



Piedmont Lithium (NASDAQ: PLL) (ASX: PLL)

August 19, 2019
Recent Price: US\$8.93

Market Data

Fiscal Year	June
Industry	Chemicals
Market Cap	\$73M
ADRs Outstanding	8.15M
Shares Outstanding	815M

As of July 2, 2019

Balance Sheet Snapshot

	MRQ
Cash*	\$9.6M
Debt	\$0.0M

*does not include funds from July 2019 placement

Company Website

<http://www.piedmontlithium.com>

Company Overview

Piedmont Lithium Limited (Nasdaq: PLL; ASX: PLL) holds a 100% interest in the Piedmont Lithium Project (“Project”) located within the world-class Carolina Tin-Spodumene Belt (“TSB”) and along trend to the Hallman Beam and Kings Mountain mines, historically providing most of the western world’s lithium between the 1950s and the 1980s. The TSB has been described as one of the largest lithium provinces in the world and is located approximately 25 miles west of Charlotte, North Carolina. It is a premier location for development of an integrated lithium business based on its favorable geology, proven metallurgy and easy access to infrastructure, power, R&D centers for lithium and battery storage, major high-tech population centers and downstream lithium processing facilities.

Value Proposition

Location is one of the standout features of the Piedmont project, with access to excellent infrastructure and transport options, close proximity to existing lithium chemical processing facilities operated by Livent (NYSE: LTHM) and Albemarle (NYSE: ALB), and within reach of 13 auto manufacturing facilities. Compared to Australian- and Canadian-based projects, North Carolina offers a significantly lower-cost operating environment (labor, power/gas/diesel, transport), which is further boosted by the absence of government royalties and a low tax rate environment. Lithium is on the US Government’s Critical Minerals list, giving the project significant strategic value as being the only conventional US lithium development project. Vertically integrated hard rock / chemical projects generate substantially higher operating margins and EBITDA numbers than either independent miners selling 6% spodumene concentrate (“SC6.0”) to chemical converters in China (i.e. Alliance, Altura and Pilbara) or Chinese converters sourcing SC6.0 at market prices from Australian miners (i.e. Ganfeng, Tianqi).

Investment Highlights

- **Prime US location and exceptional economics**
 - Low development risk with great infrastructure access and deep lithium processing, surface mining, and technology experience in region
 - Low tax rates, no government royalties, and 22% depletion allowance
- **Multiple near-term catalysts**
 - Scoping Study update (published August 2019) – doubled mine life
 - Institutional placement raised \$21M, led by Fidelity, at a 9% discount to recent price; closed July 2019
 - Appointment of financial and legal advisors
 - Permit approvals and Definitive Feasibility Study completion – late-2019
 - Off-take and strategic partnering discussions ongoing
- **Benchmarking shows deep undervaluation vs. peers**
 - EV/steady-state EBITDA of ~0.3x vs. peers at 1.0x-2.5x
 - \$1.5 billion after-tax NPV on 25-year initial mine life (based on scoping study update – August 2019)
- **Highly experienced project team**
 - Senior Management team has extensive project development experience
 - Lead engineer Primero Group integral to recent successful hard rock lithium start-ups / upgrades (Pilbara, Altura, Alliance, Mt. Cattlin)
 - Mining engineers (Marshall Miller) are a leader in eastern US mine development

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