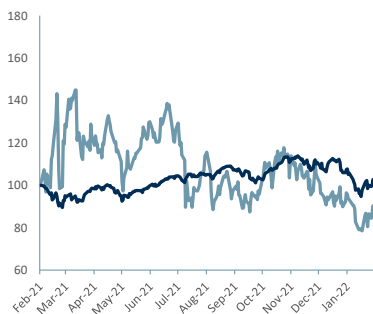


BRIEFING NOTE

52 Wk. Lo/Hi

40.65 – 88.97



PLL (lighter line) Nasdaq market vs price relative

Monday, 21 February 2022

Close Price	49.94
52 wk Range Low	40.65
52 wk Range High	88.97
MCAP (m)	\$792.52
EV (m)	\$713.02
Index: Public	Nasdaq
Financial YE	30-Jun
Currency	USD

Business Activity

Mining

Key Metrics

Gross debt (m)	\$2.5
Cash (m)	\$82.0
Net Debt (Cash) (m)	-\$79.5
Net Operating Cash (m)	-\$23.8
Revenue (m)	N/A
Net Income (loss) (m)	-\$29.0

Key Ratios

(Net Cash) / Shareholder Equity %	-10.03%
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Mining Sector Research

Nasdaq Market Index

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Piedmont Lithium Inc.

Core Investment Case

Piedmont Lithium Inc. (NASDAQ: PLL; ASX: PLL) is an exploration stage company focused on developing and manufacturing battery quality lithium hydroxide (LiOH) for the fast-growing electric vehicle market. Lithium's high reactivity (i.e., a lot of energy can be stored in its atomic bonds) translates into high energy density in lithium-ion batteries. The company's flagship project, Carolina Lithium Project (est. Li₂O ~44.2Mt at 1.08%), is in the Tin-Spodumene Belt of North Carolina, the oldest and most lithium-rich area globally. In addition, PLL also owns lithium resource assets in Canada and Ghana via equity investments. The strategically located resource in the Tin-Spodumene Belt positions Piedmont as potentially one of the world's lowest cost producers of lithium hydroxide (LiOH).

- Lithium hydroxide explorer contributing to green energy transition;
- ESG focus – solar/hydro to power 100% of operations in time;
- Principle asset resource estimate of ~44.2Mt @ 1.08% Li₂O;
- Cash & CE at \$82m as of 30 Sep 2021.

USD (m)	MCAP	EV	RoA %	RoE %	NCO	Levered FCF
2021	792.52	713.02	-13.31%	-29.74%	-23.8	-39.1

Multiples	EV/ Revs	P/ S	Trail PE	BV/ Share	P/ B	Current
2021	N/A	N/A	N/A	0.11	5.05x	10.65x

Investment Case

Piedmont is attempting to fulfill part of the increasing domestic (North American) demand for lithium hydroxide (LiOH) – PLL is a lithium explorer focused on ESG. PLL targets low carbon, water and land footprint Li projects.

Low-cost lithium processing play – Piedmont Lithium is the only U.S. integrated spodumene-to-hydroxide project, making it, potentially, one of the world's lowest cost producers of LiOH. PLL's Carolina Lithium Project is located within the Carolina Tin-Spodumene Belt, which between the 1950s-1980s provided most of the western world's lithium. PLL's Carolina Lithium Project has access to extant transport infrastructure, processing facilities and a skilled work force.

Attractive project economics: The Carolina Lithium Project has a 20-year life of mine (LOM), a resource estimate of ~44.2Mt of 1.08% lithium oxide (Li₂O) and an estimated after-tax NPV of \$1.9bn resulting in 31% after-tax IRR, according to management. Management's project forecast is \$400m steady-state EBITDA.

Scalable addressable market: The total addressable market for lithium is forecasted at >\$50bn for EV applications by 2030E. According to PLL, penetration of EVs in the market is estimated to grow from ~4% in 2020A to over ~40% by 2030E. The demand for lithium hydroxide (LiOH) is expected to grow at a CAGR of 37% from 2020A to 2030E (RK Equity, 2021). Additionally, the company has identified a significant opportunity in the grid storage market, which it believes has potential to be more valuable than the EV market.

Proven management team: PLL's team is an experienced acquirer, developer, and financier of mining and chemical projects. In 2021, PLL expanded its management team to capture lithium operations, sales and marketing and manufacturing skills and knowledge to produce lithium across the value chain.

Sustainability and ESG: PLL targets low carbon, water and land footprint projects compared to other conventional lithium projects. PLL plans to source electricity for its North Carolina asset via solar power, and for Quebec and Ghana via hydropower. This may allow PLL to be a sustainable lithium producer whilst concurrently promoting ESG across its entire value chain.

Catalyst

Completion of Definitive Feasibility Study (DFS); increase in mineral resource estimates; EV vehicles demand; green energy transition growth; full use of renewables-to-power operations.

Operational Strategy

Principle asset resource – Piedmont’s Carolina Lithium Project has potential to produce ~44.2Mt at 1.08% of Li₂O, according to management. A key component of PLL’s strategy is to become a fully integrated North American producer of lithium hydroxide using spodumene concentrate sourced from primarily domestic deposits but supplemented by imported deposits.

DFS and Sustainability – PLL’s Definitive Feasibility Study (DFS) for its integrated Carolina Lithium Project is currently underway. The DFS includes initiatives to improve the ESG profile of the North Carolina operations – solar energy generation and replacement of the mine fleet (with in-pit crushing and conveyor systems vs. traditional shovel-hauling truck systems) to reduce noise and GHG emissions.

Renewable energy sources - Transforming the company’s business model into a fully sustainable one. PLL plans to source electricity for all of its assets (North America & Ghana) using solar and hydro power.

Waste management – PLL is aiming to recover various byproducts (quartz, feldspar and mica) associated with the LiOH manufacturing process and market them to create additional revenue streams. This will significantly reduce waste associated with the manufacturing of LiOH, thereby contributing to its sustainability goals.

Equity investments – PLL’s equity investments in Quebec and Ghana may serve to de-risk the company from potential spodumene concentrate supply disruption. PLL’s equity investments also have potential to provide PLL with long-term supply of spodumene concentrate.

Management Team

➤ **CEO, Keith Phillips.**



Keith became CEO of Piedmont Lithium in July 2017. He has 30+ years of experience on Wall Street working with leading investment banks such as Merrill Lynch, Bear Stearns, JP Morgan and Dahlman Rose. Keith also has advisory experience in exploration and development-stage mining companies. He has an MBA from the University of Chicago and a Bachelor of Commerce from Laurentian University, Canada.

➤ **CFO, Michael White.**



Prior to becoming CFO at Piedmont, Michael was CAO and CFO in various industries including – manufacturing, O&G, services and technology. Michael has experience in M&A, post-merger integrations, IPOs, internal controls and information systems from previous roles in leading global finance and accounting organizations.

Notes [Intentionally Blank]

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