ATLANTIC LITHIUM

AIM: ALL, ASX: A11, GSE: ALLGH, OTCQX: ALLIF

26 November 2024

Statement re Proposed Merger of Piedmont Lithium and Sayona Mining

Atlantic Lithium welcomes ongoing commitment to the development of the Company's flagship Ewoyaa Lithium Project from the proposed, enlarged MergeCo

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Atlantic Lithium Limited (AIM: ALL, ASX: A11, GSE: ALLGH, OTCQX: ALLIF, "Atlantic Lithium" or the "Company"), the Africa-focused lithium exploration and development company targeting the delivery of Ghana's first lithium mine, notes the announcements made by Piedmont Lithium Inc. (Nasdaq: PLL, ASX: PLL, "Piedmont"), the Company's strategic funding partner for its flagship Ewoyaa Lithium Project ("Ewoyaa" or the "Project"), and North American Lithium producer Sayona Mining (ASX: SYA; OTCQB: SYAXF, "Sayona") on 19 November 2024 regarding the signing of a definitive agreement to combine the two companies ("Proposed Merger") to create a leading lithium business, with Sayona being the ultimate parent entity ("MergeCo"), and issues the following statement.

The Company has held positive discussions with Sayona Chief Executive Officer ("CEO") and Managing Director ("MD") Lucas Dow, the intended CEO and MD of MergeCo, in which he stated MergeCo's commitment to support the continued development of the Project towards production.

The Company confirms that, as a result of the Proposed Merger, MergeCo will assume Piedmont's prior obligations, as detailed under the terms of Atlantic Lithium's co-funding agreement with Piedmont in respect of the Project. Accordingly, MergeCo will be required to sole fund US$70.0m towards the development expenditure for the Project, with any cost overruns shared equally between the Company and MergeCo, to earn up to 50% of the Company's interest in the Project and for the right to an offtake agreement for 50% of the Project's spodumene concentrate production at market rates.

The Company believes that the Proposed Merger will not only significantly de-risk the funding of the Project towards production, but also extend the Project's exposure globally, notably in North America and Australia, including to potential offtakers.

In addition, the management team of MergeCo has extended an offer to key members of the Company's staff to spend time at Sayona's North American Lithium project in Canada, where production is currently being ramped up towards steady state, enabling Atlantic Lithium staff to leverage Sayona's considerable expertise in large-scale mine development, operation and commercial lithium production, which the Company believes can be applied at the Project.

Atlantic Lithium warmly welcomes the continued support from MergeCo, which it believes will contribute significantly to the success of the Project.

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The Company notes that the Proposed Merger is subject to, among other conditions precedent, approval from Sayona and Piedmont shareholders, respectively, and, therefore, no assumption can be made that the Proposed Merger will eventuate.

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

"Following our discussions with Sayona CEO and MD Lucas Dow and his team, we wholeheartedly welcome the commitment from MergeCo towards the continued funding and development of the Company's Ewoyaa Lithium Project towards production.

"With lithium prices expected to remain subdued over the short-medium term, we believe that Ewoyaa's low-cost profile makes it a highly attractive asset in MergeCo's enlarged portfolio. The Proposed Merger not only emphasises the underlying belief in lithium's role in the global energy transition but also significantly de-risks the funding of the Project, at an important juncture in its lifecycle.

"We look forward to working closely with the MergeCo team to drive Ewoyaa forward to become Ghana's first lithium mine."

Authorised for release by Amanda Harsas, Finance Director and Company Secretary, Atlantic Lithium Limited.

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