



ATLANTIC LITHIUM LIMITED
(Previously: IronRidge Resources Limited)
AND CONTROLLED ENTITIES
ACN 127 215 132

FINANCIAL REPORT
FOR THE HALF-YEAR
ENDED 31 DECEMBER 2021

Registered Office & Principal Place of Business:

**Level 33, Australia Square
264 George Street
Sydney NSW 2000**

DIRECTORS' REPORT

The Directors submit their report for the half-year ended 31 December 2021.

DIRECTORS

The names of the Directors in office during the financial period and up to the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Neil Herbert
 Vincent Mascolo (deceased – 10 March 2022)
 Lennard Alexander Kolff van Oosterwijk (appointed 29 March 2022)
 Amanda Harsas (appointed 16 March 2022)
 Stuart Crow
 Kieran Daly
 Tetsunosuke Miyawaki
 Christelle Van der Merwe
 Tsuyoshi Ueda (alternate for Tetsunosuke Miyawaki)
 Frans Olivier (alternate for Christelle van der Merwe)
 Holly Waldeck (alternate for Kieran Daly)

CORPORATE STRUCTURE

Atlantic Lithium Limited (“Atlantic Lithium”), formerly IronRidge Resources Limited is a company limited by shares that is incorporated and domiciled in Australia. It was converted to a public company on 22 August 2011 and was admitted to AIM (“AIM”), a market owned and operated by the London Stock Exchange Group Plc, on 12 February 2015.

Atlantic Lithium Limited’s registered office is at Level 33, Australia Square, 264 George St, Sydney, Australia.

PRINCIPAL ACTIVITIES

Atlantic Lithium Limited (“Atlantic Lithium” or “the Company”) corporate strategy is to create and sustain shareholder value through the development of its flagship lithium asset in Ghana and lithium exploration in Côte d’Ivoire as well as the ongoing review of strategic opportunities.

In Ghana, the Company holds 560km² of granted and under application tenure where a 21.3Mt at 1.31% Li₂O Mineral Resource Estimate was reported in accordance with the JORC Code at the Ewoyaa Project within close proximity to operational infrastructure. In Côte d’Ivoire, the Company holds 774km² of under application lithium tenure within highly prospective Birimian terrain (refer **Figure 1**).

In line with the Company’s strategy to advance its suite of advanced lithium assets in Ghana, it has restructured its portfolio, renamed the Company Atlantic Lithium and demerged its suite of gold projects in Côte d’Ivoire and Chad into a new unlisted public company Ricca Resources Limited. The Company will relinquish remaining non-core tenure in Australia and Gabon to improve operational efficiencies and corporate focus.

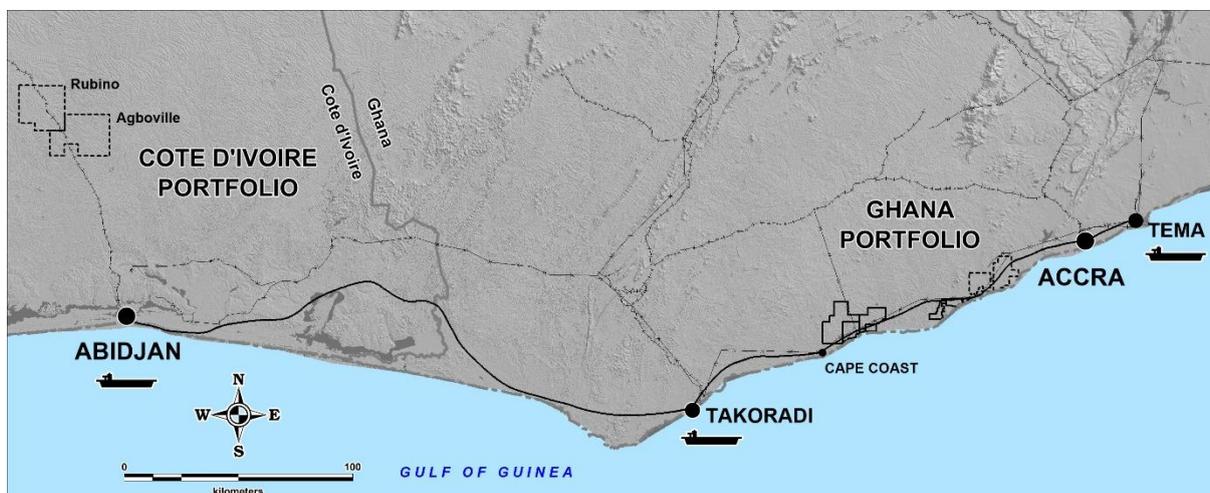


Figure 1: Lithium tenure and operational infrastructure in Ghana and Cote d'Ivoire.

GHANA - Lithium:

In Ghana the Company continued to aggressively advance the Ewoyaa Lithium Project (“Project” or “ELP”) where an upgraded Mineral Resource estimate of 21.3Mt at 1.31% Li₂O (reported in accordance with the JORC Code) in Indicated and Inferred status was reported within the 560km² Cape Coast Lithium portfolio. The Project occurs within 110km of an operating deep-sea port, within 1km of a bitumen high-way and adjacent to grid power (*refer Figure 2*).

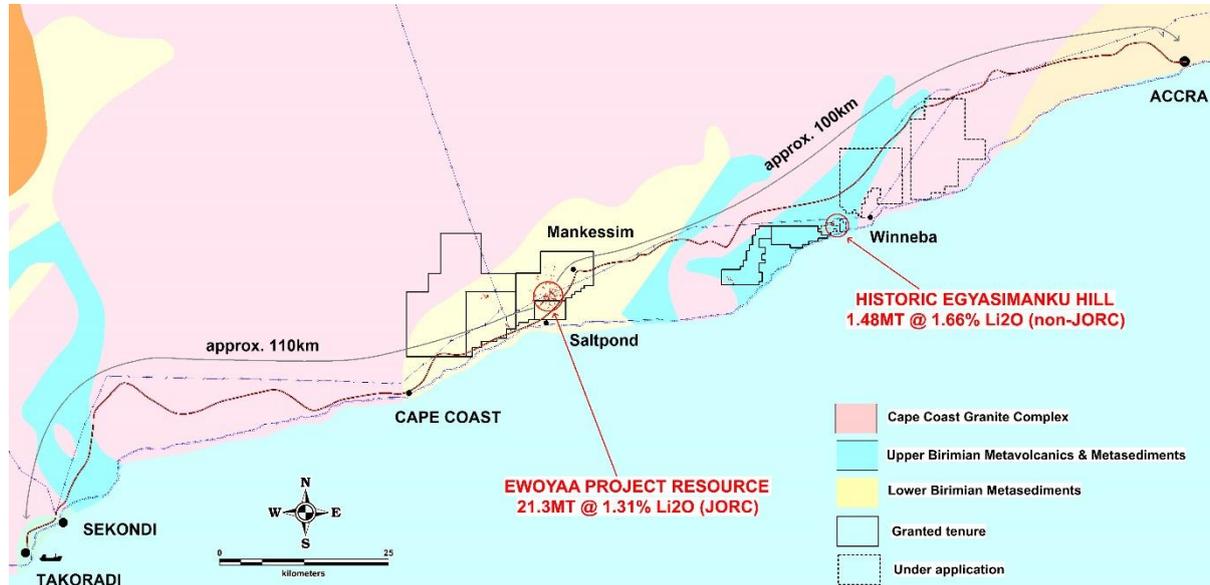


Figure 2: Cape Coast Lithium Project portfolio location; within 110km of the Takoradi port, adjacent bitumen highway and grid power.

The Company completed a 25,612m reverse circulation (“RC”) drilling programme designed to add resource tonnes within the immediate ELP. Multiple broad and high-grade lithium pegmatite drill intersections were reported during the period at the Grasscutter, Ewoyaa North and Anokyi Main targets adjacent to the Ewoyaa mineral resource estimate, including highlights at a 0.4% Li₂O cut-off and maximum 4m of internal dilution of:

- GRC0392: 53m at 1.34% Li₂O from 80m
- GRC0351: 30m at 1.53% Li₂O from 109m
- GRC0362: 29m at 1.49% Li₂O from 71m
- GRC0393: 32m at 1.34% Li₂O from 87m
- GRC0364: 26m at 1.57% Li₂O from 126m
- GRC0348: 30m at 1.3% Li₂O from 81m
- GRC0374: 28m at 1.35% Li₂O from 97m
- GRC0368: 33m at 1.14% Li₂O from 122m
- GRC0365: 23m at 1.55% Li₂O from 73m
- GRC0363: 23m at 1.41% Li₂O from 62m
- GRC0366: 21m at 1.36% Li₂O from 150m
- GRC0367: 18m at 1.5% Li₂O from 53m
- GRC0377: 19m at 1.37% Li₂O from 76m
- GRC0404: 24m at 1.08% Li₂O from 48m
- GRC0397: 15m at 1.6% Li₂O from 136m
- GRC0409: 16m at 1.41% Li₂O from 75m
- GRC0393: 19m at 1.17% Li₂O from 56m
- GRC0368: 14m at 1.52% Li₂O from 157m

An upgraded Mineral Resource estimate (“MRE”) of 21.3Mt at 1.31% Li₂O was reported for the Ewoyaa deposit and surrounding pegmatites; collectively termed the Ewoyaa Project. The Mineral Resource was reported in accordance with the JORC Code (2012) and includes a total of 16.1Mt at 1.28% Li₂O in the Inferred category and 5.2Mt at 1.39% Li₂O in the Indicated category. Mineralisation remains open at depth and along strike with additional untested pegmatites within the immediate deposit area, providing potential for further resource upgrades.

The independent MRE was completed by Ashmore Advisory Pty Ltd of Perth, Western Australia and was reported in line with requirements of the JORC Code (2012). High-level Whittle optimisation was completed by Mining Focus Consultants Pty Ltd of Perth, Western Australia and demonstrates reasonable prospects for eventual economic extraction.

The Company released an updated Scoping Study which supports a business case for a 2.0 million tonnes per annum (“Mtpa”) production operation with life of mine (“LOM”) revenues of US\$3.43B and significant potential to extend LOM.

The Study highlighted an 11.4-year LOM operation, producing an average 300,000tpa of 6% Li₂O spodumene concentrate using conventional open cut mining operation from surface with low strip ratios, Post-tax NPV₈ of US\$789m, average EBITDA of US\$178m per annum and IRR of 194%. In addition to the spodumene production, the Study included additional revenue streams from a direct shipping ore (“DSO”) Fines product and feldspar by-product.

Low capital and operational costs were highlighted due to the outstanding asset fundamentals with simple mineralogy requiring a gravity only process flowsheet and close proximity to excellent logistics and infrastructure, being only 110km by sealed road from the deep-sea port of Takoradi, adjacent to highway and high voltage (“HV”) powerlines, including hydroelectric sources providing for a low carbon footprint.

Capital costs of US\$70m were estimated due to simple processing via conventional dense media separation only (“DMS”), producing a saleable 6% spodumene concentrate at a coarse 6.3mm crush with industry-leading payback period of <1 year. First quartile cash costs of US\$249/t of concentrate were reported Free on Board (“FOB”) Ghana Port after by-product credits.

Significant exploration upside potential exists from the historic Egyasimanku Hill deposit (1.48Mt at 1.66% Li₂O) and surrounding 560km² portfolio to significantly extend project life beyond the current 11.4-year LOM.

The Company completed a c. 37,500m infill and extensional RC and DD drilling programme during the reporting period. The programme was planned to target >80% resource conversion from inferred to indicated over the 21.3Mt @ 1.31% Li₂O MRE, in addition to a targeted tonnage increase to over 24Mt in support of a 12-year mine life for future studies. To date a total of approximately 90,000m in 719 holes has been drilled at the Project since commencement of first drilling in 2018.

Multiple high-grade infill drilling results were reported during the period, confirming grade and continuity across the Ewoyaa deposits including highlights at a 0.4% Li₂O cut-off and maximum 4m of internal dilution of:

- GDD0015: 91.6m at 1.6% Li₂O from 8m
- GDD0039: 67.7m at 1.36% Li₂O from 41m
- GRC0425: 75m at 1.17% Li₂O from 68m
- GDD0047: 62m at 1.4% Li₂O from 36m
- GDD0022: 58.8m at 1.45% Li₂O from 34.1m
- GRC0428: 66m at 1.26% Li₂O from 41m
- GRC0426: 64m at 1.28% Li₂O from 74m
- GDD0014: 52.3m at 1.3% Li₂O from 20.4m
- GDD0016: 35.7m at 1.83% Li₂O from 58.3m
- GDD0036: 44.5m at 1.43% Li₂O from 36.5m
- GDD0044: 37.7m at 1.59% Li₂O from 50.3m
- GDD0020: 36.5m at 1.64% Li₂O from 17m
- GRC0454: 33m at 1.67% Li₂O from 107m
- GDD0017: 43.4m at 1.23% Li₂O from 45.6m
- GDD0048: 24.7m at 2.01% Li₂O from 14.5m

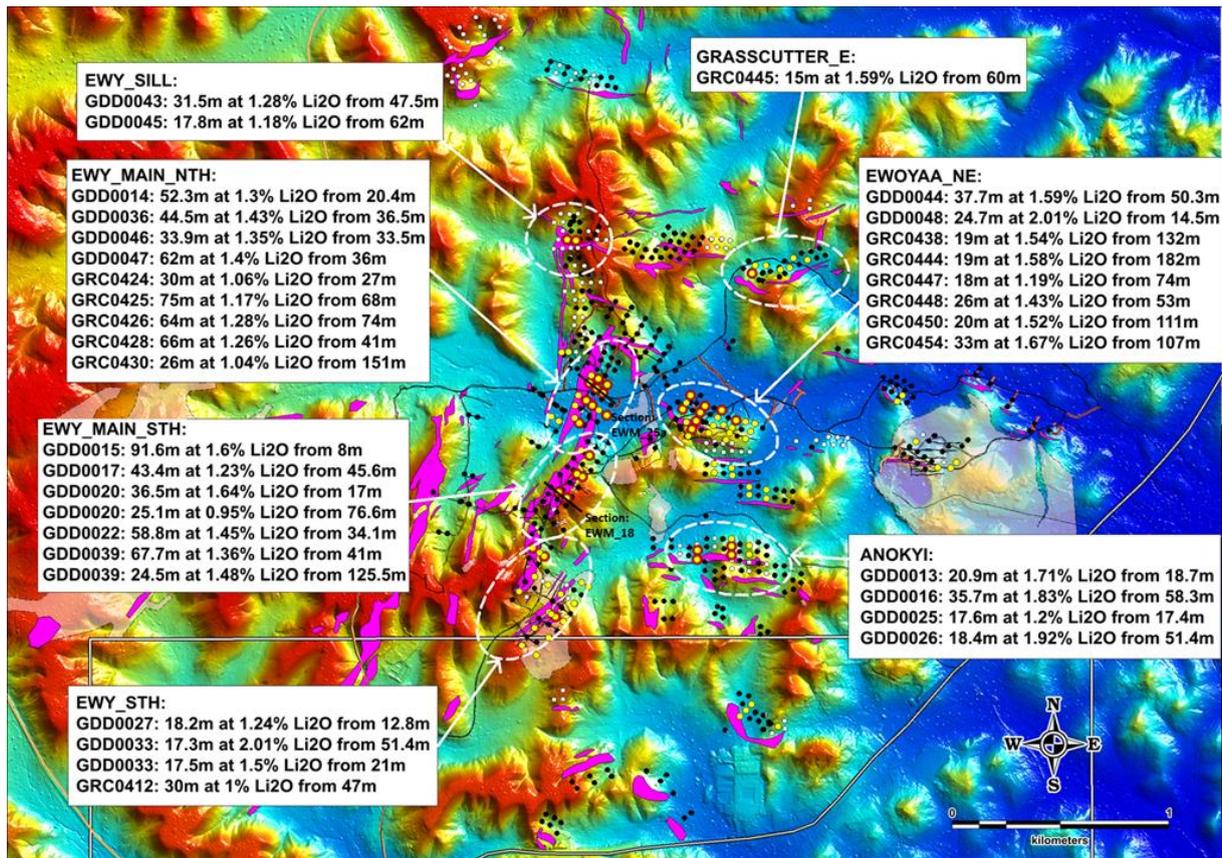


Figure 3: New high-grade infill drilling results highlights (yellow dots) reported during the period.

The Cape Coast exploration license was granted providing the Company access to 139.23km² of highly prospective lithium tenure adjacent to the existing portfolio. The original application was for 264km² with 139.23km² being granted in line with mining regulations, bringing the total Ghana Cape Coast Lithium Portfolio to 560km².

The Company entered into a binding agreement with Piedmont Lithium Inc. ("PLI" or "Piedmont"), a Nasdaq listed lithium exploration and development company, to fully fund and fast track the Ewoyaa Lithium Project to production for US\$102m.

Piedmont is an US integrated supplier of raw materials and minerals supporting the electric vehicles and industrial markets. Piedmont is to earn-in to up to 50% of the Company's Cape Coast Lithium Portfolio ("CCLP") in Ghana, including Ewoyaa, in the following stages:

Stage 1: Investment into Atlantic Lithium Limited (c. US\$16m)

- On 31 August 2021, Piedmont subscribed for 54,000,000 new ordinary shares in the Company at a price of 20p per share (£10,800,000; c. US\$15,000,000) and a further £720,000 was committed (c. US\$1,000,000) increasing its stake to 9.91% of the issued share capital of the Company via placing of a further 2,880,000 shares at 25p.

Stage 2: Regional Exploration and DFS Funding (US\$17m)

- Piedmont to earn up to an initial 22.5% of CCLP at completion of sole funding comprising:
- US\$5m towards an accelerated regional exploration programme to enhance the current Ewoyaa resource; and
- US\$12m towards completing the Definitive Feasibility Studies ("DFS") for the Project:
 - the minimum "DFS criteria" is to deliver a 1.5 million tonnes per annum ("mtpa") to 2mtpa run-of-mine ("ROM") operation for an 8-year to 10-year life of mine ("LOM") respectively; and
 - any cost overruns or savings will be shared equally between Atlantic Lithium and Piedmont.

Stage 3: CAPEX Funding (US\$70m)

- Piedmont to earn a further 27.5% of CCLP via the sole funding of Capex of US\$70m for the Ewoyaa Project:
 - to deliver a 1.5mtpa to 2mtpa ROM operation for an 8-year to 10-year LOM respectively; and
 - any cost overruns or savings will be shared equally.

Other key Terms:

- If the "DFS criteria" of Stage 2 is achieved and Piedmont elects by mutual agreement not to proceed to Stage 3, Piedmont will forfeit its Stage 2 interest.
- Piedmont is entitled to appoint one director to the Atlantic Lithium board on completion while maintaining an equity interest above or equal to 9% in Atlantic Lithium and,
- an offtake agreement for 50% of the annual life of mine lithium spodumene concentrate (SC6%) production where offtake pricing will be determined via a formula which is linked to the prevailing price of lithium products, ensuring Atlantic Lithium captures value-add margins.

After the reporting period, the Company reported remaining infill and extensional drilling results from the December 2021 completed programme. Multiple high-grade infill and extensional drilling results confirmed mineralisation continuity and new mineralised structures outside of the MRE at Kaampakrom West, Ewoyaa North Sill and Grasscutter West targets including highlights at a 0.4% Li₂O cut-off and maximum 4m of internal dilution of:

- GRC0570: 65m at 1.66% Li₂O from 159m
- GRC0501: 45m at 1.54% Li₂O from 78m
- GRC0478: 33m at 1.61% Li₂O from 72m
- GRDT0455: 31.2m at 1.66% Li₂O from 78.4m
- GRDT0451: 24.3m at 1.65% Li₂O from 123m
- GRC0546: 23m at 1.64% Li₂O from 87m
- GRDT0457: 24.7m at 1.39% Li₂O from 117.3m
- GRDT0449: 20.8m at 1.64% Li₂O from 100.7m
- GRC0477: 23m at 1.48% Li₂O from 33m
- GRC0560: 35m at 0.96% Li₂O from 32m
- GDD0059: 21.1m at 1.53% Li₂O from 92.5m
- GRC0539: 20m at 1.6% Li₂O from 48m
- GRC0484: 24m at 1.3% Li₂O from 56m
- GRC0482: 22m at 1.41% Li₂O from 38m
- GRC0502: 24m at 1.29% Li₂O from 98m
- GDD0061: 27.8m at 1.11% Li₂O from 44.2m
- GRC0531: 22m at 1.4% Li₂O from 45m

On 24th March the Company released an upgraded MRE to 30.1Mt @ 1.26% Li₂O which includes 20.5Mt at 1.29% Li₂O in the Indicated category.

Total meterage drilled for the reporting period was 37,690m of RC and DD resource drilling and 38,730m of exploration auger drilling

COTE D'IVOIRE - Lithium:

In Côte d'Ivoire the Company has two applications pending covering 774km² for lithium and associated minerals which covers highly prospective fractionated granitic intrusive centres with lithium and columbite-tantalum occurrences and outcropping pegmatites. License applications have been submitted through Khaleesi Resources SARL, a wholly owned local subsidiary of Atlantic Lithium Limited. The applications are well serviced, with an extensive sealed road network, well established cellular network and high-voltage transmission line network within approximately 100km of the capital Abidjan (*refer Figure 1*).

COTE D'IVOIRE & CHAD - Gold:

The Company successfully demerged its suite of gold projects in Côte d'Ivoire and Chad into a new unlisted public company incorporated in Australia, Ricca Resources Limited ("Ricca") allowing it to focus on its flagship Ewoyaa Lithium Project, whilst realising value for shareholders in its gold portfolio. Under the conditions of the demerger eligible Atlantic Lithium shareholders received an in-specie distribution of 1 Ricca Share for every 8 Atlantic Lithium Shares held at the In-specie Distribution Record Date.

AUSTRALIA & GABON – Bauxite, Titania and Iron Ore

In line with the Company's strategy to advance its suite of lithium projects, it has elected to restructure its portfolio and divest or surrender non-core tenure, allowing for enhanced management focus and capital allocation. The Company will relinquish remaining tenure in Australia and Gabon.

The impact of the COVID-19 global pandemic continues to be a focus to ensure the health and safety of all of its employees and contractors. The Company has put in place measures and protocols to ensure that safe working conditions exist for all our personnel whilst our field programmes and drilling campaigns continue. The Board will continue to monitor the situation and tailor the Company's operating model to ensure its continued viability whilst adjusting for any travel restrictions in place.

Competent Person Statement:

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 and Interim CEO of the Company. Mr Kolff is a Member of the Australian Institute of Geoscientists who has more than 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 metallurgical results is based on data reviewed by Mr Noel O'Brien, Director of Trinol Pty Ltd. Mr O'Brien is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr O'Brien consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

Information in this report relating to Mineral Resources at the Ewoyaa Lithium Project in Ghana was compiled by Shaun Searle of Ashmore Associates Ltd, 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.

SIGNIFICANT EVENTS AFTER REPORTING DATE

On 18 January 2022, the Company announced ongoing high-grade infill drilling results at the Ewoyaa Lithium Project in Ghana, West Africa. 4,769m of infill drilling assay results reported in 42 holes.

On 25 January 2022, the Company announced further high-grade infill drilling results at the Ewoyaa Lithium Project. 10,688m of infill drilling assay results reported in 90 holes, with additional approximate 11,800m of infill and extensional drilling assay results pending post completion of drilling activities for further resource upgrades. Significant potential for resource upgrades to extend the planned LOM; Project metrics substantially improve with life of mine beyond 12 years.

On 10 February 2022, the company announced final high-grade infill drilling results from the December 2021 campaign at the Ewoyaa Lithium Project resulting in a significant improvement in project economics and life of mine. 11,852m of infill and extensional drilling assay results reported in 73 holes, represented the final assay results for the completed drill programme. Exploration and resource RC and DD expansion drilling planned to recommence in March 2022.

On 10th March 2022, the company announced the sudden passing of CEO, Vincent Mascolo.

On 16th March 2022, the company announced the appointment of Chief Financial Officer & Company Secretary Amanda Harsas to the Board as Finance Director.

On 21st March 2022, the company announced that it is intended that Chief Operating Officer, Mr Len Kolff, will be appointed to the Board of Directors and as the Company's Chief Executive Officer, on an interim basis, subject to the completion of normal regulatory due diligence.

On 24th March 2022, the company announced a 42% increase in Mineral Resource Estimate upgrade to 30.1Mt at 1.26% Li₂O which includes 20.5Mt at 1.29% Li₂O in the Indicated category for the Ewoyaa lithium deposit within the Cape Coast Lithium Portfolio in Ghana, West Africa. The Mineral Resource Estimate upgrade is based on a total 90,308m of reverse circulation ("RC") and diamond core ("DD") drilling which includes an additional c. 37,500m of drilling completed to end December 2021 (including c. 10,750m of DD).

On 29th March, the company announced the appointment of Chief Operating Officer, Mr Len Kolff as interim CEO and appointment to the Board of Directors

There have been no other events since the end of the half year that impact the financial report as at 31 December 2021.

Signed in accordance with a resolution of the Board of Directors:



Lennard Kolff
Interim Chief Executive Officer
Sydney
Date: 31 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2021

		31 December 2021	31 December 2020
		A\$	A\$
	Notes		
Revenue	3	-	50,000
Administration and consulting expenses		1,370,313	999,410
Depreciation		7,924	30,610
Employment benefits expenses		499,095	215,874
Exploration costs written off		15,714	-
Interest expenses		839	2,970
Legal expenses		693,534	34,994
Project Generation Expenses		-	3,756
Share based payments expenses	14	2,247,765	-
Unrealised foreign exchange (gains) losses		205,412	136,901
Write down on Demerger	15	8,752,182	-
(Loss) before income tax	4	(13,792,778)	(1,374,515)
Income tax benefit (expense)	5	591,282	(1,043)
(Loss) for the period		(13,201,496)	(1,375,558)
Other comprehensive income (loss)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(307,517)	(1,318,519)
<i>Items that will not be reclassified to profit or loss</i>			
Change in fair value of financial assets		2,062,500	-
Income Tax relating to change in fair value of financial assets		(618,750)	-
Other comprehensive income (loss) for the period, net of tax		1,136,233	(1,318,519)
Total comprehensive loss for the period		(12,065,263)	(2,694,077)
Loss per share			
		Cents per share	Cents per share
Basic earnings per share	6	(2.4)	(0.3)
Diluted earnings per share	6	(2.4)	(0.3)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

		31 December 2021	30 June 2021
		A\$	A\$
	Notes		
Current assets			
Cash and cash equivalents	7	23,301,880	19,135,463
Trade and other receivables	8	4,774,001	70,081
Other current assets		473,911	265,028
Total current assets		28,549,792	19,470,572
Non-current assets			
Other financial assets	9	2,996,500	936,500
Property, plant and equipment	10	291,707	335,254
Exploration and evaluation assets	11	15,885,336	51,449,462
Total non-current assets		19,173,543	52,721,216
Total assets		47,723,335	72,191,788
Current liabilities			
Trade and other payables	12	3,780,874	3,953,793
Total current liabilities		3,780,874	3,953,793
Non-Current liabilities			
Provisions		31,374	-
Total current liabilities		31,374	-
Total liabilities		3,812,248	3,953,793
Net assets		43,911,087	68,237,995
Equity			
Issued capital	13	124,699,923	102,939,352
Reserves		(20,152,680)	12,733,303
Accumulated losses		(60,636,156)	(47,434,660)
Total equity attributable to owners of Atlantic Lithium Limited		43,911,087	68,237,995

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2021

	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Financial Asset Revaluation Reserve	Demerger Reserve	Total Equity
	A\$	A\$	A\$	A\$	A\$	A\$	A\$
Balance at 1 July 2020	70,188,081	(42,537,119)	12,628,683	65,397	-	-	40,345,042
Loss for the period	-	(1,375,558)	-	-	-	-	(1,375,558)
Other comprehensive income	-	-	-	(1,318,519)	-	-	(1,318,519)
Total comprehensive income for the period	-	(1,375,558)	-	(1,318,519)	-	-	(2,694,077)
Transactions with owners in their capacity as owners:							
Shares issued during the period	2,789,491	-	-	-	-	-	2,789,491
Share issue costs	(2,432)	-	-	-	-	-	(2,432)
Share based payments	-	-	-	-	-	-	-
Balance at 31 December 2020	72,975,140	(43,912,677)	12,628,683	(1,253,122)	-	-	40,438,024
Balance at 1 July 2021	102,939,352	(47,434,660)	13,725,264	(1,293,776)	301,815	-	68,237,995
Loss for the period	-	(13,201,496)	-	-	-	-	(13,201,496)
Other comprehensive income	-	-	-	(307,517)	1,443,750	-	1,136,233
Total comprehensive income for the period	-	(13,201,496)	-	(307,517)	1,443,750	-	(12,065,263)
Transactions with owners in their capacity as owners:							
Share issued during the period	21,824,665	-	-	-	-	-	21,824,665
Shares issue costs	(64,094)	-	-	-	-	-	(64,094)
Capital Reduction and In-specie Distribution (Refer to Note 15)	-	-	-	-	-	(36,269,981)	(36,269,981)
Share based payments	-	-	2,247,765	-	-	-	2,247,765
Balance at 31 December 2021	124,699,923	(60,636,156)	15,973,029	(1,601,293)	1,745,565	(36,269,981)	43,911,087

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2021

		31 December 2021	31 December 2020
	Notes	A\$ (Unaudited)	A\$ (Unaudited)
Cash flows from operating activities			
Payments to suppliers and employees		(3,094,508)	(849,808)
Interest paid		(839)	(2,970)
Other Income		-	50,000
Net cash flows from operating activities		(3,095,347)	(802,778)
Cash flows from investing activities			
Refund of security deposits		2,500	500
Cash divested on demerger of subsidiary	15	(7,238,862)	-
Purchase of property, plant and equipment		(110,669)	(77,163)
Piedmont Contributions from farm-in arrangement		6,069,617	-
Payments for exploration and evaluation assets		(13,140,236)	(5,854,104)
Net cash flows from investing activities		(14,417,650)	(5,930,767)
Cash flows from financing activities			
Proceeds from the issue of shares		21,824,665	1,002,421
Transactions costs on the issue of shares		(100,288)	(3,475)
Net cash flows from financing activities		21,724,377	998,946
Net increase/(decrease) in cash and cash equivalents		4,211,380	(5,734,599)
Cash and cash equivalents at the beginning of the period		19,135,463	7,331,643
Foreign exchange impact on cash		(44,963)	(116,087)
Cash and cash equivalents at the end of the period		23,301,880	1,480,957

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2021

Note 1: Summary of Significant Accounting Policies

Corporate information

The consolidated financial report of Atlantic Lithium Limited (the "Company") (formerly IronRidge Resources Limited) for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 31 March 2022. Atlantic Lithium Limited (the Parent) is a public company limited by shares incorporated and domiciled in Australia. The Company's registered office is located at Level 33, Australia Square, 264 George St, Sydney, Australia.

Basis of preparation

This half-year financial report for the period ended 31 December 2021 prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, comprises the Company and its subsidiaries (together referred to as the "Group").

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

Accordingly, this half year financial report is to be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report except for the following:

(a) Farm-in Arrangement

While the farmee is contributing 100% of the exploration costs towards a Definitive Feasibility Study, Atlantic will capitalise expenditure and recognise cash payments due or received to offset that expenditure. Atlantic have not recognised any consideration in respect of the value of the work to be performed by the farmee and instead will carry the assets at the previous cost of the full interest until such time as the farmee have earned an interest.

(b) Demerger

The liability to distribute is recognised when the in-specie distribution is appropriately authorised and is no longer at the discretion of the Company. For the demerger this was the date when declaration of in-specie distribution was approved by the shareholders. The liability to distribute non-cash assets as an in-specie distribution to its owners is measured at the fair value of the assets to be distributed.

Going concern

The half year financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The Group has not generated revenues from operations.

The Directors believe that the going concern basis of preparation is appropriate as the Directors believe there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities. The Group has a proven ability to raise the necessary funding or settle debts via the issuance of shares, as evidenced by the raising of \$33,798,117 during the 2021 financial year and a further \$21,824,665 for the half-year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2021

Note 1: Summary of Significant Accounting Policies (continued)

New or amended Accounting Standards and Interpretations adopted

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2021. The consolidated entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new or amended accountings standards did not have a significant impact to the interim consolidated financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2: Segment Information

The Group has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Australia and Africa. Operating segments are determined based on financial information reported to the Board for the Group as a whole. The Group does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Group as having only one reportable segment, being exploration for base and precious metals. The financial results from this segment are equivalent to the financial statements of the Group. There have been no changes in the operating segments during the half year.

Geographical Information

	Geographical - non-current assets	
	31 December 2021	30 June 2021
	A\$	A\$
Australia	3,022,732	1,194,389
Chad	-	15,096,189
Ghana	16,080,557	16,207,375
Ivory Coast	70,254	20,223,263
	<u>19,173,543</u>	<u>52,721,216</u>

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2021

	31 December 2021 A\$	31 December 2020 A\$
Note 3: Revenue		
- Government grant - Covid 19 cash flow boost	-	50,000
Total Revenue	-	50,000

Note 4: Profit/ (Loss)

Included in the profit / (loss) are the following specific expenses:

Depreciation		
- Office equipment	4,715	2,133
- Plant and equipment	3,209	3,209
- Motor Vehicle	-	25,268
Superannuation expense	32,209	7,581

	31 December 2021 A\$	31 December 2020 A\$
Note 5. Income Tax		
Components of tax expense recognised directly in equity		
Net deferred tax credited directly to equity	(27,468)	(1,043)
Net deferred tax - debited directly to financial assets revaluation reserve	618,750	-
	591,282	(1,043)
The prima facie tax on profit / (loss) before income tax is reconciled to the income tax expense as follows:		-
Prima facie tax on profit / (loss) before income tax at 30% (2020: 30%)	(4,137,833)	(412,355)
Add tax effect of:		
Permanent differences	3,495,505	63,282
Current tax loss not recognised	2,362,590	350,116
Share based payments	674,330	-
Reversal of DTL on exploration and evaluation costs from demerger	(2,985,873)	-
Income tax expense	(591,282)	1,043
Deferred Tax Asset (at 30%)		
Recognised temporary differences	699,019	237,856
Recognised unused tax losses	187,521	2,108,378
Payables and provisions	50,074	33,754
Total deferred tax assets recognised	936,614	2,379,988
Deferred Tax Liability		
Assessable temporary differences	(246,892)	(237,494)
Financial Assets at Fair Value through Other Comprehensive Income	(689,722)	-
Exploration and evaluation assets	-	(2,142,494)
Total deferred tax liabilities recognised	(936,614)	(2,379,988)
Net deferred tax recognised	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2021

	31 December 2021 A\$	31 December 2020 A\$
Note 6: Loss Per Share (EPS)		
(a) Loss		
Loss used to calculate basic and diluted EPS	(13,201,496)	(1,375,558)
(b) Weighted average number of shares	Number of Shares	Number of Shares
Weighted average number of ordinary shares outstanding during the period, used in calculating basic earnings per share	554,710,476	409,605,487
Weighted average number of dilutive options, warrants, and performance rights outstanding during the period	-	-
Weighted average number of ordinary shares and potential ordinary shares outstanding during the period, used in calculating diluted earnings per share	554,710,476	409,605,487
	31 December 2021 A\$	30 June 2021 A\$
Note 7. Cash and Cash Equivalents		
Cash at bank	23,301,880	19,135,463
	23,301,880	19,135,463
	31 December 2021 A\$	30 Jun 2021 A\$
Note 8. Trade and Other Receivables		
GST receivable	87,307	46,300
Piedmont farm in contributions receivable	4,468,191	-
Other receivables	218,503	23,781
	4,774,001	70,081

GST and Other receivables are non-interest bearing and are generally on 30–60-day terms. No allowance for credit loss has been recorded for the current and previous reporting period.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate fair value. The maximum exposure to credit risk is the carrying value of receivables. Collateral is not held as security.

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2021

	31 December 2021 A\$	30 June 2021 A\$
Note 9. Other Financial Assets –Non-current		
Security deposits	7,500	10,000
Investment in shares at fair value through Other Comprehensive Income	2,989,000	926,500
	2,996,500	936,500
Investment in shares at fair value through Other Comprehensive Income		
-Opening Balance	926,500	129,000
-Additions	-	366,336
Fair Value adjustment through other comprehensive income	2,062,500	431,164
	2,989,000	926,500

Investment in shares at net fair value through other comprehensive income comprise an investment in the ordinary issued capital of Aus Tin Mining Ltd \$4,000 (30 June 2021: \$4,000) and Australasian Gold Ltd \$2,860,000 (30 June 2021: \$797,500), both listed on the Australian Securities Exchange and an investment in the ordinary issued capital of Auburn Resources Ltd \$125,000 (30 June 2021: \$125,000), an unlisted public company incorporated in Australia.

The investment in shares are equity instruments under AASB 9 which are not held for trading. The Group made an irrevocable election on initial recognition to designate these equity instruments at fair value through other comprehensive income. Gains or losses will be recognised in OCI and never reclassified from equity to profit or loss. Refer to Note 17 for disclosures in relation to fair value.

	31 December 2021 A\$	30 June 2021 A\$
Note 10. Property, Plant and Equipment		
Plant & Equipment – at cost	75,555	570,164
Accumulated depreciation	(66,663)	(554,105)
Written down value	8,892	16,059
Office equipment – at cost	32,646	55,599
Accumulated depreciation	(15,305)	(14,815)
Written down value	17,341	40,784
Motor Vehicle – at cost	378,296	927,060
Accumulated depreciation	(112,822)	(648,649)
Written down value	265,474	278,411
Total Written down value	291,707	335,254

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Motor Vehicle A\$	Plant & Equipment A\$	Office Equipment A\$	Total A\$
Balance at 01 July 2021	278,411	16,059	40,784	335,254
Effect of foreign exchange on opening balances	(4,045)	22	105	(3,918)
Additions	110,425	-	245	110,670
Assets classified as held for distribution to owners (refer Note 15)	(39,078)	-	(15,837)	(54,915)
Depreciation charged to exploration and evaluation	(80,239)	(3,980)	(3,240)	(87,459)
Depreciation charge for the year	-	(3,209)	(4,716)	(7,925)
At 31 December 2021 net of accumulated depreciation	265,474	8,892	17,341	291,707

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2021

	31 December 2021 6 months A\$	30 June 2021 12 months A\$
Note 11. Exploration and Evaluation Assets		
Exploration and evaluation assets	15,885,336	51,449,462
Movements in carrying amounts		
Opening Balance as at 01 July	51,449,462	34,017,466
Effect of foreign exchange on opening balance	(225,794)	(1,214,063)
Additions	13,109,671	18,956,991
Piedmont receipts from farm-in arrangements (1)	(10,537,809)	-
Exploration and evaluation assets distributed to owners (refer to note 15)	(37,910,194)	-
Acquisition of Joy Transporters Limited	-	955,684
Disposals	-	(266,336)
Written-off during the reporting period	-	(1,000,280)
Balance at the end of the period	15,885,336	51,449,462

- (1) On 31 August the company entered into an agreement with Piedmont Lithium Inc. to fund expenditure incurred on Ewoyaa Lithium Project through to production and earn-in to up to 50% of the Cape Coast Lithium Portfolio in Ghana. Funding consists of US\$17m for regional exploration and DFS and US\$70m for capex. Piedmont Lithium Inc. also invested US\$16m in ordinary shares of the company on 31st August 2021 as part of the agreement (see note 13).

The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or alternatively, sale of the respective areas of interest.

	31 December 2021 A\$	30 June 2021 A\$
Note 12. Trade and Other Payables		
Trade payables	2,634,533	2,256,617
Sundry payables and accrued expenses	941,906	1,500,704
Employee benefits	204,435	196,472
	3,780,874	3,953,793

	31 December 2021 A\$	30 June 2021 A\$
Note 13: Issued Capital		
(a) Issued and paid up capital		
Ordinary shares fully paid	127,239,676	105,415,011
Share Issue Costs	(2,539,753)	(2,475,659)
	124,699,923	102,939,352

Ordinary shares participate in dividends and the proceeds on winding up the Company. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

	Number of Shares	A\$
(b) Reconciliation of issued and paid-up capital		
At 30 June 2021	516,114,246	105,415,011
19 July 2021 (1)	750,000	166,909
31 August 2021 (2)	54,000,000	20,304,146
31 August 2021 (3)	2,880,000	1,353,610
At 31 December 2021	573,744,246	127,239,676

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2021

- (1) On 19 July 2021, 750,000, £0.12p (equivalent to \$0.22) ordinary shares were issued on the exercise of employee options.
- (2) On 31 August 2021, 54,000,000 £0.20 (equivalent to \$0.38) ordinary shares were issued by the way of subscription shares.
- (3) On 31 August 2021, 2,880,000 £0.25 (equivalent to \$0.47) ordinary shares were issued by the way of a private placement.

(c) Options and warrants

As at 31 December 2021, there were 54,297,414 unissued ordinary shares of Atlantic Lithium Limited under option and warrant held as follows:

- 1,352,700 unlisted warrants to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.30. The warrants vested immediately and expire 04 May 2022.
- 18,000,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited as an exercise price of £0.12. The options vested immediately and expire 24 June 2022.
- 1,444,714 unlisted warrants to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.12. The warrants vested immediately and expire 24 June 2022.
- 3,500,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited as an exercise price of £0.30. The options vested immediately and expire 08 April 2023.
- 8,000,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.30. The options vested immediately and expire 18 August 2023.
- 10,000,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.40. The options vested immediately and expire 18 August 2023.
- 12,000,000 unlisted options to take up one ordinary share in Atlantic Lithium Limited at an exercise price of £0.50. The options vested immediately and expire 18 August 2023.

During the half year period there was 750,000 options exercised, 20,000,000 unlisted options cancelled, and 30,000,000 unlisted options issued.

(d) Performance Rights

As at 31 December 2021 there was 12,150,000 of performance rights on issue held as follows:

	Number	Grant date	Expiry date	Maturity price
Unlisted Director Performance Rights	450,000	18/08/21	18/08/23	£0.30
	450,000	18/08/21	18/08/23	£0.35
	450,000	18/08/21	18/08/23	£0.40
	450,000	18/08/21	18/08/23	£0.45
	450,000	18/08/21	18/08/23	£0.50
	450,000	18/08/21	18/08/23	£0.55
	450,000	18/08/21	18/08/23	£0.60
	450,000	18/08/21	18/08/23	£0.65
	1,000,000	18/08/21	18/08/23	£0.70
	1,500,000	18/08/21	18/08/23	£0.75
	2,000,000	18/08/21	18/08/23	£1.00
Unlisted Key Management Personnel Performance Rights	225,000	18/08/21	18/08/23	£0.30
	225,000	18/08/21	18/08/23	£0.35
	225,000	18/08/21	18/08/23	£0.40
	225,000	18/08/21	18/08/23	£0.45
	225,000	18/08/21	18/08/23	£0.50
	225,000	18/08/21	18/08/23	£0.55
	225,000	18/08/21	18/08/23	£0.60
	225,000	18/08/21	18/08/23	£0.65
	500,000	18/08/21	18/08/23	£0.70
	750,000	18/08/21	18/08/23	£0.75
	1,000,000	18/08/21	18/08/23	£1.00

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2021

During the half year period 12,150,000 unlisted Performance rights were cancelled:

	Number	Grant date	Expiry date	Maturity price	Fair Value	Value of Performance Rights Issued (GBP)	Value of Performance Rights Issued (AUD)
Unlisted Director Performance Rights	450,000	29/11/18	29/11/21	£0.30	£0.212	£95,499	\$166,770
	450,000	29/11/18	29/11/21	£0.40	£0.200	£90,079	\$157,307
	450,000	29/11/18	29/11/21	£0.50	£0.189	£85,192	\$148,772
	450,000	29/11/18	29/11/21	£0.60	£0.180	£80,954	\$141,370
	450,000	29/11/18	29/11/21	£0.70	£0.170	£76,495	\$133,583
	450,000	29/11/18	29/11/21	£0.80	£0.161	£72,502	\$126,610
	450,000	29/11/18	29/11/21	£0.90	£0.154	£69,377	\$121,153
	450,000	29/11/18	29/11/21	£1.00	£0.147	£66,015	\$115,282
	1,000,000	29/11/18	29/11/21	£1.25	£0.132	£131,935	\$230,398
	1,500,000	29/11/18	29/11/21	£1.50	£0.118	£177,524	\$310,008
	2,000,000	29/11/18	29/11/21	£2.00	£0.099	£197,672	\$345,192
Unlisted Key Management Personnel Performance Rights	225,000	03/09/18	03/09/21	£0.30	£0.213	£47,835	\$86,097
	225,000	03/09/18	03/09/21	£0.40	£0.200	£45,091	\$81,158
	225,000	03/09/18	03/09/21	£0.50	£0.190	£42,683	\$76,824
	225,000	03/09/18	03/09/21	£0.60	£0.180	£40,396	\$72,707
	225,000	03/09/18	03/09/21	£0.70	£0.170	£38,219	\$68,787
	225,000	03/09/18	03/09/21	£0.80	£0.160	£36,360	\$65,443
	225,000	03/09/18	03/09/21	£0.90	£0.150	£34,622	\$62,317
	225,000	03/09/18	03/09/21	£1.00	£0.150	£33,147	\$59,662
	500,000	03/09/18	03/09/21	£1.25	£0.130	£65,935	\$118,672
	750,000	03/09/18	03/09/21	£1.50	£0.120	£89,245	\$160,629
	1,000,000	03/09/18	03/09/21	£2.00	£0.100	£99,598	\$179,263

Note 14. Share Based Payments

The expense recognised for share based payments during the half year is shown in the table below:

	31 December 2021 A\$	31 December 2020 A\$
Expense arising from equity settled share-based payment transactions:		
Share options	1,221,844	-
Performance rights	1,025,921	-
	2,247,765	-

Employee share option plan (ESOP)

Share options are granted to employees. The employee share option plan is designed to align participants' interests with those of shareholders by increasing the value of the Company's shares.

When a participant ceases employment after the vesting of their share options, the share options are forfeited after 90 days unless cessation of employment is due to termination for cause, whereupon they are forfeited immediately. The Company prohibits KMP from entering into arrangements to protect the value of unvested ESOP awards.

Each option can be exercised from vesting date to expiry date for one share with the exercise price payable in cash.

Options and Warrants Granted

On 18 August 2021, 7,000,000 Atlantic Lithium Limited share options were granted to a Directors and Employees under the Employee Share Option Plan. The options are to take up one ordinary share in IronRidge Resources at £0.30 per share. The options vested immediately and are due to expire on 18 August 2023.

On 18 August 2021, 9,000,000 Atlantic Lithium Limited share options were granted to a Directors and Employees under the Employee Share Option Plan. The options are to take up one ordinary share in IronRidge Resources at £0.40 per share. The options vested immediately and are due to expire on 18 August 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2021

On 18 August 2021, 11,000,000 Atlantic Lithium Limited share options were granted to a Directors and Employees under the Employee Share Option Plan. The options are to take up one ordinary share in IronRidge Resources at £0.50 per share. The options vested immediately and are due to expire on 18 August 2023.

On 23 November 2021, 1,000,000 Atlantic Lithium Limited options were granted to the Company's advisers. The options are to take up one ordinary share in Atlantic Lithium at £0.30 per share. The warrants vested immediately and are due to expire 18 August 2023.

On 23 November 2021, 1,000,000 Atlantic Lithium Limited options were granted to the Company's advisers. The options are to take up one ordinary share in Atlantic Lithium at £0.40 per share. The warrants vested immediately and are due to expire 18 August 2023.

On 23 November 2021, 1,000,000 Atlantic Lithium Limited options were granted to the Company's advisers. The options are to take up one ordinary share in Atlantic Lithium at £0.50 per share. The warrants vested immediately and are due to expire 18 August 2023.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share based payment share options granted during the period:

	1 July 2021 - 31 Dec 2021	1 July 2021 - 31 Dec 2021
	No.	WAEP
Outstanding at the beginning of the year	45,047,414	£0.43
Granted during the period	30,000,000	£0.41
Forfeited/cancelled during the period	(20,000,000)	£0.77
Exercised during the period	(750,000)	£0.12
Outstanding at the end of the period	54,297,414	£0.30
Exercisable at the end of the period	54,297,414	£0.30

The weighted average remaining contractual life of the options was 1.16 years (30 June 2021: 0.74 years).

	Options Granted 1 July 2021 to 31 December 2021
Weighted average exercise price	£0.41
Weighted average life of the option	1.98 years
Underlying share price	£0.2035 - £0.2155
Expected share price volatility	72.731% - 74.757%
Risk free interest rate	0.15% - 0.36%
Number of options issued	30,000,000
Fair value (black-scholes) per option	£0.0309-£0.0594
Total value of options issued (GBP)	£1,322,026.00
Total value of options issued (AUD equivalent)	\$2,506,083

Expected share price volatility was estimated based on historical share price volatility.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2021

Performance Rights

There were 12,150,000 performance rights granted during the period ended 31 December 2021 (2020: nil). The performance rights entitled the holder to receive the corresponding number of ordinary shares in Atlantic Lithium based on share price performance hurdles. The performance rights vest on achievement of each Maturity price milestone and convert to fully paid ordinary shares. The Maturity price is based on a 15 trading day VWAP metric for each tranche of the performance rights.

The following table illustrates the number and movements in share-based payment performance rights during the period:

	July 2021 - Dec 2021	July 2020 - Dec 2020
	No.	No.
Outstanding at the beginning of the year	12,150,000	12,150,000
Granted during the period	12,150,000	-
Forfeited/cancelled during the period	(12,150,000)	-
Outstanding at the end of the period	12,150,000	12,150,000

The following table illustrates the share-based payment performance rights granted during the period:

	Number	Grant date	Expiry date	Maturity price	Fair Value	Value of Performance Rights Issued (GBP)	Value of Performance Rights Issued (AUD)
Unlisted Director Performance Rights	450,000	18/08/21	18/08/23	£0.30	£0.159	£71,550	\$135,975
	450,000	18/08/21	18/08/23	£0.35	£0.142	£63,900	\$121,437
	450,000	18/08/21	18/08/23	£0.40	£0.130	£58,500	\$111,175
	450,000	18/08/21	18/08/23	£0.45	£0.116	£52,200	\$99,202
	450,000	18/08/21	18/08/23	£0.50	£0.107	£48,151	\$91,507
	450,000	18/08/21	18/08/23	£0.55	£0.097	£43,650	\$82,953
	450,000	18/08/21	18/08/23	£0.60	£0.088	£39,600	\$75,257
	450,000	18/08/21	18/08/23	£0.65	£0.080	£36,000	\$68,415
	1,000,000	18/08/21	18/08/23	£0.70	£0.074	£74,000	\$140,631
	1,500,000	18/08/21	18/08/23	£0.75	£0.067	£100,501	\$190,994
	2,000,000	18/08/21	18/08/23	£1.00	£0.045	£89,999	\$171,035
Unlisted Key Management Personnel Performance Rights	225,000	18/08/21	18/08/23	£0.30	£0.159	£35,775	\$67,988
	225,000	18/08/21	18/08/23	£0.35	£0.142	£31,950	\$60,718
	225,000	18/08/21	18/08/23	£0.40	£0.130	£29,250	\$55,587
	225,000	18/08/21	18/08/23	£0.45	£0.116	£26,100	\$49,601
	225,000	18/08/21	18/08/23	£0.50	£0.107	£24,075	\$45,753
	225,000	18/08/21	18/08/23	£0.55	£0.097	£21,825	\$41,477
	225,000	18/08/21	18/08/23	£0.60	£0.088	£19,800	\$37,628
	225,000	18/08/21	18/08/23	£0.65	£0.080	£18,000	\$34,208
	500,000	18/08/21	18/08/23	£0.70	£0.074	£37,000	\$70,316
	750,000	18/08/21	18/08/23	£0.75	£0.067	£50,250	\$95,497
	1,000,000	18/08/21	18/08/23	£1.00	£0.045	£44,999	\$85,518

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2021

Note 15: Demerger

On 24th December 2021 the Group completed the demerger of Ricca Resources Limited (and accordingly the Gold Business in Ivory Coast and Chad), by way of a Capital Reduction and In-specie Distribution to Eligible Shareholders. Eligible Atlantic Lithium Limited shareholders received an in-specie distribution of 1 Ricca Resources Limited share for every 8 Atlantic Lithium Limited Shares held at the In-specie Distribution Record Date (23 November 2021). The demerger distribution is accounted for as a reduction in equity by a demerger reserve of \$36,269,981.

Carrying amounts of assets and liabilities held for distribution to the owners were as follows

	A\$
Cash and Equivalents	7,238,862
Other Current Assets	21,132
Property Plant and Equipment	54,916
Exploration and Evaluation Assets	37,910,194
Total Assets	45,225,104
Trade and Other Payables	(202,941)
Carrying value of net assets distributed	45,022,163
Write down on Demerger	(8,752,182)
Demerger Reserve	36,269,981

Note 16: Contingent Liabilities

- The Group owns 5,500,000 shares in Australasian Metals Limited with a market value on 31 December 2021 of \$2,860,000 (30 June 2021: \$797,500). Should the company decide to dispose all or any of this investment, then 50% of the consideration will be payable to Ricca Resources Limited within 10 days of the disposal.
- The Group has an investment of 1,000,000 in the ordinary issued capital of Auburn Resources Ltd, an unlisted public company incorporated in Australia. The valuation of \$125,000 on 31 December 2021 (30 June 2021: \$125,000) is based on share capital placement on 1 July 2021. Should the company decide to dispose all or any of this investment, then 50% of the consideration will be payable to Ricca Resources Limited within 10 days of the disposal.

The Directors are not aware of any other contingent assets or contingent liabilities at the date of this report.

Note 17: Fair Value Measurement

Fair value hierarchy

The following tables detail the consolidated entity's financial assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 A\$	Level 2 A\$	Level 3 A\$	Total A\$
Consolidated -31 December 2021				
Financial assets at fair value through other comprehensive income	2,864,000	-	125,000	2,989,000
Total Assets	2,864,000	-	125,000	2,989,000
Consolidated -30 June 2021				
Financial assets at fair value through other comprehensive income	801,500	-	125,000	926,500
Total Assets	801,500	-	125,000	926,500

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2021

There were no transfers between levels during the financial half-year.

Valuation techniques for fair value measurements categorised within level 1

The financial assets at fair value through other comprehensive income are measured based on the quoted market prices at 31 December 2021 and 30 June 2021.

Level 3 assets and liabilities

The financial assets at fair value through other comprehensive income are measured based on the most recent capital raising price.

Note 18: Subsequent Events

On 18 January 2022, the Company announced ongoing high-grade infill drilling assay results at 4,769m 42 holes at the Ewoyaa Lithium Project in Ghana, West Africa.

On 25 January 2022, the Company announced further high-grade infill drilling assay results at 10,688m in 90 holes at the Ewoyaa Lithium Project. Additional approximate 11,800m of infill and extensional drilling assay results were pending post completion of drilling activities for further resource upgrades. Significant potential for resource upgrades to extend the planned LOM; Project metrics substantially improve with life of mine beyond 12 years.

On 10 February 2022, the company announced final high-grade infill drilling results from the December 2021 campaign at the Ewoyaa Lithium Project resulting in a significant improvement in project economics and life of mine. 11,852m of infill and extensional drilling assay results reported in 73 holes, represented the final assay results for the completed drill programme. Exploration and resource RC and DD expansion drilling planned to recommence in March 2022

On 10th March 2022, the company announced the sudden passing of CEO, Vincent Mascolo.

On 16th March 2022, the company announced the appointment of Chief Financial Officer & Company Secretary Amanda Harsas to the Board as Finance Director.

On 21st March 2022, the company announced that it is intended that Chief Operating Officer, Mr Len Kolff, will be appointed to the Board of Directors and as the Company's Chief Executive Officer, on an interim basis, subject to the completion of normal regulatory due diligence.

On 24th March 2022, the company announced a 42% increase in Mineral Resource Estimate upgrade to 30.1Mt at 1.26% Li₂O which includes 20.5Mt at 1.29% Li₂O in the Indicated category for the Ewoyaa lithium deposit within the Cape Coast Lithium Portfolio in Ghana, West Africa. The Mineral Resource Estimate upgrade is based on a total 90,308m of reverse circulation ("RC") and diamond core ("DD") drilling which includes an additional c. 37,500m of drilling completed to end December 2021 (including c. 10,750m of DD).

On 29th March, the company announced the appointment of Chief Operating Officer, Mr Len Kolff as interim CEO and appointment to the Board of Directors

The impact of the COVID-19 global pandemic continues to be a focus to ensure the health and safety of all of its employees and contractors. The Company has put in place measures and protocols to ensure that safe working conditions exist for all our personnel whilst our field programmes and drilling campaigns continue. The Board will continue to monitor the situation and tailor the Company's operating model to ensure its continued viability whilst adjusting for any travel restrictions in place.

There have been no other events since the end of the half year that impact the financial report as at 31 December 2021.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Atlantic Lithium Limited, I state that: In

the opinion of the Directors:

1. The attached half-year financial report and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (a) Giving a true and fair view of the financial position as at 31 December 2021 and the performance for the half-year ended on that date of the consolidated entity; and
 - (b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'L. Kolff', is written over a light grey rectangular background.

Lennard Kolff
Interim Chief Executive Officer
Sydney
Date: 31 March 2022

AUDITOR'S INDEPENDENCE DECLARATION

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF ATLANTIC LITHIUM LIMITED

As lead auditor for the review of Atlantic Lithium Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Atlantic Lithium Limited and the entities it controlled during the period.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 31 March 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Atlantic Lithium Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Atlantic Lithium Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



R M Swaby
Director

Brisbane, 31 March 2022