

REFINITIV

## DELTA REPORT

10-Q

PIEDMONT LITHIUM INC.

10-Q - JUNE 30, 2022 COMPARED TO 10-Q - MARCH 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS 839

■ CHANGES 138

■ DELETIONS 299

■ ADDITIONS 402

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

☐ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **March 31, 2022** **June 30, 2022**  
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-38427

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**PIEDMONT LITHIUM INC.**  
(Exact name of Registrant as specified in its Charter)

**Delaware** **36-4996461**  
(State or other jurisdiction of incorporation or (I.R.S. Employer Identification No.)  
organization)

**3242 E Catawba Street**  
**Belmont, North Carolina** **28012**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(704) 461-8000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	PLL	The Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☐

As of April 29, 2022 July 29, 2022, there were 17,937,026 17,964,863 shares of the Registrant's common stock outstanding.

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## Part I - Financial Information

### Item 1. Financial Statements.

#### PIEDMONT LITHIUM INC. CONSOLIDATED BALANCE SHEETS

		(Unaudited) March 31, 2022	December 31, 2021		(Unaudited) June 30, 2022	December 31, 2021
<b>Assets</b>	<b>Assets</b>			<b>Assets</b>		
Cash and cash equivalents	Cash and cash equivalents	\$ 165,910,492	\$ 64,244,983	Cash and cash equivalents	\$ 139,033,696	\$ 64,244,983
Other current assets	Other current assets	1,617,557	2,514,602	Other current assets	4,460,334	2,514,602
<b>Total current assets</b>	<b>Total current assets</b>	<b>167,528,049</b>	<b>66,759,585</b>	<b>Total current assets</b>	<b>143,494,030</b>	<b>66,759,585</b>

Property, plant and mine development, net	Property, plant and mine development, net	48,132,617	40,055,354	Property, plant and mine development, net	53,693,669	40,055,354
Operating lease right-of-use assets		28,668	60,919			
Other non-current assets	Other non-current assets	8,131,138	4,500,203	Other non-current assets	11,624,524	4,561,122
Equity investments in unconsolidated affiliates	Equity investments in unconsolidated affiliates	57,723,058	58,872,710	Equity investments in unconsolidated affiliates	64,233,609	58,872,710
<b>Total assets</b>	<b>Total assets</b>	<b>\$ 281,543,530</b>	<b>\$ 170,248,771</b>	<b>Total assets</b>	<b>\$ 273,045,832</b>	<b>\$ 170,248,771</b>
<b>Liabilities and Stockholders' Equity</b>	<b>Liabilities and Stockholders' Equity</b>			<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	Accounts payable	\$ 1,521,985	\$ 1,262,744	Accounts payable	\$ 1,613,013	\$ 1,262,744
Accrued expenses	Accrued expenses	3,735,866	5,425,498	Accrued expenses	3,990,970	5,425,498
Current portion of long-term debt	Current portion of long-term debt	722,301	762,189	Current portion of long-term debt	504,855	762,189
Operating lease liabilities		29,485	59,430			
Other current liabilities	Other current liabilities	29,906	40,157	Other current liabilities	29,906	99,587
<b>Total current liabilities</b>	<b>Total current liabilities</b>	<b>6,039,543</b>	<b>7,550,018</b>	<b>Total current liabilities</b>	<b>6,138,744</b>	<b>7,550,018</b>
Long-term debt, net of current portion	Long-term debt, net of current portion	706,801	914,147	Long-term debt, net of current portion	349,415	914,147
<b>Total liabilities</b>	<b>Total liabilities</b>	<b>6,746,344</b>	<b>8,464,165</b>	<b>Total liabilities</b>	<b>6,488,159</b>	<b>8,464,165</b>
<b>Commitments and contingencies (Note 11)</b>	<b>Commitments and contingencies (Note 11)</b>			<b>Commitments and contingencies (Note 11)</b>		
<b>Stockholders' equity:</b>	<b>Stockholders' equity:</b>			<b>Stockholders' equity:</b>		
Common stock; \$0.0001 par value, 100,000,000 shares authorized; 17,929,526, and 15,894,395, shares issued and outstanding at March 31, 2022, and December 31, 2021, respectively		1,793	1,589			
Common stock; \$0.0001 par value, 100,000,000 shares authorized; 17,964,863, and 15,894,395, shares issued and outstanding at June 30, 2022, and December 31, 2021, respectively				Common stock; \$0.0001 par value, 100,000,000 shares authorized; 17,964,863, and 15,894,395, shares issued and outstanding at June 30, 2022, and December 31, 2021, respectively	1,796	1,589
Additional paid-in capital	Additional paid-in capital	377,105,200	255,131,836	Additional paid-in capital	378,789,754	255,131,836
Accumulated deficit	Accumulated deficit	(101,837,632)	(92,683,000)	Accumulated deficit	(111,418,935)	(92,683,000)
Accumulated other comprehensive income (loss)		(472,175)	(665,819)			
Accumulated other comprehensive loss				Accumulated other comprehensive loss	(814,942)	(665,819)
<b>Total stockholders' equity</b>	<b>Total stockholders' equity</b>	<b>274,797,186</b>	<b>161,784,606</b>	<b>Total stockholders' equity</b>	<b>266,557,673</b>	<b>161,784,606</b>
<b>Total liabilities and stockholders' equity</b>	<b>Total liabilities and stockholders' equity</b>	<b>\$ 281,543,530</b>	<b>\$ 170,248,771</b>	<b>Total liabilities and stockholders' equity</b>	<b>\$ 273,045,832</b>	<b>\$ 170,248,771</b>

The accompanying notes are an integral part of these unaudited financial statements.

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**PIEDMONT LITHIUM INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(Unaudited)*

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2022	2021		2022	2021	2022	2021
<b>Operating expenses:</b>	<b>Operating expenses:</b>			<b>Operating expenses:</b>				
Exploration and mine development costs	Exploration and mine development costs	\$ 167,838	\$ 3,825,009	Exploration and mine development costs	\$ 882,874	\$ 3,477,327	\$ 1,050,712	\$ 7,302,336
General and administrative expenses	General and administrative expenses	5,578,005	2,685,377	General and administrative expenses	7,461,365	4,002,054	13,039,370	6,687,431
<b>Loss from operations</b>	<b>Loss from operations</b>	(5,745,843)	(6,510,386)	<b>Loss from operations</b>	(8,344,239)	(7,479,381)	(14,090,082)	(13,989,767)
<b>Other (expense) income:</b>	<b>Other (expense) income:</b>			<b>Other (expense) income:</b>				
Interest (expense) income, net	Interest (expense) income, net	(42,396)	(65,869)	Interest (expense) income, net	(33,926)	(63,216)	(76,322)	(129,085)
Gain from foreign currency exchange		23,110	217					
Loss from foreign currency exchange				Loss from foreign currency exchange	(47,759)	(25,749)	(24,649)	(25,532)
<b>Loss before taxes and equity earnings</b>	<b>Loss before taxes and equity earnings</b>	(5,765,129)	(6,576,038)	<b>Loss before taxes and equity earnings</b>	(8,425,924)	(7,568,346)	(14,191,053)	(14,144,384)
Income tax expense (benefit)	Income tax expense (benefit)	—	—	Income tax expense (benefit)	—	—	—	—
Loss from equity investments in unconsolidated affiliates, net of tax	Loss from equity investments in unconsolidated affiliates, net of tax	(3,389,503)	—	Loss from equity investments in unconsolidated affiliates, net of tax	(1,155,379)	(64,626)	(4,544,882)	(64,626)
<b>Net loss</b>	<b>Net loss</b>	\$ (9,154,632)	\$ (6,576,038)	<b>Net loss</b>	\$ (9,581,303)	\$ (7,632,972)	\$ (18,735,935)	\$ (14,209,010)
<b>Basic and diluted net loss per weighted-average share</b>	<b>Basic and diluted net loss per weighted-average share</b>	\$ (0.57)	\$ (0.47)	<b>Basic and diluted net loss per weighted-average share</b>	\$ (0.53)	\$ (0.48)	\$ (1.10)	\$ (0.95)
<b>Basic and diluted weighted-average number of shares outstanding</b>	<b>Basic and diluted weighted-average number of shares outstanding</b>	16,088,013	14,090,959	<b>Basic and diluted weighted-average number of shares outstanding</b>	17,930,926	15,753,324	17,019,262	14,926,734

The accompanying notes are an integral part of these unaudited financial statements.

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**PIEDMONT LITHIUM INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
*(Unaudited)*

	Three Months Ended March 31,	
	2022	2021
Net loss	\$ (9,154,632)	\$ (6,576,038)
Other comprehensive income (loss), net of tax:		
Equity investment income (loss) in unconsolidated affiliates	193,644	—
<b>Other comprehensive income (loss), net of tax</b>	<b>193,644</b>	<b>—</b>
<b>Comprehensive loss</b>	<b>\$ (8,960,988)</b>	<b>\$ (6,576,038)</b>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net loss	\$ (9,581,303)	\$ (7,632,972)	\$ (18,735,935)	\$ (14,209,010)
Other comprehensive loss, net of tax:				
Equity investment loss in unconsolidated affiliates	(342,767)	(31,288)	(149,123)	(31,288)
<b>Other comprehensive loss, net of tax</b>	<b>(342,767)</b>	<b>(31,288)</b>	<b>(149,123)</b>	<b>(31,288)</b>
<b>Comprehensive loss</b>	<b>\$ (9,924,070)</b>	<b>\$ (7,664,260)</b>	<b>\$ (18,885,058)</b>	<b>\$ (14,240,298)</b>

The accompanying notes are an integral part of these unaudited financial statements.

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**PIEDMONT LITHIUM INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(Unaudited)*

		Three Months Ended March 31,			Six Months Ended June 30,	
		2022	2021		2022	2021
<b>Cash flows from operating activities:</b>	<b>Cash flows from operating activities:</b>			<b>Cash flows from operating activities:</b>		
Net loss	Net loss	\$ (9,154,632)	\$ (6,576,038)	Net loss	\$ (18,735,935)	\$ (14,209,010)
Adjustments to reconcile net loss to net cash used in operating activities:	Adjustments to reconcile net loss to net cash used in operating activities:			Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	Depreciation	5,062	1,376	Depreciation	11,208	2,752
Stock-based compensation expense	Stock-based compensation expense	(127,766)	406,488	Stock-based compensation expense	1,382,905	1,018,296
Noncash lease expense	Noncash lease expense	32,251	37,021	Noncash lease expense	60,919	74,979
Unrealized gain on investment		(20,770)	—			
Loss on sale of property, plant and mine development				Loss on sale of property, plant and mine development	11,542	—
Unrealized loss on investment				Unrealized loss on investment	23,824	—

Loss on equity investments in unconsolidated affiliates	Loss on equity investments in unconsolidated affiliates	3,389,503	—	Loss on equity investments in unconsolidated affiliates	4,544,882	64,626
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:			Changes in operating assets and liabilities:		
Other assets	Other assets	919,363	(105,661)	Other assets	(1,969,142)	(1,172,736)
Operating lease liabilities		(29,945)	(37,113)			
Accounts payable	Accounts payable	(539,596)	1,222,404	Accounts payable	(486,145)	305,200
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	(3,322,479)	1,834,550	Accrued expenses and other current liabilities	(2,697,909)	1,192,448
Net cash used in operating activities	Net cash used in operating activities	(8,849,009)	(3,216,973)	Net cash used in operating activities	(17,853,851)	(12,723,445)
<b>Cash flows from investing activities:</b>	<b>Cash flows from investing activities:</b>			<b>Cash flows from investing activities:</b>		
Capital expenditures	Capital expenditures	(5,619,034)	(5,090,488)	Capital expenditures	(11,533,913)	(13,136,824)
Advances on the Ewoyaa Project		(3,632,483)	—			
Purchase of equity investments in unconsolidated affiliates		(2,046,207)	(9,316,394)			
Advances on Ghana Project				Advances on Ghana Project	(7,099,355)	—
Equity investments in unconsolidated affiliates				Equity investments in unconsolidated affiliates	(10,054,904)	(16,358,412)
Net cash used in investing activities	Net cash used in investing activities	(11,297,724)	(14,406,882)	Net cash used in investing activities	(28,688,172)	(29,495,236)
<b>Cash flows from financing activities:</b>	<b>Cash flows from financing activities:</b>			<b>Cash flows from financing activities:</b>		
Proceeds from issuance of common stock, net of issuance costs		122,059,476	114,087,891			
Proceeds from issuances of common stock, net of issuance costs				Proceeds from issuances of common stock, net of issuance costs	122,059,476	114,087,891
Proceeds from exercise of stock options	Proceeds from exercise of stock options	—	30,452	Proceeds from exercise of stock options	93,326	216,151
Principal payments on long-term debt	Principal payments on long-term debt	(247,234)	(182,973)	Principal payments on long-term debt	(822,066)	(370,707)
Net cash provided by financing activities	Net cash provided by financing activities	121,812,242	113,935,370	Net cash provided by financing activities	121,330,736	113,933,335
Net increase in cash	Net increase in cash	101,665,509	96,311,515	<b>Net increase in cash</b>	74,788,713	71,714,654
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	64,244,983	70,936,994	Cash and cash equivalents at beginning of period	64,244,983	70,936,994
<b>Cash and cash equivalents at end of period</b>	<b>Cash and cash equivalents at end of period</b>	\$ 165,910,492	\$ 167,248,509	<b>Cash and cash equivalents at end of period</b>	\$ 139,033,696	\$ 142,651,648
<b>Supplemental disclosure of cash flow information:</b>	<b>Supplemental disclosure of cash flow information:</b>			<b>Supplemental disclosure of cash flow information:</b>		

Noncash capital expenditures in accounts payable and accrued expenses	Noncash capital expenditures in accounts payable and accrued expenses	\$	2,421,433	\$	—	Noncash capital expenditures in accounts payable and accrued expenses	\$	2,004,734	\$	—
Cash paid for interest	Cash paid for interest		42,397		68,838	Cash paid for interest		76,612		68,838
Capitalized stock-based compensation	Capitalized stock-based compensation		41,858		—	Capitalized stock-based compensation		122,418		—

The accompanying notes are an integral part of these unaudited financial statements.

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**PIEDMONT LITHIUM INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
*(Unaudited)*

	Common Stock		Additional		Accumulated	Other	Total
	Shares	Amount	Paid-In Capital	Accumulated Deficit	Comprehensive Loss	Stockholders' Equity	
<b>December 31, 2021</b>	15,894,395	\$ 1,589	\$ 255,131,836	\$ (92,683,000)	\$ (665,819)	\$ 161,784,606	
Issuance of common stock, net	2,012,500	201	122,059,275	—	—	122,059,476	
Stock-based compensation, net of forfeitures	—	—	(85,908)	—	—	(85,908)	
Shares issued for exercise/vesting of share-based compensation awards	22,631	3	(3)	—	—	—	
Equity investment gain (loss) in other comprehensive loss	—	—	—	—	193,644	193,644	
Net loss	—	—	—	(9,154,632)	—	(9,154,632)	
<b>March 31, 2022</b>	17,929,526	1,793	377,105,200	(101,837,632)	(472,175)	274,797,186	
Stock-based compensation, net of forfeitures	—	—	1,591,231	—	—	1,591,231	
Shares issued for exercise/vesting of stock-based compensation awards	35,337	3	93,323	—	—	93,326	
Equity investment gain (loss) in other comprehensive loss	—	—	—	—	(342,767)	(342,767)	
Net loss	—	—	—	(9,581,303)	—	(9,581,303)	
<b>June 30, 2022</b>	17,964,863	\$ 1,796	\$ 378,789,754	\$ (111,418,935)	\$ (814,942)	\$ 266,557,673	

	Common Stock		Additional		Accumulated	Other	Total
	Shares	Amount	Paid-In Capital	Accumulated Deficit	Comprehensive Income (Loss)	Stockholders' Equity	
<b>Balance at December 31, 2021</b>	15,894,395	\$ 1,589	\$ 255,131,836	\$ (92,683,000)	\$ (665,819)	\$ 161,784,606	
Issuance of common stock, net of issuance costs	2,012,500	201	122,059,275	—	—	122,059,476	
Stock-based compensation, net of forfeitures	—	—	(85,908)	—	—	(85,908)	
Shares issued for exercise/vesting of stock-based compensation awards	22,631	3	(3)	—	—	—	
Equity investment gain in other comprehensive income (loss)	—	—	—	—	193,644	193,644	
Net loss	—	—	—	(9,154,632)	—	(9,154,632)	
<b>Balance at March 31, 2022</b>	17,929,526	\$ 1,793	\$ 377,105,200	\$ (101,837,632)	\$ (472,175)	\$ 274,797,186	

Common Stock		Additional	Accumulated		Total	Common Stock		Additional	Accumulated	Other
Shares	Amount	Paid-In Capital	Accumulated Deficit	Comprehensive Income (Loss)	Stockholders' Equity	Amount	Paid-In Capital	Accumulated Deficit	Comprehensive Loss	



<b>Balance at December 31, 2020</b>	13,914,731	\$ 1,375	\$137,249,496	\$(57,125,635)	\$ (796,565)	\$ 79,328,671
Issuance of common stock, net of issuance costs	1,750,000	175	114,087,716	—	—	114,087,891
Stock-based compensation	—	—	406,488	—	—	406,488
Shares issued for exercise/vesting of stock-based compensation awards	13,356	—	30,452	—	—	30,452
<b>December 31, 2020</b>						
Issuance of common stock, net	1,750,000	175	114,087,716	—	—	114,087,891
Stock-based compensation expense	—	—	406,488	—	—	406,488
Shares issued for exercise/vesting of share-based compensation awards	13,356	—	30,452	—	—	30,452
Net loss	—	—	—	(6,576,038)	—	(6,576,038)
<b>Balance at March 31, 2021</b>	15,678,087	\$ 1,550	\$251,774,152	\$(63,701,673)	\$ (796,565)	\$187,277,464
<b>March 31, 2021</b>						
Stock-based compensation	—	—	611,808	—	—	611,808
Shares issued for exercise/vesting of stock-based compensation awards	81,446	—	185,699	—	—	185,699
Conversion of performance rights	5,000	—	—	—	—	5,000
Foreign currency translation adjustments	—	—	—	—	—	(31,280)
Net loss	—	—	—	(7,632,972)	—	(7,632,972)
<b>June 30, 2021</b>	15,764,533	\$1,550	\$252,571,659	\$(71,334,645)	\$ (827,850)	\$181,439,214

The accompanying notes are an integral part of these unaudited financial statements.

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**PIEDMONT LITHIUM INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

**1. DESCRIPTION OF COMPANY**

**Nature of Business**

Piedmont Lithium Inc. ("Piedmont Lithium," "we," "our," "us," or "Company") is a development stage company centered on developing building a multi-asset, integrated lithium business that enables which will provide lithium hydroxide, a critical material, to the transition to a net zero carbon world electric vehicle and battery manufacturing supply chains in the United States ("U.S."), support the creation of a clean energy economy in North America. Through this endeavor, we America and help secure America's energy independence. Our projects are focused on developing strategically located in Canada, Ghana, and manufacturing lithium products for the fast-growing electric vehicle industry, southeastern U.S. Our wholly-owned wholly owned, Carolina Lithium Project is in the development stage and located in on the renowned Carolina Tin-Spodumene Belt in North Carolina. We are geographically diversified with equity Our investments in strategic partnerships that own lithium resource assets in Canada and Ghana. Collectively, these resource assets Ghana add geographic diversity and provide the opportunity for near-term production and revenue. We plan to develop and integrate our resources and operations with the aim of bringing production online consecutively in 2023 (Quebec, Canada), 2024 (Ghana), 2025 (LHP-2) and 2026 (Carolina Lithium). The location of these our domestic and international lithium assets, strategically position us combined with our two planned U.S. lithium hydroxide plants, uniquely positions Piedmont Lithium to be a large, low-cost, sustainable producer of lithium products and by-products, including quartz, feldspar and mica, serving the North American electric vehicle and battery supply chains. The geology, geography and proximity of our resources, planned production operations, which includes a second lithium hydroxide conversion plant to be located in the United States ("U.S."), and customer base, should allow us to deliver a valuable continuous supply of high-quality, sustainably produced lithium hydroxide from spodumene concentrate. Our diversified operations should enable us to play a pivotal role in supporting the move toward decarbonization and the electrification of transportation and energy storage, products.

## Change in Fiscal Year End Year-End

Effective January 1, 2022, we changed our fiscal year end from June 30 to December 31. The six-month period from July 1, 2021 to December 31, 2021 served as a transition period. Our fiscal year for 2022 commenced on January 1, 2022 and will end on December 31, 2022. See our Transition Report on Form 10-KT ("Transition Report") filed with the Securities and Exchange Commission (the "SEC") on February 28, 2022.

## Basis of Presentation

The accompanying unaudited consolidated financial statements and related notes have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") and in conformity with the rules and regulations of the SEC applicable to interim financial information. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise indicated, all references to "\$" are to U.S. dollars, and all references to "AUD" are to Australian dollars. Our reporting currency is U.S. dollars. Certain information and note disclosures normally included in the consolidated financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to such rules and regulations. Therefore, these unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in our Annual Report on Form 10-KT for the six-month transition period ended December 31, 2021. These unaudited consolidated financial statements reflect all adjustments and reclassifications that, in the opinion of management, are considered necessary for a fair statement of the results of operations, financial position and cash flows for the periods presented. The current period's results of operations will not necessarily be indicative of results that ultimately may be achieved for the year ending December 31, 2022, for any other interim period or for any other future fiscal year.

Certain prior period amounts have been reclassified to conform with the current period presentation.

Piedmont Lithium Inc. acquired all of the issued and outstanding ordinary shares of Piedmont Lithium Limited ("Piedmont Australia"), our Australian predecessor and currently a wholly-owned subsidiary, pursuant to a Scheme of Arrangement under Australian law, which was approved by Piedmont Australia's shareholders on February 26, 2021 and by the Supreme Court of Western Australia on May 5, 2021 (collectively referred to as "Redomiciliation"). As part of the Redomiciliation, we changed our place of domicile from Australia to the state of Delaware in the United States, effective May 17, 2021.

Piedmont Australia's ordinary shares were listed on the Australian Securities Exchange ("ASX"), and Piedmont Australia's American Depositary Shares ("ADSs"), each representing 100 of Piedmont Australia's ordinary shares, were traded on the Nasdaq Capital Market ("Nasdaq"). Following the approval of the Redomiciliation, we moved our the primary listing of our shares of common stock from the ASX to Nasdaq and retained an ASX listing via Chess Depositary Interests ("CDIs"), each representing 1/100th of a share of common stock of Piedmont Lithium Inc.

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All issued and outstanding shares of our common stock and per share amounts have been retroactively adjusted in these consolidated financial statements to reflect the 100:1 ratio and share consolidation. Shares of our common stock issued in connection with the Redomiciliation trade on Nasdaq under the symbol "PLL."

## Risk and Uncertainties

We are subject to a number of risks similar to those of other companies of similar size in our industry, including but not limited to, the success of our exploration and development activities, construction and permitting delays, the need for additional capital or financing to fund operating losses, competition from substitute products and services from larger companies, protection of proprietary technology, litigation, and dependence on key individuals.

We have accumulated deficits of \$101.8 million \$111.4 million, and \$92.7 million as of March 31, 2022 June 30, 2022 and December 31, 2021, respectively. We have incurred net losses and utilized cash in operations since inception, and we expect to incur future additional losses. We have cash available on hand and believe this cash will be sufficient to fund our operations and meet our obligations as they come due within for at least one year from the date these consolidated financial statements are issued. In the event our cash requirements change during the next twelve months, management has the ability and commitment to make corresponding changes to our operating expenses, as necessary. Until commercial production is achieved from our planned operations, we will continue to incur operating and investing net cash outflows associated with, among other things, funding capital projects, development-stage technical studies, permitting activities associated with our projects, funding our commitments in Quebec and Ghana, maintaining and acquiring exploration properties and undertaking ongoing exploration activities. Our long-term success is dependent upon our ability to successfully raise additional capital or financing or enter into strategic partnership opportunities. Our long-term success is also dependent upon our ability to obtain certain permits and approvals, develop our planned portfolio of projects, earn revenues, and achieve profitability.

Our consolidated financial statements have been prepared on a going-concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

## Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, assumptions, and allocations that affect amounts reported in the consolidated financial statements and related notes. Significant items that are subject to such estimates and assumptions include, but are not limited to, long-lived assets, fair value of stock-based compensation awards, income tax uncertainties, valuation of deferred tax assets, contingent assets and liabilities, legal claims, asset impairments and environmental remediation. Actual results could differ due to the uncertainty inherent in the nature of these estimates.

We base our estimates and assumptions on current facts, historical experience and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. Actual results may differ materially and adversely from our estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

## Significant Accounting Policies

### Exploration and Mine Development Costs

We incur costs in resource exploration, evaluation and development during the different phases of our resource development projects. Exploration costs incurred before the declaration of proven and probable reserves, which primarily include exploration, drilling, engineering, metallurgical test-work, and compensation for employees associated with exploration activities, are expensed as incurred. We have also expensed as incurred engineering costs attributable to the evaluation of land for our future lithium hydroxide conversion plants and spodumene concentrator, development project management costs, feasibility studies and other project expenses that do not qualify for capitalization. After proven and probable reserves are declared, exploration and mine development costs necessary to bring the property to commercial capacity or increase the capacity or useful life are capitalized.

### Mine Development

Mine development assets include engineering and metallurgical test-work, drilling and other related costs to delineate an ore body, and the removal of overburden to initially expose an ore body at open pit surface mines. Costs incurred before mineral resources are classified as proven and probable reserves are expensed and classified as recorded to "Exploration and mine development costs" in our statements of operations. Capitalization of mine development project costs that meet the definition of an asset begins once mineral resources are

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classified as proven and probable reserves. Drilling and related costs are capitalized for an ore body where proven and probable reserves exist and the activities are directed at obtaining additional information on the ore body or converting mineralized material to proven and probable reserves. All other drilling and related costs are expensed as incurred. The cost of removing overburden and waste materials to access the ore body at an open pit mine prior to the production phase are referred to as pre-stripping costs. Pre-stripping costs are will be capitalized during the development of an open pit mine. The removal, production, and sale of de minimis salable materials may occur during the development phase of an open pit mine and are assigned incremental mining costs related to the removal of that material. Mine development assets are will be depleted using the units-of-production method based on estimated recoverable metric tons in proven and probable reserves. To the extent that these costs benefit an entire ore body, they are will be depleted over the estimated life of the ore body. As of March 31, 2022 June 30, 2022, we had no projects in the production phase, and we did not record depletion expense for any of our mine development assets.

For a further discussion of our significant accounting policies, see "Note 2—Summary of Significant Accounting Policies" within Part II, Item 8 of our Transition Report for the six-month period ended December 31, 2021.

## Recently Issued and Adopted Accounting Pronouncements

We have considered the applicability and impact of all recently issued accounting pronouncements and have determined that they were either not applicable or were not expected to have a material impact on our consolidated financial statements.

## 2. PROPERTY, PLANT AND MINE DEVELOPMENT

Property, plant and mine development, net, is presented in the following table:

		March 31, 2022	December 31, 2021		June 30, 2022	December 31, 2021
Mining interests	Mining interests	\$ 44,482,570	\$ 39,303,043	Mining interests	\$ 47,622,685	\$ 39,303,043
Mine development	Mine development	1,301,099	—	Mine development	2,044,891	—
Land	Land	688,829	688,829	Land	688,829	688,829
Facilities and equipment	Facilities and equipment	113,252	107,248	Facilities and equipment	111,058	107,248
Construction in process	Construction in process	1,595,695	—	Construction in process	3,249,534	—

Property, plant, and mine development	Property, plant, and mine development	48,181,445	40,099,120	Property, plant, and mine development	53,716,997	40,099,120
Accumulated depreciation	Accumulated depreciation	(48,828)	(43,766)	Accumulated depreciation	(23,328)	(43,766)
Property, plant, and mine development, net	Property, plant, and mine development, net	\$ 48,132,617	\$ 40,055,354	Property, plant, and mine development, net	\$ 53,693,669	\$ 40,055,354

Depletion of mine development and mining interests does not commence until the assets are placed in service. As of **March 31, 2022** **June 30, 2022**, we have not recorded depletion expense for any of our mine development or mining interests assets.

The vast majority of our construction in process relates to capitalized costs associated with our Carolina Lithium Project.

Depreciation expense was \$5,062 is presented in the following table and \$1,376 for the three months ended March 31, 2022 and 2021, respectively, and was recorded to depreciation expense is included in "General and administrative expenses" in our consolidated statements of operations. operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Depreciation expense	\$ 6,146	\$ 1,376	\$ 11,208	\$ 2,752

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### 3. EQUITY INVESTMENTS IN UNCONSOLIDATED AFFILIATES

We apply the equity method to investments when we have the ability to exercise significant influence over the operational decision-making authority and financial policies of the investee. We account for our existing investments in Atlantic Lithium Limited ("Atlantic Lithium"), Sayona Mining Limited ("Sayona"), and Sayona Quebec Inc. ("Sayona Quebec"), a subsidiary of Sayona, as equity method investments. Our share of the income or loss from Atlantic Lithium, Sayona and Sayona Quebec is recorded on a one-quarter lag.

The following is a summary of our equity method investments as of June 30, 2022:

#### Sayona

We own an equity interest of approximately **16.4%** **14%** in Sayona, an Australian company publicly listed on the ASX, **forming and have formed** a strategic partnership with Sayona to explore, evaluate, mine, develop, and ultimately produce spodumene concentrate in Quebec, Canada.

#### Sayona Quebec

We own an equity interest of 25% in Sayona Quebec for the purpose of furthering our investment and strategic partnership in Quebec, Canada with Sayona. The remaining 75% equity interest is held by Sayona. Sayona Quebec holds a 100% interest in the existing

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lithium mining operations of North American Lithium.

We have a long-term supply agreement with Sayona Quebec, under which Sayona Quebec will supply Piedmont Lithium the greater of 113,000 metric tons per year or 50% of spodumene concentrate production on a life-of-mine basis. In the event Sayona and Piedmont Lithium jointly construct and operate a lithium conversion plant, then spodumene concentrate produced from North American Lithium would be preferentially delivered to that conversion plant upon start of operations. Any remaining spodumene concentrate not delivered to a jointly owned conversion plant would first be delivered to Piedmont lithium up to Piedmont Lithium's offtake right and then to third parties. Purchases are subject to market pricing with a price floor of \$500 per metric ton and a price ceiling of \$900 per metric ton.

#### Atlantic Lithium Limited

We own an equity interest of **9.9%** **approximately 10%** in Atlantic Lithium, an Australian company publicly listed on the Alternative Investment Market of the London Stock Exchange **forming and have formed** a strategic partnership with Atlantic Lithium to explore, evaluate, mine, develop, and ultimately produce spodumene concentrate in Ghana. We have the right to acquire a 50% equity interest in Atlantic Lithium's Ghanaian-based lithium portfolio companies (collectively, "Atlantic Lithium Ghana"), which are wholly-owned subsidiaries of Atlantic Lithium, through future staged investments.

We have a long-term supply agreement whereby Atlantic Lithium will sell 50% of spodumene concentrate produced in Ghana **for the life of the mine** to Piedmont Lithium, subject to us exercising our ability to acquire an equity interest of 50% in Atlantic **Lithium's lithium-based portfolio in Lithium** Ghana through expected future staged investments. See Note 5—Other Assets.

The following table summarizes the carrying amounts, including changes therein, of our equity method investments:

	Three Months Ended March 31, 2022			
	Sayona	Sayona Quebec	Atlantic Lithium	Total
Balance at December 31, 2021	\$ 18,256,488	\$ 25,215,851	\$ 15,400,371	\$ 58,872,710
Additional investments	46,304	1,999,903	—	2,046,207
Loss from equity method investments	(1,421,471)	(1,066,637)	(901,395)	(3,389,503)
Share of income from equity method investments included in other comprehensive income (loss)	64,515	44,760	84,369	193,644
Balance at March 31, 2022	\$ 16,945,836	\$ 26,193,877	\$ 14,583,345	\$ 57,723,058
Fair value of equity investments where market values from publicly traded entities are readily available	\$ 221,488,733	Not publicly traded	\$ 38,678,400	

	Three Months Ended June 30, 2022			
	Sayona	Sayona Quebec	Atlantic Lithium	Total
Balance at beginning of period	\$ 16,945,836	\$ 26,193,877	\$ 14,583,345	\$ 57,723,058
Additional investments	1,029,617	6,979,080	—	8,008,697
Loss from equity method investments	(857,847)	(125,759)	(171,773)	(1,155,379)
Share of loss from equity method investments included in other comprehensive loss	—	—	(342,767)	(342,767)
Balance at end of period	\$ 17,117,606	\$ 33,047,198	\$ 14,068,805	\$ 64,233,609

During the three months ended March 31, 2021, we made an investment in Sayona

[Table of \\$9.3 million, including transaction costs. We had no income or loss from Sayona recorded for the three months ended March 31, 2021. Contents](#)

	Three Months Ended June 30, 2021			
	Sayona	Sayona Quebec	Atlantic Lithium	Total
Balance at beginning of period	\$ 9,316,394	\$ —	\$ —	\$ 9,316,394
Additional investments	1,974,425	5,067,593	—	7,042,018
Loss from equity method investments	(64,626)	—	—	(64,626)
Share of loss from equity method investments included in other comprehensive loss	(31,288)	—	—	(31,288)
Balance at end of period	\$ 11,194,905	\$ 5,067,593	\$ —	\$ 16,262,498

	Six Months Ended June 30, 2022			
	Sayona	Sayona Quebec	Atlantic Lithium	Total
Balance at beginning of period	\$ 18,256,488	\$ 25,215,851	\$ 15,400,371	\$ 58,872,710
Additional investments	1,075,921	8,978,983	—	10,054,904
Loss from equity method investments	(2,279,318)	(1,192,396)	(1,073,168)	(4,544,882)
Share of income (loss) from equity method investments included in other comprehensive loss	64,515	44,760	(258,398)	(149,123)
Balance at end of period	\$ 17,117,606	\$ 33,047,198	\$ 14,068,805	\$ 64,233,609

	Six Months Ended June 30, 2021			
	Sayona	Sayona Quebec	Atlantic Lithium	Total
Balance at beginning of period	\$ —	\$ —	\$ —	\$ —
Additional investments	11,290,819	5,067,593	—	16,358,412
Loss from equity method investments	(64,626)	—	—	(64,626)
Share of loss from equity method investments included in other comprehensive loss	(31,288)	—	—	(31,288)
Balance at end of period	\$ 11,194,905	\$ 5,067,593	\$ —	\$ 16,262,498

As of June 30, 2022			
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	Sayona	Sayona Quebec	Atlantic Lithium
Fair value of equity investments where market values from publicly traded entities are readily available	\$ 174,859,526	Not publicly traded	\$ 28,246,608

The following tables present summarized financial information included in our share of income (loss) from equity method investments noted above for our significant equity investments. The balances below were compiled from information provided to us by the each investee and are presented in accordance with U.S. GAAP.

#### Summarized financial information for the three months ended and as of March 31, 2022:

	Three Months Ended			
	June 30, 2022			June 30, 2021
	Sayona	Sayona Quebec	Atlantic Lithium	Sayona
Revenue	\$ —	\$ —	\$ —	\$ —
Net loss from operations	(5,224,405)	(503,037)	(1,733,332)	(324,754)
Other comprehensive loss, net of tax	—	—	(3,458,798)	(157,224)
Comprehensive loss	(5,224,405)	(503,037)	(5,192,130)	(481,978)

	Sayona	Sayona Quebec	Atlantic Lithium
<b>Summarized statement of operations information:</b>			
Revenue	\$ —	\$ —	\$ —
Net loss from operations	(8,588,384)	(4,266,667)	(9,095,808)
Other comprehensive income (loss), net of tax	390,967	179,041	851,351
Comprehensive loss	(8,197,417)	(4,087,626)	(8,244,457)

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	Six Months Ended			
	June 30, 2022			June 30, 2021
	Sayona	Sayona Quebec	Atlantic Lithium	Sayona
Revenue	\$ —	\$ —	\$ —	\$ —
Net loss from operations	(13,812,789)	(4,769,583)	(10,829,140)	(324,754)
Other comprehensive income (loss), net of tax	390,967	179,041	(2,607,447)	(157,224)
Comprehensive loss	(13,421,822)	(4,590,542)	(13,436,587)	(481,978)

## 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

We follow FASB ASC Topic 820, "Fair Value Measurement and Disclosure," which establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy categorizes assets and liabilities measured at fair value into one of

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three different levels depending on the observability of the inputs employed in the measurement. The three levels are defined as follows:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived from observable market data by correlation or other means.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

#### Measurement of Fair Value

Our financial instruments consist primarily of cash and cash equivalents, investments in equity securities, trade and other payables, and long-term debt as follows:

- *Long-term debt*—As of **March 31, 2022**, **June 30, 2022** and December 31, 2021, we had **\$1.4 million**, **\$0.9 million** and \$1.7 million, respectively, of principal debt outstanding associated with seller financed loans. The carrying value of our long-term debt approximates its estimated fair value based on recently negotiated comparable loans having stated interest rates of 10.0%, consistent with the stated interest rates for all of our seller financed loans, value.
- *Investments in equity securities*—As of **March 31, 2022**, **June 30, 2022** and December 31, 2021, we had \$0.5 million and \$0.5 million, respectively, of investments in equity securities which are recorded at fair value based on Level 3 inputs. See Note 5—Other Assets.
- *Other financial instruments*—The carrying amounts of cash and cash equivalents and trade and other payables approximate fair value due to their short-term nature.

Level 3 activity was not material for all periods presented.

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### 5. OTHER ASSETS

Other current assets consisted of the following:

		March 31, 2022	December 31, 2021		June 30, 2022	December 31, 2021
Investments in equity securities	Investments in equity securities	\$ 534,281	\$ 513,511	Investments in equity securities	\$ 489,687	\$ 513,511
Prepaid assets and other receivables	Prepaid assets and other receivables	1,083,276	2,001,091	Prepaid assets and other receivables	3,970,647	2,001,091
Total other current assets	Total other current assets	\$ 1,617,557	\$ 2,514,602	Total other current assets	\$ 4,460,334	\$ 2,514,602

As of **March 31, 2022**, **June 30, 2022**, our investments in equity securities consisted of common shares in Ricca Resources Limited ("Ricca"), a private company, which we acquired as part of a spin-out of Ricca from Atlantic Lithium, Lithium. Ricca is a private company focused on gold exploration in Africa. The increase decrease in fair value of our investment in equity securities during the **three six** months ended **March 31, 2022**, **June 30, 2022** was due to currency revaluation of our common stock held in Ricca and is recorded in "Gain "Loss from foreign currency exchange" in our consolidated statements of operations.

Other non-current assets consisted of the following:

	March 31, 2022	December 31, 2021
Advances on the Ewoyaa Project	\$ 7,942,656	\$ 4,310,173
Non-current prepaid assets	188,482	190,030
Total other assets	\$ 8,131,138	\$ 4,500,203

	June 30, 2022	December 31, 2021
Advances on Ghana Project	\$ 11,409,528	\$ 4,310,173
Other non-current assets	214,996	190,030
Operating lease right-of-use assets	—	60,919
Total other non-current assets	\$ 11,624,524	\$ 4,561,122

The Ewoyaa Project is part of the We have a strategic partnership between Piedmont Lithium and Atlantic Lithium that includes Atlantic Lithium Ghana. Under our partnership, we entered into a project agreement to acquire a 50% equity interest in Atlantic Lithium Ghana as part

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of two phases of future staged investments by Piedmont Lithium in the Ewoyaa Ghana Project over an approximate period of three to four years.

We are currently in phase one, which allows us to acquire a 22.5% equity interest in Atlantic Lithium Ghana by funding approximately \$17.0 million for exploration and definitive feasibility study expenses. Our future equity interest ownership related to phase one is contingent upon completing a definitive feasibility study and making an election to proceed with phase two. Phase two allows us to acquire a 27.5% equity interest in Atlantic Lithium Ghana upon completion of funding approximately \$70.0 million for capital costs

associated with the construction of the Ewoyaa Ghana Project. Any cost underruns or overruns beyond the initial commitment for each phase will be shared equally between Piedmont Lithium and Atlantic Lithium. Upon completion of phase phases one and phase two, we will have a total equity interest of 50.0% in Atlantic Lithium Ghana. Phase one funding costs are included in other non-current assets as an advance on our expected future investments into the Ewoyaa Ghana Project.

Our maximum exposure to a loss as a result of our involvement in the Ewoyaa Ghana Project is limited to the total funding paid by Piedmont Lithium to Atlantic Lithium. As of March 31, 2022 June 30, 2022, we did not own an equity interest in Atlantic Lithium Ghana. We have made advanced payments totaling \$3.6 \$3.3 million and \$6.9 million during the three and six months ended March 31, 2022 June 30, 2022, respectively, and additional advance payments totaling \$1.7 \$1.5 million beginning April 1, 2022 July 1, 2022 through the date of this filing.

## 6. EQUITY

We are authorized to issue up to 100,000,000 shares of common stock, par value \$0.0001 per share, and 10,000,000 shares of preferred stock, par value \$0.0001 per share. We have no outstanding shares of preferred stock.

In March 2022, we issued 2,012,500 shares under our \$500 million automatic shelf registration statement with an issue price of \$65.00 per share to raise for gross proceeds of totaling \$130.8 million. Share issuance costs associated with the U.S. public offering totaled \$8.8 million and were accounted for as a reduction in the proceeds from share issuances in the consolidated balance sheets.

In March 2021, we issued 1,750,000 shares with an issue price of \$70.00 per share to raise for gross proceeds of \$122.5 million. Share issuance costs associated with the U.S. public offering totaled \$12.8 million and were accounted for as a reduction in the proceeds from share issuances in the consolidated balance sheets.

As of June 30, 2022, we had \$369.2 million remaining under our shelf registration statement, which expires on September 24, 2024.

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## 7. STOCK-BASED COMPENSATION

### Stock Incentive Plans

In March 2021, our Board adopted, in connection with the Redomiciliation, the Piedmont Lithium Inc. Stock Incentive Plan ("Incentive Plan"). The Incentive Plan authorized the grant of stock options, stock appreciation rights, restricted stock units and restricted stock, any of which may be performance-based. Our Compensation Committee determines the exercise price for stock options and the base price of stock appreciation rights, which may not be less than the fair market value of our common stock on the date of grant. Generally, stock options or stock appreciation rights vest after three years of service and expire at the end of ten years. Performance rights awards ("PRAs") vest upon achievement of certain pre-established performance targets that are based on specified performance criteria over a performance period. As of March 31, 2022 June 30, 2022, 2,362,161 2,296,996 shares of common stock were available for issuance under our Incentive Plan.

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We include the expense related to stock-based compensation in the same financial statement line item as cash compensation paid to the same employee. Additionally, and if applicable, we capitalize personnel expenses attributable to the development of our mine and construction of our plants, including stock-based compensation expenses. We recognize share-based award forfeitures as they occur.

Stock-based compensation related to all stock-based incentive plans is presented in the following table:

Components of stock-based compensation:	Components of stock-based compensation:	Three Months Ended March 31,		Components of stock-based compensation:	Three Months Ended June 30,		Six Months Ended June 30,	
		2022	2021		2022	2021	2022	2021
Stock-based compensation	Stock-based compensation	\$ 764,855	\$ 406,488	Stock-based compensation	\$ 1,591,231	\$ 611,808	\$ 2,356,086	\$ 1,018,296
Stock-based compensation forfeitures	Stock-based compensation forfeitures	(850,763)	—	Stock-based compensation forfeitures	—	—	(850,763)	—
Stock-based compensation, net of forfeitures	Stock-based compensation, net of forfeitures	\$ (85,908)	\$ 406,488	Stock-based compensation, net of forfeitures	\$ 1,591,231	\$ 611,808	\$ 1,505,323	\$ 1,018,296



Presentation of stock-based compensation in the consolidated financial statements:	Presentation of stock-based compensation in the consolidated financial statements:	Presentation of stock-based compensation in the consolidated financial statements:			
Exploration and mine development costs	Exploration and mine development costs	\$ (217,939)	\$ 131,147	Exploration and mine development costs	\$ 219,939 \$ 262,794 \$ 2,000 \$ 393,941
General and administrative expenses	General and administrative expenses	90,173	275,341	General and administrative expenses	1,290,732 349,014 1,380,905 624,355
Stock-based compensation expense, net of forfeitures <sup>(1)</sup>	Stock-based compensation expense, net of forfeitures <sup>(1)</sup>	(127,766)	406,488	Stock-based compensation expense, net of forfeitures <sup>(1)</sup>	1,510,671 611,808 1,382,905 1,018,296
Capitalized stock-based compensation <sup>(2)</sup>	Capitalized stock-based compensation <sup>(2)</sup>	41,858	—	Capitalized stock-based compensation <sup>(2)</sup>	80,560 — 122,418 —
Stock-based compensation, net of forfeitures	Stock-based compensation, net of forfeitures	\$ (85,908)	\$ 406,488	Stock-based compensation, net of forfeitures	\$ 1,591,231 \$ 611,808 \$ 1,505,323 \$ 1,018,296

(1) For the three and six months ended March 31, 2022 June 30, 2022 and 2021, we did not reflect a tax benefit associated with stock-based compensation expense in the consolidated statements of operations because we had a full tax valuation allowance during these periods. As such, the table above does not reflect the tax impacts of stock-based compensation expense.

(2) These costs relate Capitalized stock-based compensation relates to direct labor costs related to associated with our Carolina Lithium Project and are included in "Property, plant and mine development, net" in our consolidated balance sheets.

## Stock Option Awards

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Stock options may be granted A summary of activity relating to employees, officers, non-employee directors and other service providers. Stock options granted are equal to the market value of the underlying common stock on the date of grant. We use the Black-Scholes valuation model to measure stock-based compensation expense associated with stock options our share-based awards was as of each respective grant date. follows:

	2022			2021		
	Stock Option Awards	Restricted Stock Units	Performance Rights Awards	Stock Option Awards	Restricted Stock Units	Performance Rights Awards
January 1	272,504	51,277	30,000	443,694	—	65,000
Granted	135,957	17,437	29,120	50,000	—	—
Exercised, surrendered or vested	(15,000)	(14,285)	—	(18,906)	—	—
Forfeited or expired	(19,458)	(17,209)	—	—	—	—
March 31	374,003	37,220	59,120	474,788	—	65,000
Granted	58,949	7,972	10,348	33,004	36,745	—
Exercised, surrendered or vested	(37,500)	(9,219)	—	(115,288)	—	(5,000)
Forfeited or expired	(719)	—	—	—	—	—
June 30	394,733	35,973	69,468	392,504	36,745	60,000

As of March 31, 2022 June 30, 2022, we had remaining unvested stock-based compensation expense of \$6.8 \$7.7 million to be recognized through December 2024.

Stock option award activity is presented in the following table:

Three Months Ended March 31,	
2022	2021

		Weighted-Average Exercise Price (per share)		Weighted-Average Exercise Price (per share)
	Shares		Shares	
Outstanding at beginning of period	272,504	\$ 24.34	443,694	\$ 14.14
Options granted	135,957	55.00	50,000	30.94
Options exercised or surrendered	(15,000)	30.94	(18,906)	12.38
Options forfeited	(19,458)	38.74	—	—
Outstanding at end of period	374,003	34.47	474,788	15.98

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Assumptions used to estimate the fair value of stock options granted are presented in the following table:

	Three Months Ended March 31,	
	2022	2021
Expected life of options (in years)	5.4 - 6.4	3.0
Risk-free interest rate	1.1% - 1.8%	0.1%
Assumed volatility	50.0%	90.0%
Expected dividend rate	—	—

#### *Restricted Stock Unit Awards*

Restricted stock units ("RSUs") are granted to employees and non-employee directors based on the market price of our common stock on the grant date and recognized as stock-based compensation expense over the vesting period, subject to the passage of time and continued service during the vesting period. In some instances, awards may vest concurrently with or following an employee's termination.

RSUs were first granted to employees and non-employee directors in May 2021. RSU activity is presented in the following table:

	Three Months Ended March 31, 2022	
	Shares	Weighted-Average Grant-Date Fair Value (per share)
Unvested at beginning of period	51,277	\$ 62.69
RSUs granted	17,437	56.34
RSUs exercised	(14,285)	58.14
RSUs forfeited	(17,209)	67.23
Unvested at end of period	37,220	59.36

#### *Performance Rights Awards*

The fair value of PRAs is based on the market price of our common stock on the grant date. PRAs are subject to performance conditions, which must be satisfied in order for PRAs to vest. Each performance right automatically converts into one share of common stock upon vesting of the performance right. Upon vesting of PRAs, common stock is immediately issued for no consideration. The performance right will expire if a performance condition of a performance right is not achieved by the expiry date.

PRA activity is presented in the following table:

	Three Months Ended March 31,			
	2022		2021	
	Shares	Weighted-Average Grant-Date Fair Value (per share)	Shares	Weighted-Average Grant-Date Fair Value (per share)

Unvested at beginning of period	30,000	\$ 5.42	65,000	\$ 5.50
PRAs granted	29,120	52.60	—	—
Unvested at end of period	59,120	28.66	65,000	5.50

As of **March 31, 2022** **June 30, 2022**, there were **59,120** **69,468** unvested PRAs, which expire over the next three **years**. The unvested PRAs **years and** are subject to certain milestones related to construction, feasibility studies and supply agreements.

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## 8. LOSS PER SHARE

Basic and diluted net loss per share **are is** reflected in the following table:

	Three Months Ended March 31,				Three Months Ended June 30,		Six Months Ended June 30,		
	2022	2021	2022		2021	2022	2021		
Net loss	Net loss	\$ (9,154,632)	\$ (6,576,038)	Net loss	\$ (9,581,303)	\$ (7,632,972)	\$ (18,735,935)	\$ (14,209,010)	
Weighted-average number of common shares used in calculating basic and dilutive earnings per share <sup>(1)</sup>	Weighted-average number of common shares used in calculating basic and dilutive earnings per share <sup>(1)</sup>	16,088,013	14,090,959	Weighted-average number of common shares used in calculating basic and dilutive earnings per share <sup>(1)</sup>	17,930,926	15,753,324	17,019,262	14,926,734	
Basic and diluted net loss per weighted-average share	Basic and diluted net loss per weighted-average share	\$ (0.57)	\$ (0.47)	Basic and diluted net loss per weighted-average share	\$ (0.53)	\$ (0.48)	\$ (1.10)	\$ (0.95)	

(1) For the three **and six** months ended **March 31, 2021** **June 30, 2021**, the weighted-average number of common shares used in calculating basic and dilutive earnings per share was adjusted to reflect the impact of the exchange ratio caused by the Redomiciliation.

**Potentially** For the three and six months ended **June 30, 2022** and **2021**, **potentially** dilutive shares were not included in the calculation of diluted net loss per share because their effect would have been anti-dilutive due to net losses in those periods. The anti-dilutive shares are presented in the following table:

		June 30,	
		2022	2021
Stock options		394,733	392,504
RSUs		35,973	36,745
PRAs		69,468	60,000
Total potentially dilutive shares		500,174	489,249

		Three Months Ended March 31,	
		2022	2021
Stock options		\$ 374,003	\$ 474,788
RSUs		37,220	—
PRAs		59,120	65,000
Total potentially dilutive shares		\$ 470,343	\$ 539,788

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## 9. INCOME TAXES

For the three months ended **March 31, 2022**, **June 30, 2022**, and **2021**, we recorded an income tax provision of \$0 on a loss before taxes of **\$9.2 million** **\$9.6 million**, resulting in an effective tax rate and a provision of **0%** **\$0** on a loss before taxes of **\$7.6 million**, respectively. For the **three six** months ended **March 31, 2021**, **June 30, 2022**, and **2021**, we recorded an income tax provision of \$0 on a loss before taxes of **\$6.6 million** **\$18.7 million**, resulting in and an effective income tax rate provision of **0%** **\$0** on a loss before taxes of **\$14.2 million**, respectively. The effective tax rate and the federal statutory rate were 0% for the three and six months ended **March 31, 2022**, **June 30, 2022** and **the three months ended March 31, 2021** **2021** and **was were** primarily related to the full valuation allowance on net deferred tax assets.

As of **March 31, 2022**, **June 30, 2022**, we maintained a full valuation allowance against our net deferred tax assets. We continually review the adequacy of the valuation allowance and intend to continue maintaining a full valuation allowance on our net deferred tax assets until there is sufficient evidence to support reversal of all or a portion of the allowance. Should our assessment change in a future period, we may release all or a portion of the valuation allowance at such time, which would result in a deferred tax benefit in the period of adjustment.

## 10. SEGMENT REPORTING

We report our segment information in the same way management internally organizes the business in assessing performance and making decisions regarding allocation of resources in accordance with ASC Topic 280, "Segment Reporting." We have a single reportable operating segment which operates as a single business platform. In reaching this conclusion, management considered the definition of the Chief Operating Decision Maker ("CODM"), how the business is defined by the CODM, the nature of the information provided to the CODM, how the CODM uses such information to make operating decisions, and how resources and performance are accessed. The results of operations provided to and analyzed by the CODM are at the consolidated level, and accordingly, key resource decisions and assessment of performance are performed at the consolidated level. We have a single, common management team and our cash flows are reported and reviewed at the consolidated level only with no distinct cash flows at an individual business level.

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## 11. COMMITMENTS AND CONTINGENCIES

### Legal Proceedings

We are involved from time to time in various claims, proceedings, and litigation. We establish reserves for specific legal proceedings when we determine that the likelihood of an unfavorable outcome is probable and the amount of loss can be reasonably estimated.

In July 2021, a lawsuit was filed against us in the U.S. District Court for the Eastern District of New York on behalf of a class of putative plaintiffs claiming violations of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The complaint alleged, among other things, that we made false and/or misleading statements and/or failed to make disclosure relating to proper and necessary permits. In February 2022, the Court appointed a lead plaintiff in this action, and the lead plaintiff filed an amended complaint in April 2022. We intend to move to dismiss the amended complaint on various grounds, with our moving papers due in **or around June/July** 2022, and we intend to vigorously defend against these claims should the amended complaint survive. Although there can be no assurance as to the outcome, we do not believe these claims have merit. The potential monetary relief, if any, is not probable and cannot be estimated at this time, accordingly, we have not recorded a liability for this matter.

On October 14, 2021, Vincent Varbaro, a purported holder of the Company's American Depositary Shares and equity securities, filed a shareholder derivative suit in the U.S. District Court for the Eastern District of New York, purporting to bring claims on behalf of the Company against certain of the Company's officers and directors. The complaint alleges that the defendants breached their fiduciary duties in connection with the Company's statements regarding the timing and status of government permits for the Company's Carolina Lithium Project in North Carolina, at various times between March 16, 2018 and July 19, 2021. No litigation demand was made to the Company in connection with this action. In December 2021, the parties agreed to a stipulation to stay the proceeding pending resolution of the motion to dismiss in the securities law matters described above, and the Court ordered the case stayed. We intend to vigorously defend against these claims. Although there can be no assurance as to the outcome, we do not believe these claims have merit. The potential monetary relief, if any, is not probable and cannot be estimated at this **time**, **time**; accordingly, we have not recorded a liability for this matter.

On July 5, 2022, Brad Thomascik, a purported shareholder of the Company's equity securities, filed a shareholder derivative lawsuit in the U.S. District Court for the Eastern District of New York. On behalf of the Company, the lawsuit purports to bring claims against certain of the Company's officers and directors. The complaint alleges that the defendants breached their fiduciary duties in connection with the Company's statements regarding the timing and status of government permits for the Company's Carolina Lithium Project in North Carolina at various times between March 16, 2018 and July 19, 2021. No litigation demand was made to the Company in connection with this action. The lawsuit focuses on the same public statements as the shareholder derivative suit described above. We intend to vigorously defend against these claims. Although there can be no assurance as to the outcome, we do

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not believe these claims have merit. The potential monetary relief, if any, is not probable and cannot be estimated at this time; accordingly, we have not recorded a liability for this matter.

## 12. RELATED PARTIES

Ledger Holdings Pty Ltd, a company associated with a former non-executive director of the Company was paid **\$25,000** **\$16,667** and **\$41,667** during the three and six months ended **March 31, 2021**, **June 30, 2021**, respectively, for services related to business development activities. These fees and associated payments were included in the former director's remuneration. Effective June 1, 2021, the director's term ended.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes included elsewhere in our Quarterly Report on Form 10-Q. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in our Quarterly Report on Form 10-Q and those in the sections of our Transition Report on Form 10-KT for the six month six-month transition period ended December 31, 2021 entitled "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," and "Cautionary Note Regarding Disclosure of Mineral Properties."

This management's discussion and analysis is a supplement to our financial statements (including notes) referenced elsewhere in our Quarterly Report on Form 10-Q and is provided to enhance your understanding of our operations and financial condition. This discussion is presented in millions, and due to rounding, may not sum or calculate precisely to the totals and percentages provided in the tables.

### Executive Overview

Piedmont Lithium, Inc. is a development-stage company, is a development stage company centered on developing building a multi-asset, integrated lithium business that enables the transition to a net zero carbon world and support the creation of a clean energy economy in North America. Through this endeavor, we are focused on developing America and manufacturing help secure America's energy independence. Our global portfolio of assets is primed to source and manufacture lithium products for that will mitigate the fast-growing critical raw materials shortage confronting the U.S. electric vehicle industry, and battery supply chains. Our lithium projects are strategically located in Canada, Ghana, and in the southeastern U.S. We plan to develop and integrate our resources and operations with the aim of bringing production online consecutively in 2023 (Quebec), 2024 (Ghana), 2025 (LHP-2) and 2026 (Carolina Lithium). Our equity investments in strategic partnerships that own lithium assets in Canada and Ghana add geographic diversity and provide the opportunity for near-term production and revenue. Our wholly-owned Carolina Lithium Project is in the development stage and is located in on the renowned Carolina Tin-Spodumene Belt in North Carolina. We are geographically diversified The location and promise of our domestic and international lithium assets, combined with equity investments in strategic partnerships that own our two planned U.S. lithium resource assets in Canada and Ghana. Collectively, these resource assets and the location of these assets strategically hydroxide plants, uniquely position us Piedmont Lithium to be a large, low-cost, sustainable producer of lithium products and by-products, including quartz, feldspar and mica, serving the North American electric vehicle and battery supply chains, products. The geology, geography, proximity, and proximity planned production timeline of our resources, planned production operations which includes a second lithium hydroxide conversion plant to be located in the U.S., and customer base, should allow us to deliver a valuable and continuous supply of high-quality, sustainably produced lithium hydroxide from spodumene concentrate. Our diversified operations should enable us Piedmont Lithium is poised to play a pivotal an important role in supporting the move toward decarbonization and increasing industry demand for lithium in North America as the economies shift towards the electrification of transportation and energy storage.

### Strategy

Our strategy is to become a leading producer of lithium hydroxide for the American market, in North America through diverse, sustainable, and technically advanced operations. We believe our global portfolio of hard rock lithium assets should support a level of estimated lithium hydroxide production, all from spodumene ore reserves in which we have own or have an equity interest, enabling us concentrate, that will dramatically expand current North American production. American demand for large vehicles and the custom of driving relatively long distances, combined with automakers' plans for and commitments to maximize value through direct resource ownership. We electric vehicle production, will continue to evaluate opportunities, through expand the use of certain investment criteria, that will increase our resource base and provide our business with a supply of long-term sustainable raw materials, demand for North American lithium hydroxide.

We have elected believe that spodumene concentrate represents the lowest-risk and most commercially scalable raw material source for the production of lithium hydroxide. Our plan to pursue spodumene to produce battery-grade lithium hydroxide conversion technologies, including Metso-Outotec's from spodumene concentrate will use the innovative Metso-Outotec alkaline pressure leach technology, which we believe are likely to have flow sheet combined with a superior capital and operating cost profile as well as reduced waste volumes when compared to other conversion technologies number of processes commonly used in the market lithium industry today. We As part of our strategy, we will continue to evaluate new technologies that may improve the sustainability and profitability of opportunities to expand our business, resource base and production capacity.

Our strategy to become a leading lithium hydroxide producer in North America is underpinned by a portfolio of We have four key capital projects which if implemented, should result in that are being developed on a measured timeline to provide the potential for both near-term cash flow and long-term value maximization. When fully operational, we will have an estimated lithium hydroxide manufacturing capacity of 60,000 metric tons per year, versus total estimated 2021 U.S. production of 15,000 metric tons per year. Our estimate hydroxide conversion capacity is supported by production and offtake rights of approximately 500,000 metric tons of spodumene concentrate per year.

### Our

### Developing An Integrated Lithium Production Business: Key Projects and Timing

- **Abitibi Hub Quebec Projects**—The Abitibi Hub Projects (formerly referred to as the Quebec Projects) are located in the Abitibi region We own an equity interest of Quebec, Canada, and are jointly owned by Piedmont Lithium and Sayona through equity interests 25% in Sayona Quebec, of 25% and 75%, respectively. Sayona Quebec's assets are comprised of which owns the full interests in the Quebec Projects including North American Lithium, the Authier Project and the Tansim Project. These projects are located in the Abitibi region of Quebec, Canada. Additionally, we own an equity interest of approximately 14% in Sayona, the parent company of Sayona Quebec.

[Table](#) In June 2022, Piedmont Lithium and Sayona Mining formalized restart plans for North American Lithium in Quebec. This will feature significant operational upgrades totaling approximately \$80 million aimed at improving product quality and plant utilization. Long-lead equipment has been ordered and detailed design engineering has commenced, and we expect operations at North American Lithium to commence in the first half of 2023, subject to the receipt of remaining permit transfers and approvals for the project. The restart project will be entirely funded from pro-rata cash contributions by Sayona and Piedmont Lithium, with each party having completed significant capital raises in the first half of 2022.

We have a long-term supply also hold an offtake agreement with Sayona Quebec under which Sayona Quebec will supply Piedmont Lithium to purchase the greater of 113,000 metric tons per year of spodumene concentrate or 50% of spodumene concentrate production on a life-of-mine basis.

**North American Lithium**—In conjunction with our partner, Sayona, we are in the process of restarting from the North American Lithium business, which consists and Authier projects for the life of the mine. Purchases are subject to market pricing with a mine price floor of \$500 per metric ton and a concentrator. We expect price ceiling of \$900 per metric ton. In the event Sayona and Piedmont Lithium jointly construct and operate a lithium conversion plant, then spodumene concentrate produced from North American Lithium would be preferentially delivered to begin production that conversion plant upon start of operations. Any remaining spodumene concentrate in the not delivered to a jointly owned conversion plant would first half of 2023; be delivered to Piedmont lithium up to Piedmont Lithium's offtake right and then to third parties.

- **Ewoyaa Ghana Project**—We own an equity interest of approximately 10% in Atlantic Lithium and have the ability to earn a 50% equity interest in Atlantic Lithium's Ghanaian lithium portfolio. The Ghana Project is Atlantic Lithium's flagship Ewoyaa Project is located project in the Cape Coast region of Ghana, Ghana, approximately 70 miles via a national highway to a major port for transport to our planned U.S.-based lithium hydroxide plant for conversion. The resource, which is comprised of high-grade, coarse grained spodumene, is expected to be fully permitted in 2023. We have expect construction of the mine and concentrator to begin in 2023 and production of spodumene concentrate to begin in 2024.

In addition to our equity investment, we hold an earn-in offtake agreement to acquire a 50% equity interest in the operating entities which own the Ewoyaa Project. We have a long-term supply agreement, subject to future staged investments, with Atlantic Lithium granting Piedmont Lithium the right to purchase 50% of Atlantic Lithium Ghana's life-of-mine production the spodumene concentrate produced by the Ghana Project for the life of spodumene concentrate; the mine at prevailing market prices.

- **Second U.S.-Based Lithium Hydroxide Plant (LHP-2)**—We are currently working toward concluding the site selection process for a projected 30,000 metric tons per year, lithium hydroxide plant ("LHP-2")—referred to as LHP-2. We expect to produce 30,000 metric tons of lithium hydroxide per year, as reported in our initial technical study completed announce the site selection in the first third quarter of 2022. We have commenced front-end engineering design of the LHP-2 Project with an expected completion in early 2023, and we expect to conclude on publish a preferred site for LHP-2 feasibility study before the end of 2022. Construction of the facility is expected to begin in the second quarter first half of 2022; 2023, subject to receipt of permits, with first production targeted for 2025. Under our current plans, we expect that LHP-2 will be the largest lithium hydroxide plant in North America and the first of its kind, using the innovative Metso:Outotec technology. Raw material supply for the conversion plant is expected to be sourced principally from the Company's Ghanaian operations.
- **Carolina Lithium Project**—Our fully-integrated, wholly-owned, fully integrated Carolina Lithium Project ("Carolina Lithium") is a development stage, hard rock lithium project located in within the renowned Carolina-Tin Spodumene Carolina Tin-Spodumene Belt, in Gaston County, North close proximity to lithium and byproduct markets. Carolina and Lithium consists of a proposed mine, concentrator, and lithium hydroxide conversion plant. Our Carolina Lithium Project A feasibility study completed in December 2021 estimated a project capital investment requirement of approximately \$988 million and the project is expected to produce 30,000 metric tons per year of lithium hydroxide from spodumene concentrate produced from our on-site mine-to-concentrator, per year. Given the quality of this asset, integration of the operation, strong infrastructure, and proximity to lithium and byproduct markets, we believe Carolina Lithium will enable us to be one of the lowest cost producers in the world.

In January 2022, we submitted a determination request We are currently engaged in permitting, rezoning, and financing activities with state and local representatives for Carolina Lithium. Our goal is to obtain the North Carolina Department necessary permits and rezoning in 2023, commence construction in 2024, and begin production of Environmental Quality's Division of Air Quality (DAQ) lithium hydroxide in connection with the Carolina Lithium Project. In March 2022, we received an applicability determination response from DAQ for our air permit for the Carolina Lithium Project. Based on this determination we have concluded that the Carolina Lithium Project will require a Prevention of Significant Deterioration – Title V Air Permit. In January 2022, we received a second request for additional information from the North Carolina's Division of Energy, Mineral and Land Resources (DEMLR) in relation to our mine permit application initially submitted in August 2021. 2026. For further discussion of permitting for the our Carolina Lithium Project, see Part I, Item 1. "Business.—Permits," included in our Annual Transition Report on for the six-month period ended December 31, 2021, and our Form 10-KT, 10-Q for the quarter ended March, 31, 2022.

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### Highlights for the Three Six Months Ended March 31, 2022 June 30, 2022

- In March 2022, we raised \$122.1 million in net proceeds through the issuance of 2,012,500 shares of common stock under our \$500 million automatic shelf registration statement primarily for purposes of advancing each of our staged development projects. In addition to general corporate purposes, we intend to use the net proceeds of the offering to fund: projects including:
  - Our pro-rata equity contribution to the restart of North American Lithium;
  - The Ewoyaa Project to complete Completion of a definitive feasibility study and make a final investment decision; decision for the Ghana Project;
  - Front-end engineering design and permitting activities for our LHP-2 project once site selection is finalized; and
  - Land acquisitions, permitting activities, and local approvals for the Carolina Lithium Project.

- In February 2022, we completed a preliminary economic assessment for a proposed merchant lithium hydroxide conversion plant (LHP-2) to expand our planned manufacturing capacity in the U.S. to 60,000 metric tons of lithium hydroxide per year. The results of our preliminary economic assessment demonstrate the potential for us to expand our lithium hydroxide manufacturing business using spodumene concentrate from our existing spodumene concentrate offtake agreements with Atlantic Lithium and Sayona Quebec as well as from market sources.
- In May 2022, our partner, Sayona, published a pre-feasibility study for the restart of spodumene concentrate operations for North American Lithium. We are currently exploring marketing options for spodumene concentrate production contemplated in our offtake agreement with Sayona, which provides Piedmont Lithium the right to purchase the greater of 50% of production or 113,000 metric tons per year from North American Lithium.
- In June 2022, Piedmont Lithium and Sayona Mining formalized restart plans for North American Lithium in Quebec. This will feature significant operational upgrades totaling approximately \$80 million aimed at improving product quality and plant utilization. Long-lead equipment was ordered, and detailed design engineering commenced in late 2021 based on our jointly planned timeline. Operations at North American Lithium are expected to commence in the first half of 2023, subject to remaining permit transfers and approvals. The restart project will be entirely funded from pro-rata cash contributions by Sayona and Piedmont Lithium, with each party having completed significant capital raises in the first half of 2022.
- In June 2022, we applied for a loan for our LHP-2 Project with the Department of Energy under the Advanced Technology Vehicle Manufacturing Program ("ATVM") Program.
- In June 2022, we received a conditional invitation to due diligence for our Carolina Lithium Project from the Department of Energy for our ATVM loan application. The conditional invitation requires, among other things, that our Carolina Lithium Project is rezoned to industrial zoning.

## Change in Fiscal Year End

Effective January 1, 2022, we changed our fiscal year end from June 30 to December 31. The six-month period from July 1, 2021 to December 31, 2021 served as a transition period. Our fiscal year 2022 commenced on January 1, 2022 and will end on December 31, 2022. See our Transition Report on Form 10-KT ("Transition Report") filed with the SEC on February 28, 2022.

## Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our unaudited consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements

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requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes in the significant accounting policies followed by us during the three six months ended March 31, 2022 June 30, 2022 from those disclosed in our Transition Report for the six-month period ended December 31, 2021.

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## COVID-19 Response

To protect the health and safety of our employees, contractors, visitors and communities, we implemented a comprehensive plan in response to the COVID-19 pandemic. Our plan included policies and protocols governing issues such as close contact exposure and contraction of COVID-19 and other communicable diseases, providing employees with additional personal protective equipment, and allowing our employees to work remotely. We have provided paid time off for employees impacted by COVID-19, reimbursed employees for costs associated with COVID-19 testing, provided time for employees to get vaccinated, and encouraged flexible work schedules to accommodate personal and family needs. Our business was not materially impacted by negative impacts from COVID-19. We will continue to monitor guidelines and recommendations from the U.S. Center for Disease Control and Prevention (CDC) and the World Health Organization (WHO) as well as from local, state and federal governments.

## Components of our Results of Operations

### Exploration and Mine Development Costs

We incur costs in resource exploration, evaluation and development during the different phases of our resource development projects. Exploration costs incurred before the declaration of proven and probable ore reserves, which primarily include exploration, drilling, engineering, metallurgical test-work, site-specific reclamation, and compensation for employees associated with exploration activities, are expensed as incurred. We have also expensed as incurred engineering costs attributable to the evaluation of land for our future chemical plant and concentrator, development project management costs, feasibility studies and other project expenses that do not qualify for capitalization. After proven and probable ore reserves are declared, exploration and mine development costs necessary to bring the property to commercial capacity or increase the capacity or useful life will be capitalized.



## General and Administrative Expenses

General and administrative expenses relate to overhead costs, such as employee compensation and benefits for corporate management and office staff including accounting, legal, human resources and other support personnel, professional service fees, insurance, and costs associated with maintaining our corporate headquarters. Included in employee compensation costs are cash and stock-based compensation expenses.

## Other (Expense) Income

Other (expense) income consists of interest income (expense), and foreign currency exchange gain (loss). Interest income consists of interest earned on our cash and cash equivalents. Interest expense consists of interest incurred on long-term debt related to noncash acquisitions of mining interests financed by the seller as well as interest incurred for lease liabilities. Foreign currency exchange gain (loss) relates to our foreign bank accounts and marketable securities denominated in Australian dollars.

## Loss from Equity Investments in Unconsolidated Affiliates, Net of Tax

Loss from equity investments in unconsolidated affiliates, net of tax, reflects our proportionate share of the net loss resulting from our investments in Sayona, Sayona Quebec and Atlantic Lithium. These investments are recorded under the equity method and adjusted each period, on a one-quarter lag, for our share of each investee's loss.

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## Results of Operations

Three Months Ended **March 31, 2022** **June 30, 2022** Compared to Three Months Ended **March 31, 2021** **June 30, 2021**

		Three Months Ended March 31,					Three Months Ended June 30,			
		2022	2021	\$ Change	% Change		2022	2021	\$ Change	% Change
Exploration and mine development costs	Exploration and mine development costs	\$ 167,838	\$ 3,825,009	\$ (3,657,171)	(95.6)%	Exploration and mine development costs	\$ 882,874	\$ 3,477,327	\$ (2,594,453)	(74.6)%
General and administrative expenses	General and administrative expenses	5,578,005	2,685,377	2,892,628	107.7%	General and administrative expenses	7,461,365	4,002,054	3,459,311	86.4%
Loss from operations	Loss from operations	(5,745,843)	(6,510,386)	764,543	(11.7)%	Loss from operations	(8,344,239)	(7,479,381)	(864,858)	11.6%
Other (expense) income	Other (expense) income	(19,286)	(65,652)	46,366	(70.6)%	Other (expense) income	(81,685)	(88,965)	7,280	(8.2)%
Loss from equity investments in unconsolidated affiliates, net of tax	Loss from equity investments in unconsolidated affiliates, net of tax	(3,389,503)	—	(3,389,503)	*	Loss from equity investments in unconsolidated affiliates, net of tax	(1,155,379)	(64,626)	(1,090,753)	*
Net loss	Net loss	\$ (9,154,632)	\$ (6,576,038)	\$ (2,578,594)	39.2%	Net loss	\$ (9,581,303)	\$ (7,632,972)	\$ (1,948,331)	25.5%

\* Not meaningful.

## Exploration and Mine Development Costs

Our Carolina Lithium Project entered the development stage at the end of in December 2021. As such, direct costs incurred during in the three months ended **March 31, 2022** **June 30, 2022** were capitalized and recorded to "Property, plant, and mine development, net" in the consolidated balance sheets, and direct sheets. Direct costs incurred during in the three months ended **March 31, 2021** **June 30, 2021** were recorded to "Exploration and mine development costs" in the consolidated statements of operations.

Exploration and mine development costs decreased **\$3.7 million** **\$2.6 million**, or **95.6%** **74.6%**, to **\$0.2 million** **\$0.9 million** in the three months ended **March 31, 2022** **June 30, 2022** compared to **\$3.8 million** **\$3.5 million** in the three months ended **March 31, 2021** **June 30, 2021**. The decrease was primarily due to the capitalization of direct costs totaling **\$2.9 million** **\$2.3 million** during the three months ended **March 31, 2022** **June 30, 2022**, as discussed above.

Not including Excluding the impact of capitalizing direct costs of **\$2.9 million** **\$2.3 million** in the three months ended **March 31, 2022** **June 30, 2022**, exploration and mine development costs decreased **\$0.8 million** **\$0.3 million**, or **19.9%** **9.2%**, to **\$3.1 million** **\$3.2 million** in the three months ended **March 31, 2022** **June 30, 2022** compared to **\$3.8 million** **\$3.5 million** in the three months ended **March 31, 2021** **June 30, 2021**. The decrease in costs was primarily driven by a decline in drilling activities, partially offset by an increase in engineering, permitting and metallurgical testwork activities and an increase in employee compensation expenses related to additional headcount in the three months ended **March 31, 2022** **June 30, 2022** compared to the three months ended **March 31, 2021** **June 30, 2021**.

## General and Administrative Expenses



General and administrative expenses increased \$2.9 million \$3.5 million, or 107.7% 86.4%, to \$5.6 million \$7.5 million in the three months ended March 31, 2022 June 30, 2022 compared to \$2.7 million \$4.0 million in the three months ended March 31, 2021 June 30, 2021. The increase in general and administrative expenses was primarily due to increased professional fees, including legal and accounting services, consulting services, and insurance expense as we became subject to U.S. public company requirements as part of the Redomiciliation. Compensation Employee compensation costs also contributed to higher general and administrative expenses due to the hiring of additional management and support staff at our headquarters in Belmont, North Carolina. Stock-based compensation expense was \$1.3 million and \$0.3 million in the three months ended June 30, 2022 and June 30, 2021, respectively.

#### Other (Expense) Income

Other expense (expense) income was less than \$0.1 million in the three months ended March 31, 2022 June 30, 2022 and March 31, 2021 June 30, 2021. The slight decrease in other expense was due to an increase in foreign currency exchange income as well as a decrease in interest expense.

#### Loss from Equity Investments in Unconsolidated Affiliates

Loss from equity investments in unconsolidated affiliates, net of tax, was \$3.4 1.2 million in the three months ended March 31, 2022 June 30, 2022 compared to \$0.1 million in the three months ended March 31, 2021 June 30, 2021. The loss reflects our proportionate share of the net loss resulting from our investments in Sayona, Sayona Quebec, and Atlantic Lithium. We Due to the timing of our equity investments in Sayona Quebec and Atlantic Lithium, we did not have income or loss from these equity investments in the three months ended June 30, 2021.

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#### Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

	Six Months Ended June 30,		\$ Change	% Change
	2022	2021		
Exploration and mine development costs	\$ 1,050,712	\$ 7,302,336	\$ (6,251,624)	(85.6)%
General and administrative expenses	13,039,370	6,687,431	6,351,939	95.0 %
Loss from operations	(14,090,082)	(13,989,767)	(100,315)	0.7 %
Other (expense) income	(100,971)	(154,617)	53,646	(34.7)%
Loss from equity investments in unconsolidated affiliates, net of tax	(4,544,882)	(64,626)	(4,480,256)	*
Net loss	\$ (18,735,935)	\$ (14,209,010)	\$ (4,526,925)	31.9 %

\* Not meaningful.

#### Exploration and Mine Development Costs

For purposes discussed above, direct exploration and mine development costs incurred in the six months ended June 30, 2022 were capitalized and recorded to "Property, plant, and mine development, net" in the consolidated balance sheets. Direct costs incurred in the six months ended June 30, 2021 were recorded as expense to "Exploration and mine development costs" in the consolidated statements of operations.

Exploration and mine development costs decreased \$6.3 million, or 85.6%, to \$1.1 million in the six months ended June 30, 2022 compared to \$7.3 million in the six months ended June 30, 2021. The decrease was primarily due to the capitalization of direct costs totaling \$5.2 million in the six months ended June 30, 2022.

Excluding the impact of capitalizing direct costs of \$5.2 million in the six months ended June 30, 2022, costs decreased \$1.1 million, or 14.8%, to \$6.2 million in the six months ended June 30, 2022 compared to \$7.3 million in the six months ended June 30, 2021. The decrease in costs was primarily driven by a decline in drilling activities, partially offset by an increase in engineering, permitting and metallurgical testwork activities and an increase in employee compensation expenses related to additional headcount in the six months ended June 30, 2022 compared to the six months ended June 30, 2021.

#### General and Administrative Expenses

General and administrative expenses increased \$6.4 million, or 95.0%, to \$13.0 million in the six months ended June 30, 2022 compared to \$6.7 million in the six months ended June 30, 2021. The increase in general and administrative expenses was primarily due to increased professional fees, including legal and accounting services, consulting services, and insurance expense as we became subject to U.S. public company requirements as part of the Redomiciliation. Employee compensation costs also contributed to higher general and administrative expenses due to the hiring of additional management and support staff at our headquarters in Belmont, North Carolina. Stock-based compensation expense was \$1.4 million and \$0.6 million in the six months ended June 30, 2022 and June 30, 2021, respectively.

#### Other (Expense) Income

Other (expense) income decreased \$0.1 million, or 34.7% from \$0.1 million in the six months ended June 30, 2022 compared to \$0.2 million in the six months ended June 30, 2021. The decrease in other expense was due to an increase in foreign currency exchange income as well as a decrease in interest expense.

## Loss from Equity Investments in Unconsolidated Affiliates

Loss from equity investments in unconsolidated affiliates, net of tax, was \$4.5 million in the six months ended June 30, 2022 compared to \$0.1 million in the six months ended June 30, 2021. The loss reflects our proportionate share of the net loss resulting from our investments in Sayona, Sayona Quebec, and Atlantic Lithium. For purposes discussed above, we did not have income or loss from equity investments in unconsolidated affiliates Sayona Quebec or Atlantic Lithium in the three six months ended March 31, 2021 June 30, 2021.

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## Liquidity and Capital Resources

### Overview

As of March 31, 2022 June 30, 2022, we had cash and cash equivalents of \$165.9 million \$139.0 million compared to \$64.2 million as of December 31, 2021. As of March 31, 2022 June 30, 2022, our cash balances held in the U.S. totaled \$164.3 million \$137.5 million, or 99.0% 98.9%, and the remaining \$1.6 million, or 1.0% 1.1%, of our cash balances were held in Australia. We have determined that any earnings in Australia would be indefinitely reinvested. Our cash balances in Australia can be repatriated to the U.S. with inconsequential tax consequences.

Our predominant source of cash has been generated through equity financing from issuances of our common stock. We have also Prior to 2022, we had entered into noncash seller financed debt agreements to acquire land for our Carolina Lithium Project, Lithium. Since our inception, we have not generated revenues, and as such, have principally relied on equity financing to fund our operating and investing activities and to fund our debt payments.

Our primary uses of cash during the three six months ended March 31, 2022 June 30, 2022 consisted of: (i) strategic equity investments in Sayona Quebec mainly for the operational restart of \$2.0 million North American Lithium totaling \$9.0 million; (ii) purchases of real property and associated mining interests of \$8.3 million and exploration and development expenditures of \$3.2 million for our Carolina Lithium Project of \$5.2 million; Lithium; (iii) advances toward the Ewoyaa Project to Atlantic Lithium for exploration and evaluation activities related to phase one of \$3.6 million the Ghana Project totaling \$7.1 million; and (iv) working capital.

As of March 31, 2022 June 30, 2022, we had working capital of \$161.5 million \$137.4 million.

As of March 31, 2022 June 30, 2022, we had long-term debt of \$0.7 million \$0.3 million, net of the current portion of \$0.7 million \$0.5 million, related to seller financed debt, as discussed above.

In March 2022, we issued 2,012,500 shares of our common stock at \$65.00 per share for \$130.8 million. We received cash proceeds of \$122.1 million, which is net of \$8.7 million in gross proceeds under our \$500 million automatic shelf registration with a stock issue price of \$65.00. Share share issuance costs associated with the U.S. public offering totaled \$8.8 million and were accounted for as a reduction in the proceeds from share issuances in the consolidated balance sheets for a total of \$122.1 million in net proceeds.

under our shelf registration statement. As of March 31, 2022 June 30, 2022, we had \$369.2 million remaining under our \$500 million automatic shelf registration statement, which expires on September 24, 2024. Our automatic shelf registration provides us with capacity to publicly offer common stock, preferred stock, warrants, debt, convertible or exchangeable securities, depositary shares, units, or any combination thereof. We may from time to time raise capital under our automatic shelf registration in amounts, at prices, and on terms to be announced when and if any securities are offered.

### Outlook

We expect our current cash balances which include net proceeds from our equity raise in March 2022, to fund our planned cash expenditures in 2022 primarily related to: (i) working capital requirements; funding for the Quebec Projects in Canada; (ii) certain ongoing funding for phase one of the Ghana Project; (iii) land acquisition costs, engineering, permitting and construction activities associated with our LHP-2 Project; (iv) costs associated with our Carolina Lithium Project including, but not limited to, land and associated mineral rights acquisitions and continued exploration, testing, permitting, engineering and permitting activities as well as additional land acquisitions; (iii) potential land acquisition costs, engineering, and permitting activities associated with our LHP-2 Project; (iv) funding for the Abitibi Hub Projects in Canada; testing activities; and (v) funding for phase one of the Ewoyaa Project; working capital requirements. Our funding for the Abitibi Hub Quebec Projects includes primarily relates to the restart of North American Lithium, which we expect will commence begin production of spodumene concentrate in the first half of 2023. 2023, subject to remaining permit transfers and approvals.

As of March 31, 2022 June 30, 2022, we had entered into land acquisition contracts in North Carolina included in mining interests, totaling \$39.6 million \$45.3 million, of which we expect to close and fund \$9.4 million \$10.2 million throughout the remainder of 2022, \$16.8 million \$18.5 million in 2023, \$15.1 million in 2024, and \$13.4 million \$1.5 million in 2024 2025. These amounts do not include closing costs such as attorney's fees, taxes and commissions. We are not obligated to exercise our land option agreements, and we are able to cancel our land acquisition contracts, at our option and with de minimis cancellation costs, during the contract due diligence period. Certain land option agreements and land acquisition contracts become binding upon commencement of construction for the Carolina Lithium Project, Lithium.

Our 2022 plan does not include additional cash from equity or debt financing, cash from generating revenue, or cash distributions from our lithium projects in Canada and Ghana.

We believe our current cash balances are sufficient to fund our cash requirements for at least the next 12 months. In the event costs were to exceed our 2022 plan, planned expenditures, we will reduce or eliminate current and/or planned discretionary spending. If further reductions are required, we will reduce certain non-discretionary expenditures.

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We will require equity or debt financing to fund planned construction costs for our projects. We expect In December 2021, we completed a feasibility study for Carolina Lithium, which estimated capital costs for the Carolina Lithium Project to be of approximately \$988 million, as noted in our bankable feasibility study, for the construction of a mine,

concentrator and lithium hydroxide conversion plant in North Carolina. We expect In March 2022, we completed a preliminary economic assessment, which estimated capital costs of approximately \$572 million for a second lithium hydroxide conversion plant (LHP-2) to be constructed in the United States to be approximately \$572 million, as noted in our preliminary economic assessment. southeastern U.S. We also expect to fund significant cash expenditures for construction costs for a mine and concentrator plant in Ghana with our partner Atlantic Lithium. As we approach construction decisions for our lithium projects, we will evaluate various project financing options, including possible strategic partnering opportunities. In December 2021, we

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We submitted a loan application applications to the Advanced Technology Vehicles Manufacturing Loan Program ("ATVM") of the Loan Programs Office of the U.S. Department of Energy for potential funding of program eligible capital costs including but not limited to, a for two of our proposed lithium projects. In December 2021, we submitted our ATVM loan application for concentrator and lithium hydroxide conversion facilities associated with for Carolina Lithium. In June 2022, we submitted our ATVM loan application for a lithium hydroxide conversion plant (LHP-2), which we expect to be located in the Carolina Lithium Project. southeastern part of the United States. We cannot be certain that our loan application applications will be approved or will have terms acceptable to us.

Historically, we have been successful raising cash through equity financing and obtaining mining interests through seller financed debt; financing; however, no assurances can be given that additional financing will be available in amounts sufficient to meet our needs or on terms that are acceptable to us. If we issue additional shares of our common stock, it would result in dilution to our existing shareholders. There are many factors that could significantly impact our ability to raise funds through equity and debt financing as well as influence the timing of future cash flows. These factors include, but are not limited to, permitting and approvals for our projects, our ability to access capital markets, stock price volatility, commodity price volatility, uncertain economic conditions, and access to labor. See Part I, Item 1A "Risk Factors." in our Transition Report for the six-month period ended December 31, 2021.

## Cash Flows

The following table is a condensed schedule of cash flows provided as part of the discussion of liquidity and capital resources:

		Three Months Ended March 31,		Six Months Ended June 30,	
		2022	2021	2022	2021
Net cash used in operating activities	Net cash used in operating activities	\$ (8,849,009)	\$ (3,216,973)	\$ (17,853,851)	\$ (12,723,445)
Net cash used in investing activities	Net cash used in investing activities	(11,297,724)	(14,406,882)	(28,688,172)	(29,495,236)
Net cash provided by financing activities	Net cash provided by financing activities	121,812,242	113,935,370	121,330,736	113,933,335
Net increase in cash and cash equivalents	Net increase in cash and cash equivalents	\$ 101,665,509	\$ 96,311,515	\$ 74,788,713	\$ 71,714,654

## Cash Flows from Operating Activities

Operating activities used \$8.8 million \$17.9 million and \$3.2 million during \$12.7 million in the three six months ended March 31, 2022 June 30, 2022 and 2021, respectively, resulting in an increase in cash used in operating activities of \$5.6 million \$5.1 million. The increase in cash used in operating activities was primarily due to changes in working capital totaling \$5.9 million \$5.5 million, partially offset by a decrease in net loss adjusted for noncash items of \$0.2 million \$0.4 million, in the three six months ended March 31, 2022 June 30, 2022 compared to the three six months ended March 31, 2021 June 30, 2021.

## Cash Flows from Investing Activities

Investing activities used \$11.3 million \$28.7 million and \$14.4 million during \$29.5 million in the three six months ended March 31, 2022 June 30, 2022 and 2021, respectively, resulting in a decrease in cash used in investing activities of \$3.1 million \$0.8 million. The decrease in cash used in investing activities was mainly due to a decrease in purchases of equity investments in Sayona, Sayona Quebec and Atlantic Lithium totaling \$7.3 million \$6.3 million, partially offset by increases in cash advances to the Ewoyaa Project for exploration and evaluation activities of \$3.6 million and an increase a decrease in capital expenditures mainly related to cash purchases of land and associated mining interests for our Carolina Lithium totaling \$1.6 million. These decreases were partially offset by increases in cash advances to Atlantic Lithium for exploration and evaluation activities for phase one of the Ghana Project of \$0.5 million, totaling \$7.1 million and in the three six months ended March 31, 2022 June 30, 2022 compared to the three six months ended March 31, 2021 June 30, 2021.

## Cash Flows from Financing Activities

Financing activities provided \$121.8 million \$121.3 million and \$113.9 million during in the three six months ended March 31, 2022 June 30, 2022 and 2021, respectively, resulting in an increase in cash from financing activities of \$7.9 million \$7.4 million. The increase in cash from financing activities was mainly due to a \$7.9 million \$7.8 million increase in issuance net cash proceeds from issuances of capital our common stock under our automatic shelf registration and cash exercises of stock options in the three six months ended March 31, 2022 June 30, 2022 compared to March 31, 2021 June 30, 2021. In addition, there The cash proceeds were \$0.2 million offset by an increase in debt payments in the three months ended March 31, 2022, compared to \$0.2 million in debt payments in the three months ended March 31, 2021 totaling \$0.5 million.

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### Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Our market risks have not changed significantly from those disclosed in our Transition Report for the six month six-month period ended December 31, 2021.

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### Item 4. Controls and Procedures.

Our management, under supervision and with the participation of our Chief Executive Officer (our Principal Executive Officer) and Chief Financial Officer (our Principal Financial Officer and Principal Accounting Officer), evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of March 31, 2022 June 30, 2022. Based on the evaluation of our disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of March 31, 2022 June 30, 2022. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

#### Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting identified in the evaluation for the quarter ended March 31, 2022 June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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## PART II - OTHER INFORMATION

### Item 1. LEGAL PROCEEDINGS.

Information regarding legal proceedings is contained in Note 11 of the consolidated financial statements contained in this report and is incorporated herein by reference.

### Item 1A. RISK FACTORS.

Other than the items listed below, there have been no material changes in our risk factors from those disclosed in Part I, Item 1A, "Risk Factors," in our Transition Report for the six-month period ended December 31, 2021.

#### *Our business is subject to cybersecurity risks.*

Our operations depend on effective and secure information technology systems. Threats to information technology systems, including as a result of cyberattacks and cyber incidents, continue to grow. Cybersecurity risks could include, but are not limited to, malicious software, attempts to gain unauthorized access to our data and the unauthorized release, corruption or loss of our data and personal information, and interruptions in communication.

It is possible that our business, financial and other systems could be compromised, which could go unnoticed for a prolonged period of time. While we have not experienced a material breach of our information technologies and we attempt to mitigate these risks by employing a number of measures, including employee training, technical security controls and maintenance of backup and protective systems, our networks, products and services remain vulnerable to known or unknown cybersecurity attacks and other threats, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

#### *We do not control certain aspects of our equity method investments.*

We apply the equity method to investments when we have the ability to exercise significant influence over the operational decision-making authority and financial policies of the investee, but we do not exercise control. Our equity method investees' are governed by their own board of directors, whose members have fiduciary duties to the investees' shareholders. While we have certain rights to appoint representatives to the board of directors, the interests of the investees' shareholders may not align with our interests or the interests of our shareholders.

In addition, we are generally dependent on the management team of our equity method investments to operate and control such projects or businesses. While we may exert influence pursuant to having positions on the boards of such investments and through certain limited governance or oversight roles, we do not always have this type of influence and the scope and impact of such influence may be limited. The management teams of our equity method investments may not have the level of experience, technical expertise, human resources, management and other attributes necessary to operate these projects or businesses optimally, and they may not share our business priorities, which could have a material adverse effect on the value of such investments as well as our growth, business, financial condition, results of operations and prospects.

### Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

### Item 3. DEFAULTS UPON SENIOR SECURITIES.

None.

**Item 4. MINE SAFETY DISCLOSURES.**

Not applicable because we do not currently operate any mines subject to the U.S. Federal Mine Safety and Health Act of 1977.

**Item 5. OTHER INFORMATION.**

None.

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**Item 6. EXHIBITS.****Exhibit Index**

Exhibit Number	Description
<a href="#">3.1</a>	Amended and Restated Certificate of Incorporation of Piedmont Lithium Inc. (filed with the SEC as Exhibit 3.1 to the Company's Current Report on Form 8-K12B filed on May 18, 2021)
<a href="#">3.2</a>	Amended and Restated Bylaws of Piedmont Lithium Inc. (filed with the SEC as Exhibit 3.2 to the Company's Current Report on Form 8-K12B filed on May 18, 2021)
<a href="#">4.1</a>	Description of Securities (filed with the SEC as Exhibit 4.1 the Company's Annual Report on Form 10-K filed on September 24, 2021)
<a href="#">10.1+</a>	Piedmont Lithium Inc. 2021 Stock Incentive Plan (filed with the SEC as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 18, 2021)
<a href="#">31.1*</a>	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
<a href="#">31.2*</a>	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
<a href="#">32.1*</a>	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
<a href="#">32.2*</a>	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document - - embedded within the Inline XBRL document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover page Interactive Data file (formatted as Inline XBRL and contained in Exhibit 101).

\* Filed herewith.

+ Indicates management contract or compensatory plan.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Piedmont Lithium Inc.  
(Registrant)

Date: **May 6, 2022** **August 3, 2022**

By: /s/ Michael White

Michael White  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

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**Exhibit 31.1**

I, Keith D. Phillips, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the **three months** quarter ended **March 31, 2022** **June 30, 2022** of Piedmont Lithium Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: **May 6, August 3, 2022**

By: /s/ Keith D. Phillips

Name: Keith D. Phillips

Title: President and Chief Executive Officer  
(Principal Executive Officer)

**Exhibit 31.2**

I, Michael White, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the **three months** quarter ended **March 31, 2022** **June 30, 2022** of Piedmont Lithium Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 6, August 3, 2022

By: /s/ Michael White

Name: Michael White

Title: Executive Vice President and Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES OXLEY ACT OF 2002**

In connection with the Quarterly Report of Piedmont Lithium Inc. (the "Company") on Form 10-Q for the three months quarter ended March 31, 2022 June 30, 2022 (the "Report") as filed with the Securities and Exchange Commission on the date hereof, I, Keith D. Phillips, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- 1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, as amended; and
- 2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, August 3, 2022

By: /s/ Keith D. Phillips

Name: Keith D. Phillips

Title: President and Chief Executive Officer  
(Principal Executive Officer)

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES OXLEY ACT OF 2002**

In connection with the Quarterly Report of Piedmont Lithium Inc. (the "Company") on Form 10-Q for the three months quarter ended March 31, 2022 June 30, 2022 (the "Report") as filed with the Securities and Exchange Commission on the date hereof, I, Michael White, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- 1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, August 3, 2022

By: /s/ Michael White

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Name: Michael White

Title: Executive Vice President and Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)



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