

July 18, 2018



Scoping Study Delivers Outstanding Results

NEW YORK, July 18, 2018 (GLOBE NEWSWIRE) -- **Piedmont Lithium Limited** ("**Piedmont**" or "**Company**") (ASX:PLL) (NASDAQ:PLLL) is pleased to report the results of the Company's Scoping Study for its vertically-integrated Piedmont Lithium Project ("Project") located within the Carolina Tin-Spodumene Belt in North Carolina, USA ("TSB"). The Project includes a lithium hydroxide chemical plant ("Chemical Plant") supplied with spodumene concentrate from an open pit mine and concentrator ("Mine/Concentrator").

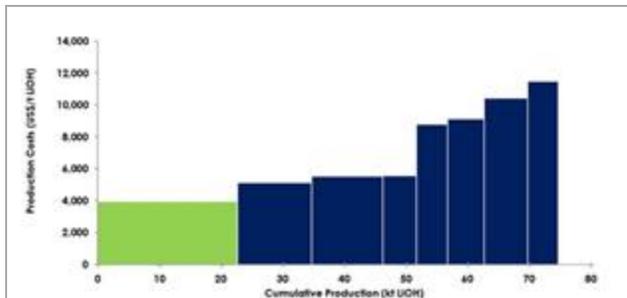


Figure 1 – Lithium hydroxide 2018 cost curve (Source – Roskill)

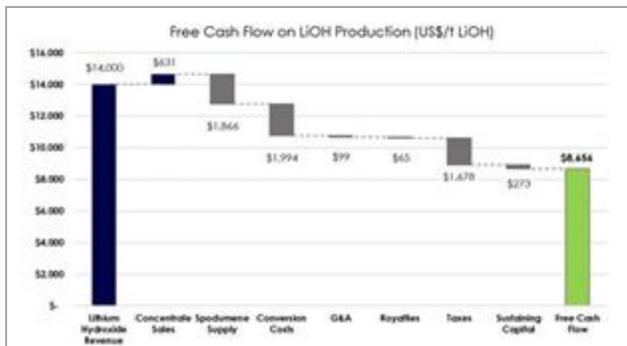


Figure 2 - After tax free cash flow on lithium hydroxide sales during life-of-mine operations

The Project has compelling projected economics due to low initial capital, early spodumene

concentrate sales, attractive capital and operating costs, short transportation distances, minimal royalties and low corporate income taxes. The Project meets an important strategic need for domestic US lithium production and will confer substantial economic benefits on the local region.

EXECUTIVE SUMMARY

Piedmont is pleased to report the results of the Scoping Study for its vertically integrated lithium hydroxide chemical project located in the Carolina Tin-Spodumene Belt in North Carolina, USA. The Scoping Study includes a 22,700 tonne per year Chemical Plant supported by a Mine/Concentrator producing 170,000 tonnes per year of 6% Li₂O low-iron spodumene concentrate.

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/9609f3b0-a695-4403-85bd-1cf8e3ab24e7>

- Integrated project to produce 22,700 tonnes per year of lithium hydroxide
- Initial 13-year mine life with 2 years of concentrate sales and 11 years of integrated operation
- Staged development to minimise up-front capital requirements and equity dilution
 - Stage 1 initial capex of US\$91mm for the Mine/Concentrator (excluding contingency)
 - Stage 2 capex for Chemical Plant funded largely by internal cash flow
- Estimated 1st quartile lithium hydroxide operating costs of US\$3,960/t
- Conventional technology selection in all project aspects
- Steady state EBITDA of US\$220mm annually with steady-state after-tax cash flow of US\$170-180mm
- Estimated after-tax IRR of 56% and NPV8% of US\$777mm, with ~2-year payback
- Upside opportunities include project life extension and by-product monetisation

The Scoping Study contemplates a staged development approach to minimise start-up risk and up-front capital requirements, with revenue from open-market spodumene concentrate sales in the Project's initial years helping defray capital requirements for the Chemical Plant.

The Scoping Study demonstrates the compelling economics of the prospective integrated Project, highlighted by low operating costs, high after-tax margins and strong free cash flow.

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/b6ae2f60-3df5-4a34-9cff-dcf36e7a3ea0>

First-Quartile Operating Costs

The integrated Piedmont project is projected to have an average life of project cash operating cost of approximately US\$3,960 per tonne, positioning Piedmont as the industry's lowest-cost producer as reflected in the 2018 lithium hydroxide cost curve provided by Roskill in Figure 1.

A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/58ef51fd-b275-448f-8473-e2371c46c912>

Attractive After-Tax Margins and Free Cash Flow

Low operating costs, low royalties, and low corporate tax rates potentially allow Piedmont to achieve after-tax margins approaching **US\$8,900 per tonne**, or approximately **64%**. The Project generates an estimated **US\$8,650 per tonne of free cash flow** during life-of-mine operations after construction of the Chemical Plant.

A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/0b4cb6fd-7c83-4b56-8c1c-5ed33f98b2ff>

Staged Development Approach Minimises Equity Dilution

The Scoping Study contemplates a staged development approach to minimise start-up risk and up-front capital requirements, with revenue from open-market sales of spodumene concentrate in the Project's initial years helping defray capital requirements for the Chemical Plant. After-tax free cash flow of approximately US\$128 million is expected to be generated prior to the construction of the Chemical Plant, and an additional US\$108 million of operating cash flow from concentrate sales is expected to be generated during the Chemical Plant's ramp-up.

The establishment of positive cash flow from spodumene concentrate sales will position Piedmont to attract financing on terms not available to greenfield developments, including access to the US corporate bond market. This is expected to lead to lower costs of capital when financing the Chemical Plant, and to allow Piedmont to minimise equity dilution to the Company's shareholders.

Conclusions and Next Steps

The Scoping Study demonstrates the integrated Project's strong commercial potential, centred on very low operating and capital costs, and the staged development puts Piedmont in a strong position to engage in discussions around future financing of the Project, including with prospective strategic and off-take partners.

Piedmont will now move forward with a Pre-Feasibility Study (**PFS**) targeted for completion early in 2019. The Company will undertake the following work in developing the PFS:

- A previously announced By-product Study to examine the potential to enhance Project economics through the recovery and monetisation of by-product quartz, feldspar and mica
- Additional drilling on the Core property to potentially extend mine and project life by converting the previously announced current Exploration Target into a Mineral Resource
- Metallurgical studies including the evaluation of the potential for a Dense Medium Separation ("**DMS**") before the flotation circuit to further enhance operating costs in the Concentrator
- Continued expansion of the Company's land position in the TSB with a focus on areas

of high mineral prospectivity

Keith D. Phillips, President and Chief Executive Officer, said, *"We are very pleased with the results of the Scoping Study. The economic benefit of developing an integrated lithium chemical business in North Carolina, USA is now clear, driven by the exceptional infrastructure and human resource advantages of our location, as well as the competitive royalty and tax regime offered in the United States. We look forward to an exciting period ahead as we work to enhance the Project even further through continued growth in our resource base and project life, and the evaluation of potential by-product credits"*.

[Click here to view the full ASX announcement](#)

For further information, contact:

Keith D. Phillips

President & CEO

+1 973 809 0505

kphillips@piedmontlithium.com

Anastasios (Taso) Arima

Executive Director

+1 347 899 1522

tarima@piedmontlithium.com

About Piedmont Lithium

Piedmont Lithium Limited (ASX:PLL) (OTC-Nasdaq Intl:PLLLY) holds a 100% interest in the Piedmont Lithium Project ("Project") located within the world-class Carolina Tin-Spodumene Belt ("TSB") and along trend to the Hallman Beam and Kings Mountain mines, historically providing most of the western world's lithium between the 1950s and the 1990s. The TSB has been described as one of the largest lithium provinces in the world and is located approximately 25 miles west of Charlotte, North Carolina. It is a premier location to be developing and integrated lithium business based on its favourable geology, proven metallurgy and easy access to infrastructure, power, R&D centres for lithium and battery storage, major high-tech population centres and downstream lithium processing facilities.

The Project was originally explored by Lithium Corporation of America which eventually was acquired by FMC Corporation ("FMC"). FMC and Albemarle Corporation ("Albemarle") both historically mined the lithium bearing spodumene pegmatites within the TSB and developed and continue to operate the two world-class lithium processing facilities in the region which were the first modern spodumene processing facilities in the western world. The Company is in a unique position to leverage its position as a first mover in restarting exploration in this historic lithium producing region with the aim of developing a strategic, U.S. domestic source of lithium to supply the increasing electric vehicle and battery storage markets.

Piedmont, through its 100% owned U.S. subsidiary, Piedmont Lithium Inc., has entered into exclusive option agreements and land acquisition agreements with local landowners, which upon exercise, allow the Company to purchase (or in some cases long-term lease) approximately 1,199 acres of surface property and the associated mineral rights.

Source: Piedmont Lithium Limited