

Piedmont Lithium Ltd

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Piedmont Lithium drilling to upgrade resource and extend life for US lithium project

- Drilling underway to upgrade resource base and extend project life
- Permit applications with US Army Corps of Engineers and North Carolina Division of Water Resources
- Continued land-buys to increase project size
- A potential source of locally-sourced US lithium

What does Piedmont Lithium do?

Piedmont Lithium Ltd (ASX:PLL) specialises in exploration and development on the world-class Carolina Tin-Spodumene Belt in the United States. It is run by Keith D Phillips, a 30-year mainstay on Wall Street who worked on more than US\$100 billion of transactions and boasts experience leading mining investment teams at Merrill Lynch (NYSE:MER-K) and JPMorgan (NYSE:JPM) (LON:JESC) (NYSEARCA:AMJ) (LON:JII) on his CV.

What does Piedmont Lithium own?

The key asset is the wholly-owned Piedmont Lithium Project which lies in North Carolina on a lithium belt home to two historical lithium mines run from the 1950s to the 1990s.

This lithium exploration belt has easy access to power and infrastructure, including two processing plants opened during the region's lithium heyday.

These plants continue to supply product to US customers and are just 20 kilometres from the Piedmont project.

The company, established three years ago by investment company Apollo Group, hopes to fast track development of the project and become a domestic supplier to local markets in a Tier 1 jurisdiction valuing energy security for battery metals.

Piedmont Lithium hopes to capitalise on an expected global shortfall of lithium as demand heats up and aims to progress plans to produce lithium hydroxide, which attracts higher prices.

The company updated a scoping study for its namesake project in September last year, increasing the value of the project by 14% to an after-tax US\$777 million (A\$1.1 billion) using a net present value (NPV8) calculated at an 8% discount.

The corresponding internal rate of return was an after-tax 56%, with lithium hydroxide cash costs of US\$3,960 a tonne for a two-year payback.

Battery-grade lithium hydroxide monohydrate grading at least 56.5% was 100,000-110,000 yuan (US\$14,826-16,308) a tonne in late December.

Piedmont Lithium's scoping study came after a high-grade mineral resource was identified last June.

Price: A\$0.102

Market Cap: A\$57.02M

1 Year Share Price Graph



February 2018 August 2018 February 2019

Share Information

Code: PLL

Listing: ASX

52 week High Low
A\$0.21 A\$0.09

Sector: Mining

Website: www.piedmontlithium.com

Company Synopsis:

Piedmont Lithium is an emerging lithium company focused on the development of its 100%-owned Piedmont Lithium Project in North Carolina, with the goal of becoming a strategic domestic supplier of lithium to the increasing electric vehicle and battery storage markets in the U. S.

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Resources factored into the study were 16.2 million tonnes at 1.12% lithium.

Steady-state spodumene concentrate production was forecast at 170,000 tonnes a year grading 6% lithium for a steady-state 22,700 tonnes a year of lithium hydroxide over a 13-year project life.

Piedmont Lithium has restarted drilling the project, undertaking a 25,000-metre phase IV program aimed at increasing resource and expanding project life.

The company has been consolidating its landholdings at the project, increasing its ground by 15% in the December quarter to 1,383 acres.

Drill targets from the new properties are a part of the drilling program underway.

Piedmont Lithium raised \$12.2 million (US\$8.7 million) from a placement which had its last tranche, of \$400,000, come in this month.

This placement will fund infill drilling to expand and upgrade its project resource base, permit applications, pilot-scale metallurgy, extra engineering studies and more land consolidation.

Piedmont Lithium plans to spend US\$4 million in the March quarter, earmarking US\$2.9 million for exploration and evaluation.

The company hopes to later produce a feasibility study for the project.

Inflection points

Upgrade to resource base to extend forecast mine life

Key regulatory approvals, including already-submitted permit applications

US Government decision-making on the importance of locally-sourced lithium for the nation's national security

Metallurgical test work results and lithium concentrate qualities and consistencies

Feasibility study delivery schedules and funding

Access to infrastructure, including local plant capacity

President & CEO Keith D Phillips confident of the value of project

"We are very pleased with the results of the updated scoping study, which incorporates the substantial economic benefits of recovering and selling the by-products quartz, feldspar and mica that is inherent in our ore body," Piedmont president & CEO Keith D Phillips said.

"The economic benefit of developing an integrated lithium chemical business in North Carolina, USA, is 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."

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