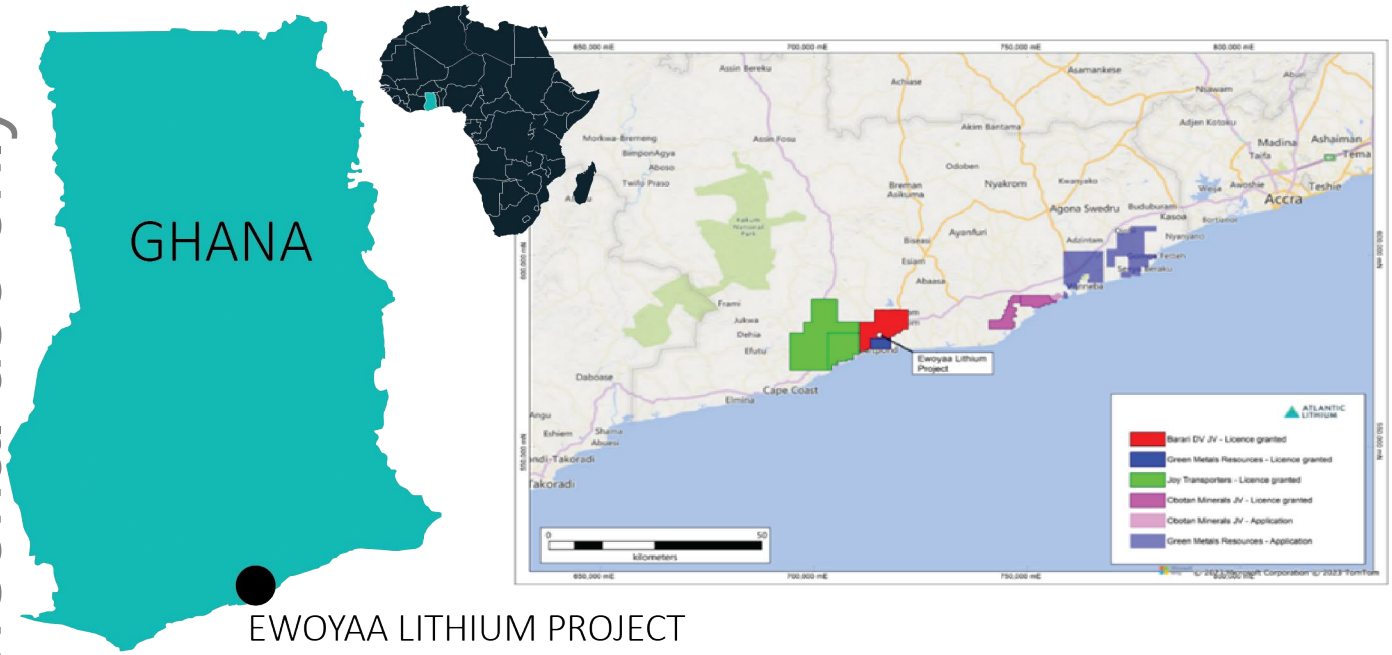

FIGURE 1 LOCATION OF THE EWOYAA LITHIUM PROJECT

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Interest in Tenements

At the end of the quarter ending 30 September 2023, the Company had an interest in the following tenements:

Tenement Number	Tenement Name	Principal Holder	Grant Date/ Application Date	Expiry Date	Term	Change during Quarter
Ghana						
PL3/67	Apam East	Obotan Minerals Company Limited (JV MODA Minerals Limited)	27.06.19	26.06.22*	3 years	None
PL3/92	Apam West	Obotan Minerals Company Limited (JV MODA Minerals Limited)	21.08.19	20.08.22*	3 years	None
RL 3/55	Mankessim+	Barari DV Ghana Limited (90% Atlantic)	27.07.21	26.07.24	3 years	None
PL3/102	Saltpond	Joy Transporters Limited (100% Atlantic)	21.08.19	20.08.22*	3 years	None
PL3/109	Mankessim South	Green Metals Resources Limited (100% Atlantic)	19.02.20	18.02.23*	3 years	None
PL3/106	Cape Coast	Joy Transporters Limited (100% Atlantic)	15.11.21	14.11.24	3 years	None
	Senya Beraku	Green Metals Resources Limited (100% Atlantic)	10.05.16	Application		None
	Asebu (Winneba North)	Green Metals Resources Limited (100% Atlantic)	28.06.21	Application		None
	Mankwadze (Winneba South)	Green Metals Resources Limited (100% Atlantic)	28.06.21	Application		None
	Mankwadzi	Obotan Minerals Company Limited (JV MODA Minerals Limited)	15.03.18	Application		None
	Bewadze	Green Metals Resources Limited (100% Atlantic)	23.08.21	Application		None
	Onyadze	Green Metals Resources Limited (100% Atlantic)	23.08.21	Application		None
Ivory Coast						
PR695	Rubino	Khaleesi Resources SARL (100% Atlantic)	20.10.16	Application		None
PR694	Agboville	Khaleesi Resources SARL (100% Atlantic)	20.10.16	Application		None

** Renewal applications have been submitted to the various mining departments of the relevant Governments and the Company has no reason to believe the renewals will not be granted.*

*+ Post-period end, the Company was granted a Mining Lease (ML-3/329) in respect of the Lease Area which holds the Ewoyaa Lithium Project within the Company's Mankessim prospecting licence (refer announcement of **20 October 2023**).*

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September Quarter Activities

Project Development

Piedmont Lithium Commitment to Ewoyaa Development Funding

In accordance with its investment agreement ("Agreement") to earn up to 50% interest of the Company's share of the Ghana Portfolio, inclusive of Ewoyaa (*refer announcement of **1 July 2021***), the Company's partner Piedmont Lithium (NASDAQ: PLL; ASX: PLL, "Piedmont") has exercised its option to acquire an initial 22.5% interest in the Ghana Portfolio (*refer announcement of **17 August 2023***).

As set out in Stage 3 of the Agreement, to earn the full 50% interest in the Company's share of the Ghana Portfolio, Piedmont will sole fund the first US$70m, and 50% of any additional development expenditure thereafter, towards the total US$185m development expenditure for the Project indicated in the Definitive Feasibility Study ("DFS").

Stage 3 is intended to result in the completion of construction and initial production of spodumene concentrate at Ewoyaa, demonstrating Piedmont's unwavering belief in the viability of the Project.

Piedmont's commitment to the Project's funding represents a further de-risking milestone towards the Company's shared goal of delivering a successful spodumene concentrate mine at Ewoyaa.

Feldspar Study

The Company has signed a Memorandum of Understanding ("MOU") with The University of Mines and Technology ("UMaT"), Tarkwa in the Western Region of Ghana to undertake a Definitive Feasibility Study ("Feldspar Study") to assess the viability of producing feldspar feedstock as a by-product of spodumene concentrate production at Ewoyaa (*refer announcement of **15 August 2023***).

The partnership will assess the prospective market conditions and commercial, technical and financial viability of the production of feldspar, quartz (silica) and muscovite, by-products of the proposed Ewoyaa Lithium Processing Plant.

Atlantic Lithium has identified an opportunity for the feldspar produced at Ewoyaa to be supplied into the domestic market to support Ghana's ceramics sector.

The Company is targeting to define a maiden feldspar JORC (2012) Complaint Mineral Resource Estimate ("MRE"), enabling the inclusion of a feldspar by-product credit in the financial model of the current DFS (which does not currently consider any activity in relation to the production of feldspar).

The Company believes that the commercialisation of feldspar at Ewoyaa offers the potential to reduce the Project's waste footprint and generate significant value to the Company and to Ghana, in addition to the Project's lithium production.

Flotation Scoping Study

The Company has appointed international multi-disciplinary engineering, project delivery and operations management group DRA Global Limited (ASX: DRA, JSE: DRA, "DRA") to conduct a Scoping Study for the addition of a flotation circuit, downstream from the proposed Ewoyaa Dense Media Separation ("DMS") plant ("Flotation Scoping Study"; *refer announcement of **13 July 2023***).

The Flotation Scoping Study will evaluate the viability of the use of flotation to process fines and middlings and the use of the 4.7Mt of 1.2% Li_2O fines material[1], currently intended to be sold as a secondary product, as potential feedstock.

The Company believes that the inclusion of a downstream flotation circuit would enhance the Project's financial outcomes and de-risk the Project in the event that the low-grade lithium-bearing products market is adversely affected.

Under the terms of the agreement, DRA will deliver process design criteria, a processing flowsheet, capital and operating cost estimates for the additional flotation circuit.

The Study is currently underway, with an outcome expected in Q4 2023.

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Ewoyaa Lithium Project Mining Lease

Post-period end, the Company announced that Ghana's Ministry of Lands and Natural Resources had granted a Mining Lease in respect of the Company's flagship Ewoyaa Lithium Project, comprising the proposed Ewoyaa Lithium Mine and Processing Plant, enabling the advancement of the Project towards commercial production (*refer announcement of **20 October 2023***).

The Mining Lease grants the Company exclusive rights to work, develop and produce lithium (and other associated minerals) over the entirety of the 42.63 km^2 area within the Mankessim licence, held by Barari DV Ghana Limited ("Barari") and containing the Ewoyaa Project, for an initial period of 15 years.

The grant of the Lease, the first to be issued for lithium in Ghana, indicates the strong support of the Government for Ewoyaa to become a top 10 hard rock spodumene concentrate mine[1] and represents a major de-risking milestone in the advancement of the Project towards construction and commercial production.

The terms of the Mining Lease were negotiated and agreed in line with the Government's new Green Minerals Policy as being attractive for Ghana, particularly enabling a framework that welcomes foreign investment into the country, while also presenting the Company as the Government's 'partner of choice' in its mutually beneficial, long-term growth objectives.

The terms reaffirm the Project's strong commercial viability and exceptional profitability potential for a 2.7Mtpa steady state operation, producing a total of 3.6Mt of spodumene concentrate (approximately 350,000tpa) over a 12-year mine life[1]:

- Payback period of main processing plant of 9.5 months;
- C1 cash operating costs of US$377/t of concentrate Free-On-Board ("FOB") Ghana Port, after by-product credits, All in Sustaining Cost ("AISC") of US$675/t;
- Development cost estimate of US$185m;
- Post-tax NPV_8 of US$1.3bn, with free cash flow of US$2.1bn from Life of Mine ("LOM") revenues of US$6.6bn.

Summary of Key Terms

Under the terms of the Mining Lease, the Government of Ghana will be entitled to a 13% free carried interest in the Project and a 10% royalty rate once in production.

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

The full Project metrics can be found in Table 3 in the Appendix of the announcement dated ***20 October 2023***.

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TABLE 1 SUMMARY OF EWOYAA KEY METRICS - MINING LEASE TERMS (100% PROJECT BASIS[2])

Item	Units	Mining Lease
Revenue (all products)	US$M	6,566
LOM Concentrate Pricing, FOB Ghana	US$/t	1,587
Post-tax IRR	%	94
C1 Cash Cost, after secondary product credits	US$/t	377
All In Sustaining Cost (AISC)	US$/t	675
Surplus Cashflow, Post Tax	US$M	2,091
NPV_8 Post Tax	US$M	1,301
Payback - Combined	Months	17
Payback – Main Plant	Months	9.5
Payback – Modular DMS Unit	Months	3
EBITDA	US$M	3,365
EBIT	US$M	3,022
NPAT, LOM	US$M	2,004

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

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

***NOTE:** Mineral Resources are inclusive of the Ore Reserves.*

Under the terms of the Mining Lease, as earlier outlined, the Company has agreed to undertake the Feldspar Study to assess the viability of producing and processing feldspar feedstock as by-product of spodumene concentrate production at the Project (*refer announcement of **15 August 2023***).

The Company will also conduct a scoping study ("Downstream Conversion Study") to evaluate the economic benefits and viability of downstream lithium conversion in Ghana. The Government of Ghana intends to offer significant incentives to the Company to support the establishment of a conversion plant in Ghana if, based on the results of the Downstream Conversion Study and subject to relevant economic and market conditions, the Company decides to undertake the building of a plant.

Furthermore, in accordance with Ghana's Local Content Regulations, the Company has committed to establishing a path for the Company to list on the Ghana Stock Exchange.

Project Ownership and Financing

Based on the assumption of the completion of the agreements that the Company has in place (notably the Minerals Income Investment Fund's Strategic Investment and Piedmont Lithium's staged earn-in agreement), Table 2 below sets out the Project's ownership structure once in production:

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TABLE 2 EWOYAA LITHIUM PROJECT OWNERSHIP (ONCE IN PRODUCTION)

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

Considering a total development expenditure of US$185m for the Project, as indicated in the DFS, Figure 2 below indicates that the Company's allocation of the remaining development expenditure equates to US$38m.

The Company believes that the competitive offtake partnering process that is currently underway will attract funding offers which would cover the Company's allocation of the remaining development expenditure for the Project, with a preference for a pre-payment arrangement. Further details can be found in the Corporate section of this announcement.

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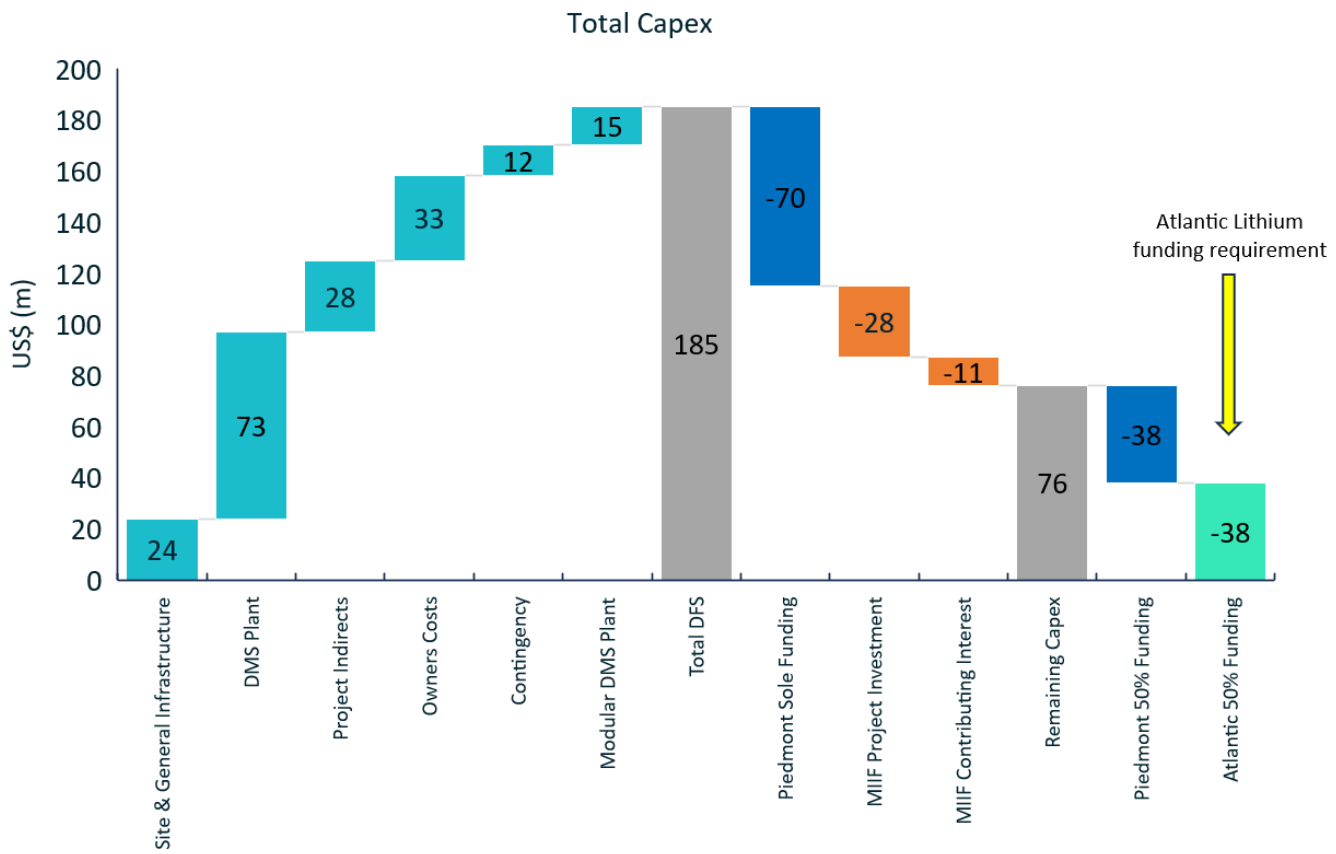
FIGURE 2 PROJECT FUNDING



EPA Approval to Divert Mankessim Transmission Lines

Post-period end, the Company was notified that Ghana's Environmental Protection Agency ("EPA") had granted authorisation for Ghana Grid Company Ltd ("GRIDCo"), which owns the country's National Interconnected Transmission System, to carry out the requested diversion of two transmission lines traversing planned mining areas within the Company's Mankessim licence (*refer announcement of **10 October 2023***).

Forming part of the Project's mine plan, the diversion of the transmission lines to the northern border of the Mankessim licence, which holds the Ewoyaa Lithium Project, represents an important step towards shovel readiness.

Exploration

During the period, the Company advanced the planned 2023 exploration and resource drilling programmes at Ewoyaa (*refer announcement of **20 March 2023***).

Infill, Extensional and Exploration Drilling

Further assay results for a total of 11,594m of infill and exploration reverse circulation ("RC") drilling completed at Ewoyaa as part of the ongoing broader 18,500m programme were received during the period (*refer announcements of **8 August 2023** and **6 September 2023***).

Sample preparation was completed by Intertek Ghana and assay by Intertek Perth, with all reported results passing QA/QC protocols, providing confidence in reported results.

Highlight high-grade drill intersections, reported as downhole intercepts at a 0.4% Li_2O cut-off and a maximum 4m of internal dilution, include (*refer **Table 3***):

- GRC0961: **48m** at **1.31%** Li_2O from 137m
- GRC0959: **24m** at **1.86%** Li_2O from 10m
- GRC0943: **29m** at **1.37%** Li_2O from 184m
- GRC0951: **29m** at **1.2%** Li_2O from 69m
- GRC0952: **23m** at **1.51%** Li_2O from 23m
- GRC0955: **13m** at **1.19%** Li_2O from 28m
- GRC0944: **9m** at **1.6%** Li_2O from 223m
- GRC0928: **23m** at **1.75%** Li_2O from 184m
- GRC0911: **15m** at **1.3%** Li_2O from 68m
- GRC0911: **14m** at **1.27%** Li_2O from 48m
- GRC0927: **9m** at **1.57%** Li_2O from 263m
- GRC0912: **14m** at **0.99%** Li_2O from 6m

Extensional drilling results at the Ewoyaa North-East deposit, which currently sits outside of the current MRE[1], also confirm mineralisation extensions outside of the current Resource envelope and remains open at depth (*refer **Figure 3** and **Figure 4***).

Multiple high-grade drill intersections have been reported for infill drilling results over significant apparent widths and relatively shallow depths at the Ewoyaa South-2 deposit, which sits within the current MRE[1] (*refer **Figure 5***).

Infill drilling is designed to convert Inferred Resources to higher confidence Indicated Resources for future mine sequencing optionality and to grow the MRE where mineralisation remains open at depth or along strike.

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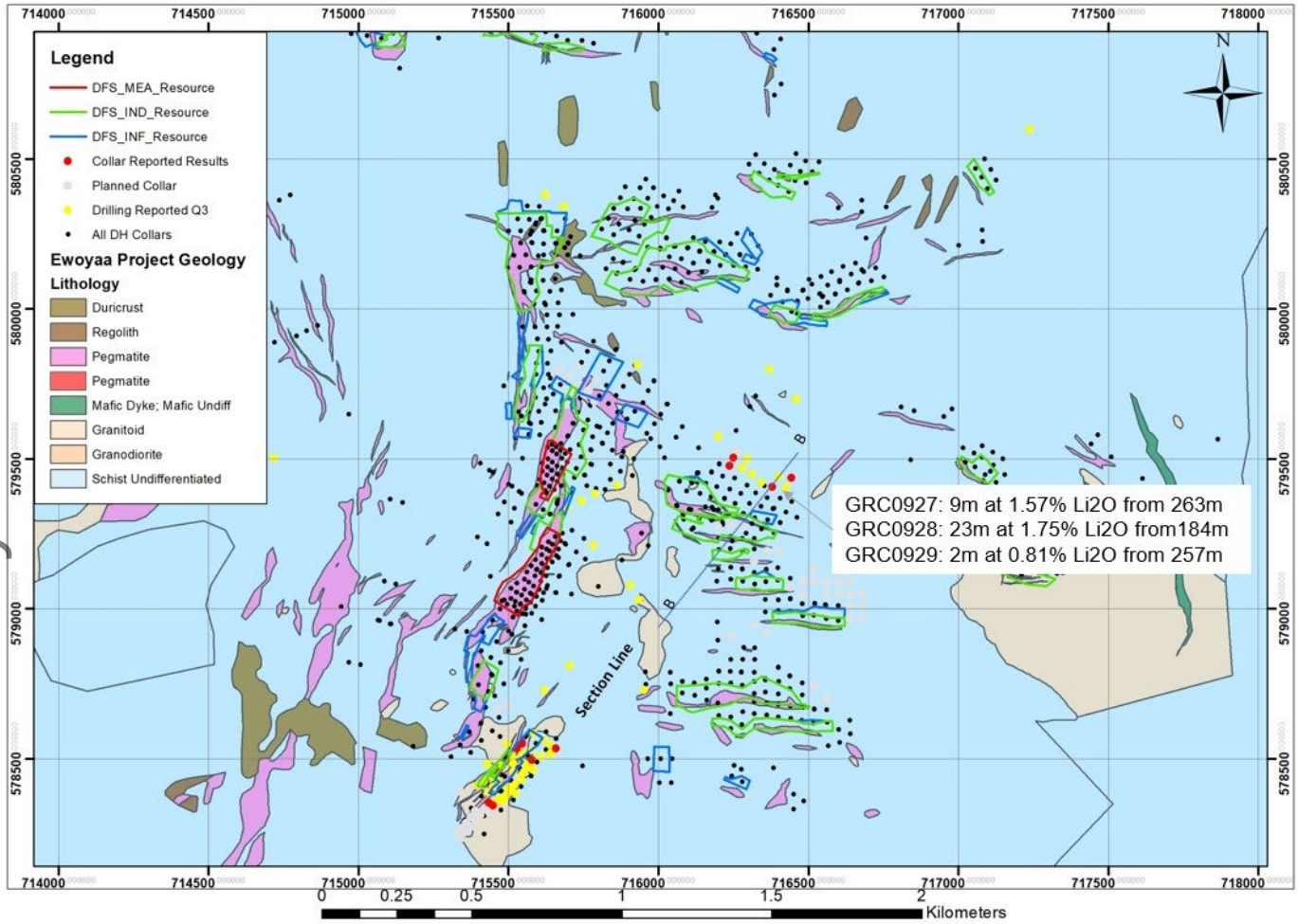

FIGURE 3 LOCATION OF REPORTED ASSAY RESULTS WITH HIGHLIGHT ASSAY RESULTS RECEIVED FOR GRC0928 AND GRC0929 AT THE EWOYAA NORTH-EAST DEPOSIT

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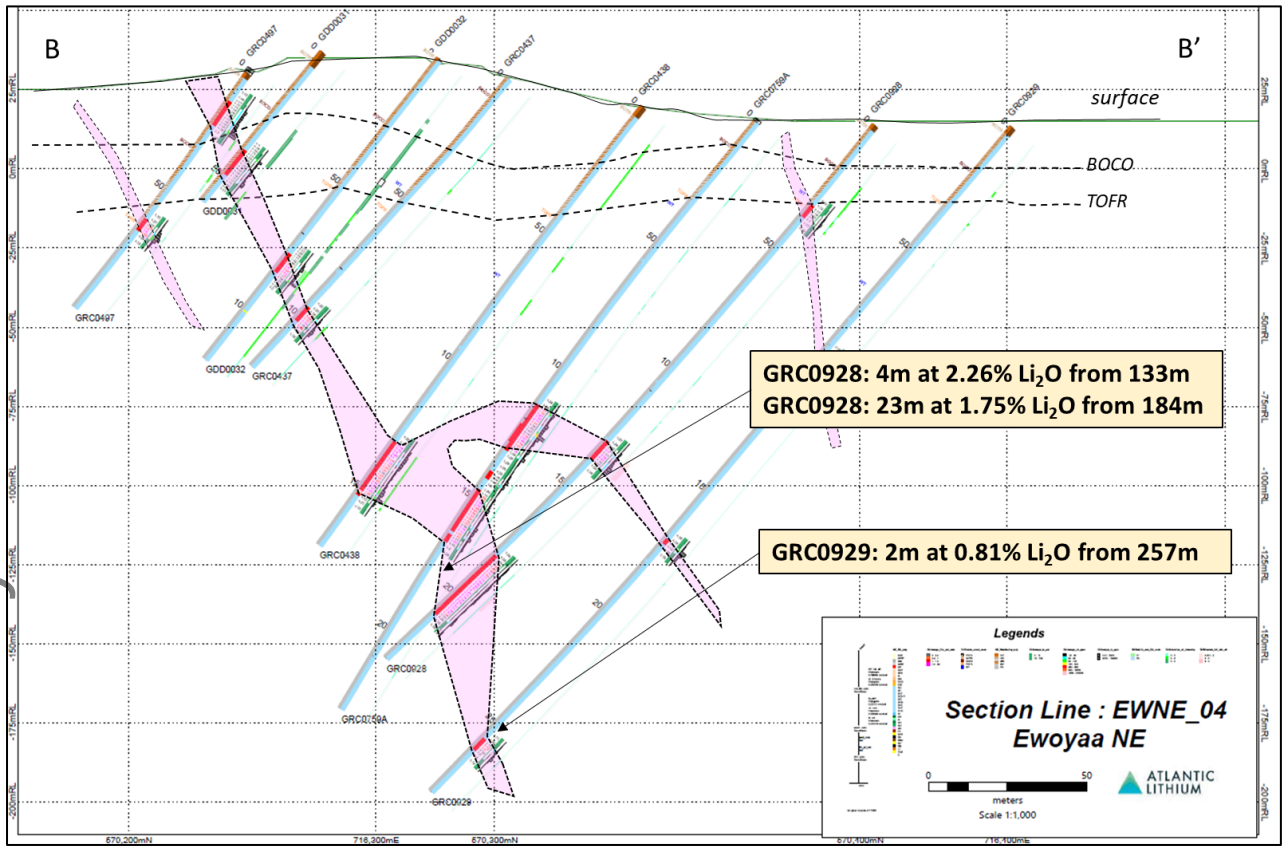

FIGURE 4 CROSS-SECTION B-B' SHOWING ASSAY RESULTS RECEIVED FOR GRC0928 AND GRC0929 AT THE EWOYAA NORTH-EAST DEPOSIT

TABLE 3 DRILL INTERSECTION HIGHLIGHTS AT GREATER THAN 5 LI X M, REPORTED AT A 0.4% LI_2O CUT-OFF AND MAXIMUM OF 4M OF INTERNAL DILUTION

Hole_ID	From _m	To _m	Interval	Li_2O %	Intersection	Comment	Hole Purpose	metal content Li x m	Hole depth_m	Deposit
GRC0911	68	83	15	1.3	GRC0911: 15m at 1.3% Li_2O from 68m		Resource Drilling	19.5	0	EM
GRC0911	48	62	14	1.27	GRC0911: 14m at 1.27% Li_2O from 48m		Resource Drilling	17.78	0	EM
GRC0912	6	20	14	0.99	GRC0912: 14m at 0.99% Li_2O from 6m		Resource Drilling	13.86	0	EM
GRC0927	263	272	9	1.57	GRC0927: 9m at 1.57% Li_2O from 263m		Resource Drilling	14.13	0	EMNE
GRC0928	184	207	23	1.75	GRC0928: 23m at 1.75% Li_2O from 184m		Resource Drilling	40.25	0	EMNE
GRC0943	184	213	29	1.37	GRC0943: 29m at 1.37% Li_2O from 184m		Resource Drilling	39.73	0	EMNE
GRC0944	223	232	9	1.6	GRC0944: 9m at 1.6% Li_2O from 223m		Resource Drilling	14.4	0	EMNE
GRC0951	69	98	29	1.2	GRC0951: 29m at 1.2% Li_2O from 69m		Resource Drilling	34.8	0	EM
GRC0952	23	46	23	1.51	GRC0952: 23m at 1.51% Li_2O from 23m		Resource Drilling	34.73	0	EM
GRC0955	28	41	13	1.19	GRC0955: 13m at 1.19% Li_2O from 28m		Resource Drilling	15.47	0	EM
GRC0959	10	34	24	1.86	GRC0959: 24m at 1.86% Li_2O from 10m		Resource Drilling	44.64	0	EM
GRC0961	137	185	48	1.31	GRC0961: 48m at 1.31% Li_2O from 137m		Resource Drilling	62.88	0	EM

Note: *Metal content is based on intercept rather than estimated true width*

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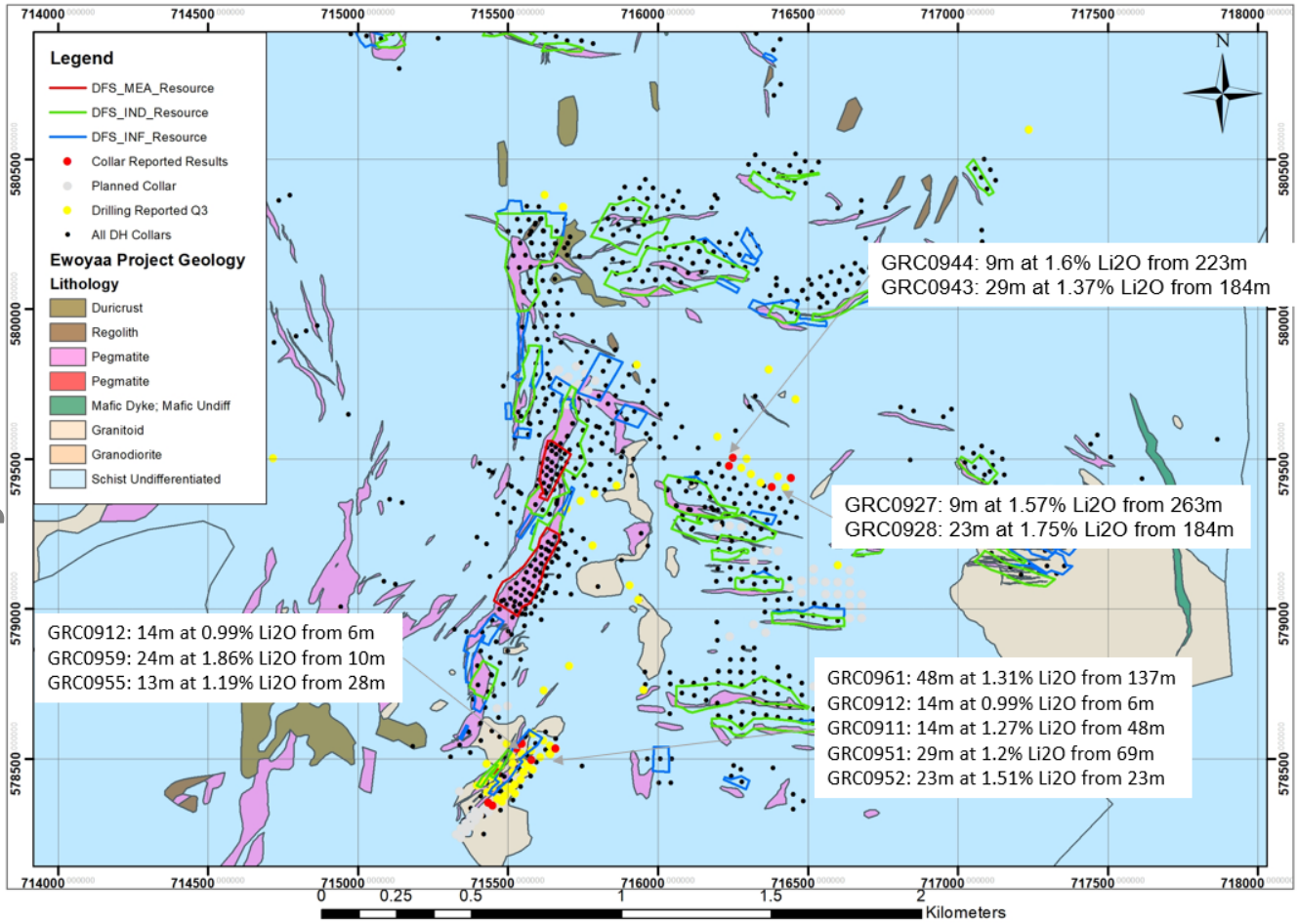

FIGURE 5 LOCATION OF REPORTED ASSAY RESULTS WITH HIGHLIGHT DRILL INTERSECTIONS

Auger Drilling

Auger drilling remains ongoing, with two rigs active on the Saltpond licence, as part of the total 20,000m 2023 programme. Drilling has concentrated on the extensions to the known pegmatite swarm that form around a granitoid. The main pegmatites that have been drilled include Ndasiman, Akramam, and Edzemor. Remaining targets include an arcuate lithium-in-soils anomaly that projects from the Edzemor pegmatites.

Soil Geochemistry Survey

In-house analysis of the samples for multi-element geochemistry, using portable X-Ray fluorescence ("pXRF") and lithium using portable Laser induced breakdown spectroscopy ("LIBS") analysers, remains underway following the completion of the 100m x 100m grid soil geochemistry survey over the Cape Coast licence.

Passive Seismic

During the period, the Company completed a passive seismic ambient noise tomography ("ANT") survey over the immediate Ewoyaa MRE[1] footprint to test the potential for concealed pegmatites (*refer announcement of **19 April 2023***). The trial was the first time the technology has been used in Ghana and, although a potential technical success, the decision was made to demobilise the equipment. The Company may revisit ANT surveying at a later stage, however, in the short term, will instead allocate capital towards further drilling and resource growth within the immediate Project footprint.

Corporate

MIIF Strategic Investment

On 8 September 2023, the Company announced that it had signed non-binding Heads of Terms with the Minerals Income Investment Fund of Ghana ("MIIF") to invest a total of US$32.9 million (A$51.4m / £26.3m) in the Company and its Ghanaian subsidiaries ("Strategic Investment").

The Strategic Investment serves as a major indication of the Government of Ghana's desire to see the Ewoyaa Lithium Project and broader Cape Coast Lithium Portfolio in Ghana ("Ghana Portfolio") achieve commercial production.

Under the terms agreed, MIIF intends to invest US$27.9m (A$43.6m / £22.3m) in the Company's Ghanaian subsidiaries which hold the Ghana Portfolio, inclusive of Ewoyaa, to acquire a 6% contributing interest in the Ghana Portfolio. The contributing interest will take the form of funding of development, exploration and studies expenditure incurred during monthly cash calls.

MIIF has also agreed to subscribe for 19,245,574 Atlantic Lithium shares ("Subscription") at a price of US$0.2598 (A$0.41 / £0.21) per share, for a value of US$5 million (A$7.8m / £4m), to be held in escrow, equating to 3.05% of the total issued share capital of the Company.

Under the terms agreed, MIIF will be:

i. entitled to nominate one person to each of the boards of the Company's Ghanaian subsidiaries;
ii. invited to participate in the competitive process for Ewoyaa's available off-take; and
iii. granted one warrant for every two Atlantic Lithium shares subscribed for under the Subscription at a 40% premium to the Subscription price.

The Strategic Investment will see MIIF become a key shareholder of the Company, serving as an indication of MIIF's belief in Atlantic Lithium and Ewoyaa as an investment proposition, as well as further aligning the advancement of the Project with its Ghanaian stakeholders.

Offtake Partnering Process

The Company has commenced a competitive offtake partnering process with a global investment bank. Through the process, the Company is offering potential partners the opportunity to secure access to scarce near-term spodumene concentrate offtake from the Ewoyaa Lithium Mine in exchange for competitive funding. The aim is to attract funding offers to expedite and de-risk the development of the Project and realise attractive terms for any offtake contracted.

The Company is currently undertaking the initial stage of preparation and early engagement with interested parties following a significant level of inbound interest.

Strong demand has been received to date from a range of offtake partners spanning the supply chain, including miners, traders, converters, cathode & battery manufacturers, and OEMs.

Among the Company's key objectives of the process are to secure a well-credentialled partner that can:

- support Ewoyaa's development and maximise shareholder value through the provision of competitive funding;
- serve as an endorsement of the Project's industry-leading status,
- enhance the Company's relationships across the battery supply chain,
- consider broader strategic collaboration.

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Investment highlights for Ewoyaa offtake partnering:

1	**Quality product**	**Proven, high quality concentrate** with test work validating 5.5% and 6.0% Li_2O with low iron and mica impurities preferred for battery applications
2	**Near-term product**	Atlantic is one of the limited hard rock lithium projects globally with **near-term uncommitted offtake availability** and is anticipated to **enter production in H1 2026**
3	**Strategic location**	Strategically positioned to become a **supplier of choice to expanding global battery markets** and well placed to supply into the growing US and European markets
4	**Reliable supply**	**Life of mine all in sustaining cost of US$675/t**, placing Ewoyaa competitively on the spodumene cost curve and supporting **resilient operations through the price cycle**
5	**Low-risk operations**	Ewoyaa will be a **conventional, open-pit hard rock lithium mining operation** with 2.7Mtpa DMS processing and a 12-year mine life underpinned by a 26Mt Ore Reserve
6	**Supportive jurisdiction**	Located in a **well-established mining jurisdiction** with access to existing infrastructure, a supportive government and significant mining workforce
7	**ESG aligned**	**Low water and low energy-intensive plant** in close proximity to infrastructure, including adjacent grid power and a **skilled Ghanaian workforce**
8	**Permitting**	**Mining Lease granted**, aligning the interests of the Government with successfully delivering **long-term lithium production** in Ghana**.**

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The offtake partnering process is expected to conclude in H1 2024.

The Company hopes that funding offers arising from the process, with a preference for a pre-payment arrangement, would sufficiently cover its remaining allocation of the development expenditure required to build the Ewoyaa Lithium Mine.

Appointment of Head of Operational Readiness

The Company has appointed experienced strategy, operations and business development executive Aaron Maurer as Head of Operational Readiness, representing an important hire for the Company as it targets shovel readiness.

Prior to joining Atlantic Lithium, Mr Maurer held several engineering, production, operational, and senior executive roles, including as Executive General Manager - Operations at Minerals Resources Limited, where he oversaw the Mt Marion Lithium mine and three iron ore mines in Western Australia. He also previously held the positions of Managing Director and CEO of PVW Resources NL and General Manager (Site Senior Executive) at Peabody Energy Australia.

Mr Maurer brings to the Company significant expertise spanning the development and implementation of safety and cost-saving initiatives, change management, strategic planning, business development, and employee development.

Mr Maurer's involvement in the operations at Mt Marion significantly strengthens the capabilities and the expertise of the senior management team as the Company advances the Project towards first spodumene construction production.

In addition to Mr Maurer's appointment, following the grant of the Mining Lease, Atlantic Lithium has continued recruit in key positions, both in Australia and in Ghana, to add mine build and operating experience to the Company.

Grant of Options Under Employee Share Option Plan

As a mechanism to attract, retain, motivate and reward employees, on 30 August 2023, the Company announced the allotment and issue of a combined total of 4,650,000 unlisted options to key employees (or their nominees) involved in the development of the Ewoyaa Lithium Project under the Company's Employee Share Option Plan.

The options have an exercise price of 30 pence and an expiry date of 31 August 2025.

Conferences Attended

The Company attended the following conferences during the period:

- Ghana Mining Expo, Takoradi (13-15 July)
- National Stakeholder Dialogue on Energy Transition: Focus on Lithium Discovery in Ghana, Accra (14 July)
- Noosa Mining Investor Conference, Queensland (19-21 July)
- West African Institute of Mining, Metallurgy and Petroleum Students Conference, Tarkwa (20-22 July)
- CRCC Central Regional Expo, Cape Coast (25 August – 2 September)
- Society of Economic Geologists Conference, London (26-29 August)
- Africa Down Under, Perth (6-8 September)
- Fastmarkets Battery Raw Materials Conference, Amsterdam (18-20 September)
- West Africa Mining Security Conference, Accra (20-21 September)

The Company also hosted a webinar on the Investor Meet Company platform following the release of Company's results for the year ended 30 June 2023. Investors can watch the Company's previous webinars and sign up to be notified of upcoming events via the following link: https://www.investormeetcompany.com/atlantic-lithium-limited/register-investor.

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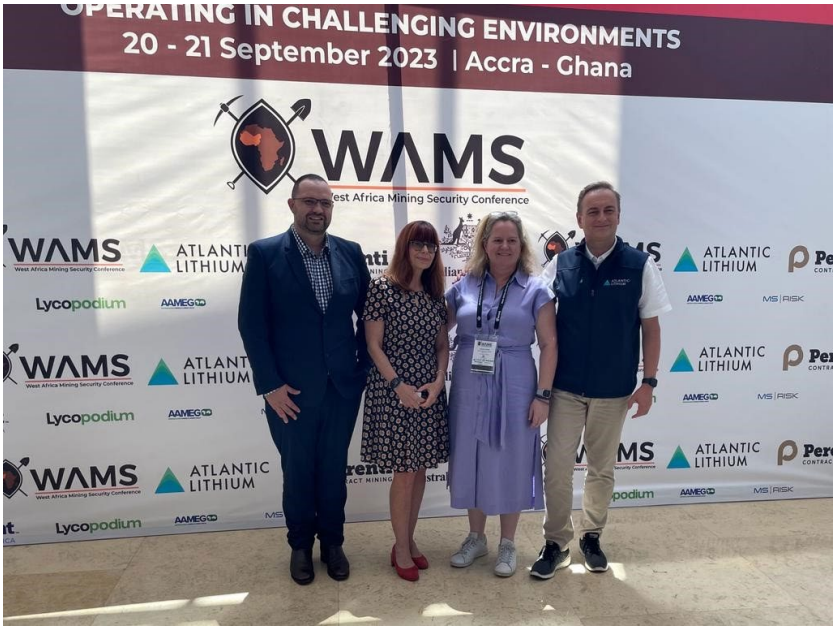
Sustainability

In September, the Company was proud to be a main sponsor of the West Africa Mining Security Conference, an event advocating the sharing and adoption of best practice security and risk mitigation strategies, hosted in Accra by the Australian High Commission to Ghana.

The Australian High Commission in Ghana has been a valued advocate for the Company in Ghana, voicing its support to the Ewoyaa Lithium Project as an example of responsible modern mining practices and of how foreign investment can deliver long-term benefits for the country.



Earlier in the month, alongside its attendance at the Africa Down Under conference, Atlantic Lithium provided donations towards the annual ADU Football Cup, hosted in Perth by Paydirt Media and Football West, supporting local African communities through participation in sport.

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Share Capital Changes - Ordinary Shares, Options and Performance Rights

During the period, 29 million options lapsed and were not exercised. Details are as follows:

- 1 million unlisted options exercisable at £0.30 each
- 10 million unlisted options exercisable at £0.40 each
- 12 million unlisted options exercisable at £0.50 each
- 1 million unlisted options exercisable at £0.60 each
- 2 million unlisted options exercisable at £0.70 each
- 2 million unlisted options exercisable at £0.75 each
- 1 million unlisted options exercisable at £0.80 each

On 18 August 2023, 2.7 million unlisted performance rights lapsed.

On 22 August 2023, 3 million ordinary shares were issued to a personal related party of Lennard Kolff, as a result of the exercise of unlisted ESOP options exercisable at £0.30 each. A one-year loan was provided on the exercise of options for the total exercise value of £900,000.

On 30 August 2023, 4.65 million unlisted options were granted to employees with an exercise price of £0.30 and an expiry date of 31 August 2025

A summary of movement and balances of equity securities between 1 July 2023 and date of this report is as follows:

	Ordinary Shares	Unquoted Options	Unquoted performance rights
On issue at start of Quarter	**609,241,660**	**60,000,000**	**2,700,000**
Shares issued – Exercise of ESOP options (22 August 2023)	3,000,000	(3,000,000)	
Options issued (30 August 2023)		4,650,000	
Options/Performance Rights lapsed		(29,000,000)	(2,700,000)
Total Securities on issue at date of this report	**612,241,660**	**32,650,000**	**-**

Compliance

During the quarter, the Company spent A$6.0m on its exploration, feasibility, and development activities for its Ewoyaa Lithium Project in Ghana. In accordance with the agreement announced on 1 July 2021, exploration and feasibility activities are 50% funded by Piedmont, with Piedmont sole funding the first US$70m towards the total US$185m of development expenditure forecasted in the DFS for the Project. Funding is shared equally thereafter.

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Appendix 5B expenditure disclosure

As at end 30 September 2023, the Company had cash resources of A$10.6m and no debt. Exploration and evaluation cash expenditure on the Project during the quarter was A$6.0m. Piedmont Lithium Inc. funded A$3.0m in the quarter.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
ATLANTIC LITHIUM LIMITED	
ABN	Quarter ended ("current quarter")
17 127 215 132	**30 September 2023**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(389)	(389)
	(e) administration and corporate costs	(1,645)	(1,645)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	-	-
1.9	**Net cash from / (used in) operating activities**	**(2,034)**	**(2,034)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(133)	(133)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(d) exploration & evaluation	(5,954)	(5,954)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	
	(b) tenements	-	
	(c) property, plant and equipment	-	
	(d) investments	57	57
	(e) other non-current assets	-	
2.3	Cash flows from loans to other entities	-	
2.4	Dividends received (see note 3)	-	
2.5	Other - Piedmont Contributions from farm-in arrangement	2,996	2,996
2.6	**Net cash from / (used in) investing activities**	**(3,034)**	**(3,034)**
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	
3.2	Proceeds from issue of convertible debt securities	-	
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	15,346	15,346
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,034)	(2,034)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,034)	(3,034)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	287	287
4.6	**Cash and cash equivalents at end of period**	**10,565**	**10,565**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	10,561	10,561
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Petty Cash	4	4
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**10,565**	**10,565**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

***NOTE**: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

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7.	**Financing facilities** ***NOTE**: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,034)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(5,954)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(7,988)
8.4	Cash and cash equivalents at quarter end (item 4.6)	10,565
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	10,565
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)** ***NOTE**: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*	1.3

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

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8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

- Atlantic Lithium Ltd has been funded under a co-development agreement with Piedmont Lithium Inc. Exploration and feasibility activities are 50% funded by Piedmont and US$70.0m towards mine capex for the Ewoyaa Lithium Project. Any additional expenditure for the development of the Project will be shared equally between the Company and Piedmont.
- Owing by Piedmont at end of September 2023 is US$2m.
- Atlantic Lithium has agreed non-binding Heads of Terms with the Minerals Income Investment Fund of Ghana ("MIIF") to invest a total of US$32.9m in the Company and the Ghana subsidiaries. The proposed investment will support the development of the Project and the broader Cape Coast Lithium Portfolio in Ghana. Under the terms of the non-binding agreement, MIIF intend to invest an initial US$27.9m to acquire a 6% contributing interest in the Company's Ghana Portfolio and will make ongoing contributions through monthly cash calls as the Project develops. MIIF also intend to subscribe for 19,245,574 shares in Atlantic for a total value of US$5m.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The company has funding available (see 8.8.2).

***NOTE**: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **31 October 2023**

Authorised by: **Authorised by the Board of Atlantic Lithium Limited**

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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End Notes

[1] Ore Reserves, Mineral Resources and Production Targets

The information in this announcement that relates to Ore Reserves, Mineral Resources and Production Targets complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). The information in this announcement relating to Ore Reserves of 25.6Mt @ 1.22% Li_2O and Production Targets is extracted from the Ewoyaa Lithium Project Definitive Feasibility Study ("DFS"), announced by the Company on 29 June 2023, and information in this announcement relating to the Mineral Resource Estimate ("MRE") of 35.3 Mt @ 1.25% Li_2O for Ewoyaa is extracted from the Company's announcement dated 1 February 2023, both of which are available at atlanticlithium.com.au. The MRE includes a total of 3.5Mt @ 1.37% Li_2O in the Measured category, 24.5Mt @ 1.25% Li_2O in the Indicated category and 7.4Mt @ 1.16% Li_2O in the Inferred category. The Company confirms that all material assumptions and technical parameters underpinning the MRE and the DFS continue to apply and have not materially changed, and it is not aware of any new information or data that materially affects the information included in this announcement or the announcements dated 1 February 2023 or 29 June 2023.

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

Competent Persons

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

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

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ATLANTIC LITHIUM

FOR ANY FURTHER INFORMATION, PLEASE CONTACT:

ATLANTIC LITHIUM LIMITED

Neil Herbert (Executive Chairman)
Amanda Harsas (Finance Director and Company Secretary)

www.atlanticlithium.com.au

IR@atlanticlithium.com.au

Tel: +61 2 8072 0640

SP Angel Corporate Finance LLP
Nominated Adviser
Jeff Keating
Charlie Bouverat
Tel: +44 (0)20 3470 0470

Yellow Jersey PR Limited
Charles Goodwin
Bessie Elliot
atlantic@yellowjerseypr.com
Tel: +44 (0)20 3004 9512

Canaccord Genuity Limited
Company Broker
Raj Khatri / James Asensio
Harry Rees
Tel: +44 (0) 20 7523 4500

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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. towards the development of the Ewoyaa Project. Atlantic Lithium is currently advancing the Ewoyaa Project through feasibility studies and intends to be producing a spodumene concentrate via simple gravity only process flowsheet.

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