ATLANTIC LITHIUM

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



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3 September 2025

Corporate Funding Update

Atlantic Lithium enters into binding financing agreements to secure funding up to £28m to support the advancement of its Ewoyaa Lithium Project

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, is pleased to announce that it has entered into the following binding financing agreements with Long State Investments Ltd[1] ("Long State"), a global investment company specialising in funding growth-orientated companies, providing the Company with the necessary funds to advance its flagship Ewoyaa Lithium Project ("Ewoyaa" or the "Project") in Ghana towards production.

1) A share placement agreement to raise up to £8 million (AUD 16.4m) ("Share Placement Agreement") over the next 24 months.
   - **(i)** Through the Share Placement Agreement, the Company will raise £2 million (AUD 4.1m) through an initial placing of 24,786,526 shares ("Initial Placement").
   - **(ii)** After the Initial Placement, the Company, at its sole discretion, can undertake three additional placings of £2 million each ("Subsequent Placements"), provided that the maximum aggregate amount raised under the Share Placement Agreement shall not exceed £8 million and provided that the 80-day period in respect of any prior placement under the Share Placement Agreement has passed.

2) A committed equity facility to raise up to £20 million (AUD 41.1m) through placement tranches of shares in the Company over the next 24 months, subject to shareholder approval ("Committed Equity Facility Agreement" or "Facility"). The utilisation of the Facility is at the Company's discretion, subject to the terms and conditions detailed below.

The key terms of the Agreements are detailed at the end of this announcement.

Having secured all of the necessary regulatory approvals, the Company currently awaits the ratification by Ghana's parliament of the Mining Lease in respect of the Project, which serves as the final step in Ewoyaa's permitting process and will enable the Company to advance the funding of the Project.

Due to the ongoing delay in the ratification of the Mining Lease and prevailing lithium market conditions, the Company has implemented a series of measures to conserve cash to ensure its survival through the current downturn. Through such measures, through FY25, the Company reduced cash outflows from AUD 8.2 million in Q1 to AUD 3.8 million in Q4 (*refer announcement of **31 July 2025***).

The Share Placement Agreement and Committed Equity Facility Agreement (together, the "Agreements") provide the Company with access to a significant pool of capital, while maintaining flexibility and control over the terms of the placements, over a two-year period, which represents a critical period for the Company as it advances the Project towards construction and production.

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The Agreements enable the Company to source funds if and when required during the period, at more attractive terms compared to other traditional equity financing methods, which the Board believes are often associated with greater shareholder dilution.

The Company proposes to hold an Extraordinary General Meeting ("EGM") in October 2025 for the purposes of seeking shareholder approval for the proposed issue of shares and warrants contemplated by the Facility. The Company's largest shareholder, Assore International Holdings Limited ("Assore"), has confirmed that it intends to vote in favour of the resolutions relating to the Agreements, in the absence of a superior proposal.

Commenting, Keith Muller, Chief Executive Officer of Atlantic Lithium, said:

"Through the Share Placement Agreement and Committed Equity Facility Agreement, we are pleased to secure both immediate and longer-term access to funding at such a key juncture in the Project's development.

"Against the backdrop of the subdued lithium pricing environment and the ongoing delay to the ratification of the Ewoyaa Mining Lease, these Agreements are timely to strengthen the Company's financial footing through a means that minimises shareholder dilution.

"The terms of the Agreements provide the Company with maximum control in respect to drawing on the funding available, which significantly de-risks the successful delivery of the Project as Ghana's first lithium mine.

"Long State has a strong track record of investing in companies with an attractive growth trajectory and providing the financial backing for them to achieve their strategic objectives. These Agreements, therefore, demonstrate Long State's strong confidence in the Company's strategy and ambitions.

"We welcome Long State as a key strategic shareholder as we look to pave the way to delivering spodumene production at Ewoyaa.

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

Philip Ho, Managing Director of Long State Investments Ltd, added:

"We are very pleased to support Atlantic Lithium at such an important stage in its journey. The Company's flagship Ewoyaa Lithium Project represents a high-quality, strategically significant asset with the potential to become Ghana's first lithium-producing mine, underpinned by strong fundamentals and improving market dynamics. Combined with an experienced management team and a clear development strategy focused on creating shareholder value, we see Atlantic Lithium as a highly attractive investment opportunity. We look forward to working closely with Atlantic Lithium as a long-term partner and are confident that together we can deliver significant value through the successful development of the Ewoyaa Lithium Project and beyond."

[1] *By way of Long State Investments Ltd nominated entity Patras Capital Pte Ltd.*

[2] *This announcement considers an AUD/GBP exchange rate of 0.487.*

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

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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Share Placement Agreement

Under the Share Placement Agreement, the Company will issue 24,786,526 million shares ("Placement Shares") to Long State (or its nominee) at an issue price of £0.081 (AUD 0.17) per share ("Placement Price") to raise an initial £2 million (AUD 4.1m) ("Initial Placement"). The Placement proceeds will be paid to the Company as follows:

- 50% of the Placement proceeds (i.e. £1m / AUD 2.05m), will be paid on completion; and
- payment of the remaining 50% ("Swap Deposit") will be deferred until the Trading Day immediately after the relevant Pricing Period ("Swap Payment Date").

On the Swap Payment Date:

- Long State must pay the Swap Deposit to the Company;
- where the Adjustment Price (defined below) is positive, Long State must pay the Swap Amount (defined below) to the Company; and
- where the Adjustment Price is negative, then the Company must pay the Swap Amount to Long State.

The Swap Amount will be calculated as follows:

Swap Amount = A x B

Where:

A = Number of Placement Shares (i.e. 24,786,526)

B = Adjustment Price, calculated as the difference between the "Market Price", being the numeric average of 40 daily VWAPs of the Company's shares trading on AIM, as nominated by Long State during the relevant Pricing Period (the 80-day trading period immediately after completion, as may be extended to exclude any days within the pricing period under the Committed Equity Facility Agreement), minus the "Benchmark Price" (being 115% of the Placement Price).

The Placement Shares in respect of the Initial Placement are being issued pursuant to the Company's Listing Rule 7.1 capacity.

The process in respect of all Subsequent Placements will align with the process in respect of the Initial Placement outlined above, subject to the satisfaction of customary conditions precedent. Subsequent Placement requests can be made by the Company up to 24 months after the Commitment Commencement Date of the Facility (as that term is defined below).

The Share Placement Agreement may be terminated by agreement between the Company and Long State at any time, by either party if the Initial Placement has not occurred within five AIM Trading Days of the relevant placement date (unless otherwise agreed), or by Long State in respect of an event of default or a change in law.

As conditions to the Share Placement Agreement, Long State undertakes that:

(i) It and its affiliates will not participate in short selling of any of the Company's securities over the term of the agreement.

(ii) it will not trade more than 5% of the number of placement shares per day during the Pricing Period without prior consent from the Company.

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The Share Placement Agreement contains a prohibition on entering into any similar arrangements (i.e. an equity line, at-the-market facility or equity swap) or an arrangement that otherwise involves securities for which the conversion or exchange rate fluctuates with the Company's share price, is subject to a price reset or grants a right to the relevant investor to receive additional securities based on future transactions within 30 days of termination of the Share Placement Agreement or there being no Swap Amount outstanding, whichever occurs later.

Committed Equity Facility Agreement

In addition to the Share Placement Agreement, the Company and Long State have entered into a Committed Equity Facility Agreement, which will provide the Company with a further funding facility. Other than in respect of the first placement of £500,000, for which shareholder approval will be sought, the Company is not required to draw down on the Facility and there is no minimum amount contemplated. The Facility enables the Company to conditionally access further capital to fund the advancement of the Project towards production and the Company's ongoing working capital. The Facility is structured so that the timing of any or all drawdowns (and therefore an acceptable issue price of any shares issued under the agreement) are entirely at the Company's discretion.

Under the terms of the Facility, the Company may, at its discretion, call (by delivering to Long State a Placement Notice) for Long State to subscribe for new ordinary shares in the Company at any time over the next 24 months up to a total aggregate placement amount of £20 million (AUD41.1m). The Company may draw in tranches of up to £500,000 at its full discretion, and up to £5 million with mutual consent, with Long State retaining the right to increase the amount of the respective placements ("Placement Amount") by up to 15% in its sole discretion.

For each placement under the Facility, the Company can nominate a price ("Nominated Price") in which it is willing to place shares to Long State (or its nominee), provided it is not below £0.06 per share, "Minimum Acceptable Price"). The ultimate placement price, however, shall be the higher of the "Market Price" (being the average of five daily VWAPs of the Company's shares as nominated by Long State over the 20-day trading period following the issue of a Placement Notice to Long State ("Pricing Period")) and the Nominated Price.

A commission of 5% of the Placement Amount will be payable by the Company at the time of issue.

In relation to each Placement, Long State may, at its option on giving written notice to the Company, reduce up to 5% of the Placement Amount requested for each Trading Day during the Pricing Period of which the VWAP is equal to or below the Minimum Acceptable Price.

The Facility may be terminated by the Company prior to completion of the two-year term without penalty, and the Facility does not restrict the Company obtaining any form, or combination, of equity or debt financing from third parties or any other source.

The Company will pay a cash implementation fee of £100,000 (AUD 205,303) to Long State (or its nominee). Long State has agreed to apply the Implementation Fee for the issue of 1,174,288 Shares.

In addition to the above, the Company has agreed, subject to shareholder approval, to;

- **Warrants**: issue warrants to Long State (or its nominee) to acquire 10 million shares in the Company exercisable during the 5-year period from the Commitment Commencement Date (being the date that the Company notifies Long State that it has obtained shareholder approval in respect of the Facility) at an Exercise Price equal to 150% of the numeric average of the daily VWAPs of the 5 Trading Days immediately prior to the Commitment Commencement Date.

- **Security Shares**: issue 10 million shares to Long State (or its nominee) prior to the first placement under the Facility which, upon expiry or termination of the Committed Equity Facility Agreement, will at the Company's election, be transferred to the Company's nominee, sold by Long State (or its nominee) with the net proceeds remitted to the Company, or bought back and cancelled for no consideration (subject to shareholder approval and all applicable laws and regulations governing such matters).

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The Committed Equity Facility Agreement and Share Placement Agreement contain typical investor protections such as conditions precedent that must be satisfied for each placement, negative covenants and representations and warranties.

As conditions to the Committed Equity Facility Agreement, Long State undertakes that:

- **(i)** it and its related bodies corporate will not participate in short selling of any of the Company's securities over the term of the agreement.
- **(ii)** it will not sell Shares during a Pricing Period for aggregate sale proceeds that exceed the Placement Amount specified in the relevant Placement Notice.
- **(iii)** it and its related bodies corporate will not trade shares that in value constitute more than 20% of the Placement Amount per day during the Pricing Period without prior consent from the Company.
- **(iv)** it agrees to provide to the Company summaries of its trading in the Shares, upon request by the Company.
- **(v)** not to hold (1) such number of Shares as would require Long State to make a mandatory offer as required by the City Code on Takeovers and Mergers and (2) more than 19.99% of the Shares at any time during the agreement.

Admission to Trading

Application has been made to the London Stock Exchange for admission of a total of 25,960,814 new ordinary shares pursuant to the Initial Placement and Implementation Fee, as described above, to trading on AIM ("Admission"). It is expected that Admission will become effective and dealings in the new ordinary shares, which will rank *pari passu* with all existing ordinary shares, will commence on or around 5 September 2025.

Total Voting Rights

Following Admission, the Company will have 719,108,127 ordinary shares in issue, which will also represent the total number of voting rights in the Company. From Admission, the above figure should be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

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For any further information, please contact:

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Notes to Editors:

About Atlantic Lithium

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Atlantic Lithium is an AIM, ASX, GSE and OTCQX-listed lithium company advancing its flagship project, the Ewoyaa Lithium Project, a lithium spodumene pegmatite discovery in Ghana, through to production to become the country's first lithium-producing mine.

The Company published a Definitive Feasibility Study in respect of the Project in July 2023. The Project was awarded a Mining Lease in October 2023, an Environmental Protection Authority ("EPA") Permit in September 2024, and a Mine Operating Permit in October 2024 and is being developed under an earn-in agreement with Piedmont Lithium Inc.

Atlantic Lithium holds a portfolio of lithium projects within 509km^2 and 771km^2 of granted and under-application tenure across Ghana and Côte d'Ivoire respectively, which, in addition to the Project, comprises significantly under-explored, highly prospective licences.

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