

Elevra Lithium

A new chapter

Created through a merger of equals between Sayona Mining and Piedmont Lithium, Elevra Lithium (ELV) provides unparalleled exposure to the North American hard rock lithium market. The largest regional pure play spodumene producer, Elevra has a strong pipeline of advanced development projects, offering flexible growth, and is well positioned to benefit from the growing localisation of the lithium supply chain in the US. Trading at a large discount to peers on sales multiples, we see the potential for a meaningful value uplift once the company achieves profitability.

Year end	Revenue (AUDm)	PBT (AUDm)	EPS (AUD)	DPS (AUD)	EV/sales (x)	P/E (x)	Yield (%)
6/24	200.9	(115.4)	(1.01)	0.00	1.7	N/A	N/A
6/25	223.4	(384.7)	(2.73)	0.00	1.5	N/A	N/A

Note: PBT and EPS as reported.

North American hard rock lithium champion

Elevra focuses on developing hard rock lithium assets in Canada and the US. With 286Mt (8.1Mt lithium carbonate equivalent, LCE) in combined mineral resources, it has the region's largest resource base, and the biggest proposed combined capacity of c 895ktpa of spodumene concentrate (SC6 basis). Its flagship North American Lithium (NAL) operation in Quebec produces c 200ktpa of concentrate and is slated for a low-risk expansion to 315ktpa at a relatively low capital intensity and within the accelerated time frame. Elevra's other advanced pre-development stage projects, such as the high-grade and large-scale Moblan deposit in Quebec, provide additional growth optionality. The company is well capitalised with c A\$225m (US\$150m) in pro forma cash post-merger and has ample balance sheet capacity to borrow in order to fund the expansion.

BESS growth shifts focus to the US market

While recent electric vehicle (EV) sales growth has been uneven and largely China-led, the market for battery energy storage solutions (BESS) has become the fastest growing source of battery demand globally, expanding 52% in 2024 and 54% in H125. With a c 25% share of global capacity, US BESS installations are expected to triple by 2027, driven by the grid and data centres. While tariffs and recent policy changes increase market uncertainty, they also present an opportunity to further localise the US lithium supply chain, which is dominated by South America and China. This bodes well for Elevra, with its strong upstream asset base in Canada and direct downstream exposure in the US.

Profitability at NAL to unlock value

The recently published scoping study valued NAL at C\$1,284m (US\$963m) under the expansion scenario and at C\$805m (US\$604m) at current capacity. This valuation alone implies a significant upside, without considering Elevra's other advanced pre-development assets. On a relative basis, the stock trades at a significant discount to producing peers on EV/sales, highlighting potential upside from achieving profitability at NAL. With consensus expectations pointing to a recovery in concentrate prices in 2027/28 and given the improving cost profile at NAL, Elevra represents an attractive investment opportunity on a medium-term view.

Corporate update

Metals and mining

22 September 2025

Price	AUD3.330
Market cap	AUD561m
	USD/AUD 1.52
Net cash/(debt) on a pro forma basis, at Q425, plus RCF raise	AUD225.0m
Shares in issue	168.5m
Code	SYA
Primary exchange	ASX
Secondary exchange	NASDAQ

Share price performance



	%	1m	3m	12m
Abs	(32.1)	11.8	(29.6)	
52-week high/low		AUD0.0	AUD0.0	

Business description

Elevra Lithium is a North American hard rock lithium developer and producer. Its flagship project is North American Lithium in Canada, currently producing c 200kt of spodumene concentrate. Other projects include Moblan (60%) in Canada, Carolina in the US and a 22.5% direct interest in Ewoyaa in Ghana.

Next events

Q126 quarterly report October 2025

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Building a North American hard rock lithium champion

Elevra was formed through a merger of equals between Sayona Mining and Piedmont Lithium, completed on 3 September. Based on the terms of the transaction, Piedmont shareholders received 527 shares of Sayona for one share of Piedmont in the form of American depositary shares (ADS) traded on the Nasdaq under the ticker ELVR. The ASX-listed shares of the combined company will trade under the ELV ticker. Post completion, Elevra undertook a share consolidation with a 150:1 ratio, reducing the number of shares to c 169m. As part of the transaction, both companies undertook equity placements of c A\$40m each, followed by an equity raise with Resource Capital Funds (RCF), a well-known mining private equity investor, with the latter bringing in an additional c A\$69m in gross proceeds at the equivalent of A\$4.8/share (post consolidation). As a result, we estimate that on a pro forma basis Elevra has c A\$225m (US\$150m) in gross cash (at June 2025, plus post-period RCF placing), positioning it well for future growth.

The merger had a clear rationale. It allowed the companies to streamline their asset ownership structure, remove unfavourable contractual obligations at NAL and further strengthened Sayona's North American exposure by adding the advanced Carolina lithium project in the US to the portfolio. Elevra is now in a strong position to grow its flagship NAL project, further cementing its dominant regional position.

Exhibit 2: Summary of the merger between Sayona and Piedmont

Sayona shares, m	11,543
Sayona shares to Piedmont, m	11,566
Sayona shares to RCF, m	2,156
Total shares, m	25,265
Consolidation ratio, x	150:1
Elevra shares post consolidation, m	168.5
ASX share price post consolidation, A\$	3.33
Elevra market cap, A\$m	561.0

Source: Company Information, LSEG Data & Analytics

Elevra's predominant focus is on developing hard-rock lithium assets in North America. It has four key projects: the producing NAL operation in Canada; the advanced pre-development stage Moblan lithium deposit in Canada; the advanced pre-development Carolina lithium project in the US; and a 22.5% direct interest in the advanced Ewoyaa hard-rock lithium project in Ghana (c 26% including investment in Atlantic Lithium).

NAL is the only pure-play hard-rock lithium producer in North America, offering near-term expansion potential at a relatively low capital intensity and relatively low risk. Moblan (60%) is a large-scale, high-grade greenfield lithium development, located near key infrastructure, providing significant longer-term growth optionality for the company. In the US, the Carolina project is seen as an integrated operation and key downstream hub, producing spodumene concentrate with the potential for downstream expansion into higher value added hydroxide. It is one of the most advanced lithium projects in the US. Finally, the Ewoyaa project allows for geographic diversification and represents a relatively low-cost growth option should the company decide to continue with its investment. Equally, however, it could be an attractive monetisation opportunity in light of Elevra's strategic focus on the North American market.

Exhibit 3: Elevra's core assets summary

	Location	Ownership, %	Status	Product	Summary
North American Lithium (NAL)	Quebec, Canada	100	Producing	Spodumene concentrate	Flagship project, producing spodumene concentrate
Moblan	Quebec, Canada	60	Advanced exploration	Spodumene concentrate	High-grade, standalone lithium concentrate project
Carolina Lithium	North Carolina, US	100	Pre-development	Hydroxide, concentrate	Large-scale, integrated project designed to produce hydroxide product from internally and externally sourced concentrate
Ewoyaa	Ghana	23	Pre-development	Spodumene concentrate	A DFS stage project designed to produce spodumene concentrate
Authier	Quebec, Canada	100	Pre-development	Spodumene concentrate	Satellite project supplying NAL
Other	Canada, Australia	Various	Early exploration	Lithium, gold	Various pre-resource mining projects in Canada and Australia

Source: Elevra Lithium

Exhibit 4: Snapshot of Elevra's key assets

1 North American Lithium (100%)	2 Ewoyaa (22.5%) ¹	3 Moblan (60%)	4 Carolina (100%)
 <p>Leading North American open pit mining operator with nameplate capacity of 220kt of spodumene concentrate (30kt LCE per annum)</p> <ul style="list-style-type: none"> • Brownfield expansion scoping study completed with strong economics • 25+ year life of mine • Indicated and Inferred Mineral Resource of 95Mt @ 1.15% Li₂O • Nearly all of NAL is powered by clean and green hydroelectricity 	 <p>Low-cost lithium project targeting 365kt of high-grade, coarse-grained spodumene concentrate per annum</p> <ul style="list-style-type: none"> • Elevra has an offtake agreement with Atlantic Lithium for 50% of spodumene concentrate production at market prices on a life-of-mine basis² • Elevra additionally exercised option to acquire 22.5% interest in Ewoyaa, having funded the Definitive Feasibility Study to completion 	 <p>High-grade, long-life project located close to key infrastructure and transport nodes with production target of 300kt per annum of spodumene concentrate</p> <ul style="list-style-type: none"> • Drilling program achieved 6.5x increase in Resource base since acquisition • 20+ year life of mine • Measured, Indicated and Inferred Mineral Resource of 121Mt @ 1.19% Li₂O • Strategically located at the southern most portion of the James Bay region of Quebec 	 <p>Fully-integrated, strategically located U.S. asset to potentially produce battery-grade lithium at up to 60kt per annum at full production</p> <ul style="list-style-type: none"> • Received finalised mining permit for construction, operation and reclamation in May 2024 • One of only two significant spodumene projects in the U.S. • Expected to benefit from exceptional infrastructure and close proximity to end customers

Source: Elevra Lithium

The combined company has significantly simplified its asset structure, removing cross ownership at NAL and bringing the Carolina project under the consolidated umbrella. Together with the recent resource upgrades at NAL and Moblan, this had a visible impact on the company's mineral resources, strengthening its position as the largest hard-rock lithium player in North America. On a combined 100% basis, Elevra has 131Mt in JORC-compliant proved and probable reserves (Ewoyaa at 22.5%) and 286Mt in total mineral resources (inclusive of reserves), by far the largest resource base in the region.

Exhibit 5: Elevra combined mineral reserves, on a 100% basis

	Proved			Probable			Total		
	Tonnes, Mt	Grade, % Li ₂ O	Metal, kt Li ₂ O	Tonnes, Mt	Grade, % Li ₂ O	Metal, kt Li ₂ O	Tonnes, Mt	Grade, % Li ₂ O	Metal, kt Li ₂ O
NAL (100%)	0.3	1.01	3	48.2	1.11	535	48.5	1.11	538
Authier (100%)	5.7	0.97	55	4.9	1.03	50	10.6	1.00	106
Carolina (100%)	-	-	-	18.3	1.10	200	18.3	1.10	200
Moblan (60%)	5.3	1.57	84	42.8	1.27	543	48.1	1.31	627
Ewoyaa (23%)	-	-	-	25.6	1.22	312	25.6	1.22	312
Total*	11.3	1.25	142	119.9	1.18	1,399	131.2	1.18	1,541

Source: Sayona Mining, Piedmont Lithium, Atlantic Lithium. *Total includes 22.5% direct interest in Ewoyaa

Exhibit 6: Elevra combined mineral resources, on a 100% basis

	Measured			Indicated			Inferred			Total		
	Tonnes, Mt	Grade, % Li ₂ O	Metal, kt Li ₂ O	Tonnes, Mt	Grade, % Li ₂ O	Metal, kt Li ₂ O	Tonnes, Mt	Grade, % Li ₂ O	Metal, kt Li ₂ O	Tonnes, Mt	Grade, % Li ₂ O	Metal, kt Li ₂ O
NAL (100%)	-	-	-	76.2	1.17	892	18.9	1.06	200	95.1	1.15	1,092
Authier (100%)	6.0	0.98	59	8.1	1.03	83	3.0	1.00	30	17.1	1.01	173
Carolina (100%)	-	-	-	28.2	1.11	313	16.9	1.02	162	45.1	1.08	475
Moblan (60%)	6.3	1.50	94	101.4	1.19	1,207	13.3	1.06	141	121.0	1.19	1,442
Ewoyaa (23%)	3.5	1.37	48	24.5	1.25	306	7.4	1.16	86	35.4	1.24	440
Total*	13.1	1.27	164	219.4	1.17	2,564	53.7	1.06	552	286.3	1.16	3,281

Source: Sayona Mining, Piedmont Lithium, Atlantic Lithium. Note: Resources are inclusive of reserves. *Total includes 22.5% in Ewoyaa

Market positioning: North American exposure at scale

We see Elevra's strategy revolving around three main themes: potential for relatively low-cost and accelerated production expansion; strengthening its position as the largest and most advanced pure-play North American hard-rock lithium producer and developer; and leveraging its strong regional exposure to benefit from growing US battery demand.

Production growth: Flexible and advanced asset base

Elevra offers exposure to the high-quality hard-rock lithium asset portfolio that allows for significant development flexibility.

- The flagship NAL operation in Quebec is currently producing c 200ktpa of spodumene concentrate and, thanks to its brownfield nature and large resource, has the potential to increase production to 315ktpa at a relatively low capital intensity and within the accelerated time frame. The final investment decision is planned for Q3 CY27 and the construction is expected to complete by end CY29. The expansion is relatively low risk, given the project's producing status.
- The Moblan project in Quebec is a stand-alone, high-grade, large-scale deposit that will require a longer permitting process of up to five years but could offer a significant increase in production of at least 300ktpa of high-quality spodumene concentrate at low operating costs.
- The Ewoyaa project in Ghana, where Elevra has an earn-in option to 50%, is an advanced pre-development stage asset that is expected to produce c 300kt of high-grade concentrate at low operating costs and low capital intensity. The project has a relatively short delivery time and strong economics but higher geographic risks.
- On the downstream side, the Carolina project offers attractive exposure to the US market and could potentially provide additional higher value added product diversification. It represents a longer-term growth opportunity for the company and will require a technical partner.

As we discuss later in the note, Elevra is currently well capitalised and has ample balance sheet capacity to borrow. This funding flexibility should be further enhanced by the internal cash flow from NAL as the project moves into profitability.

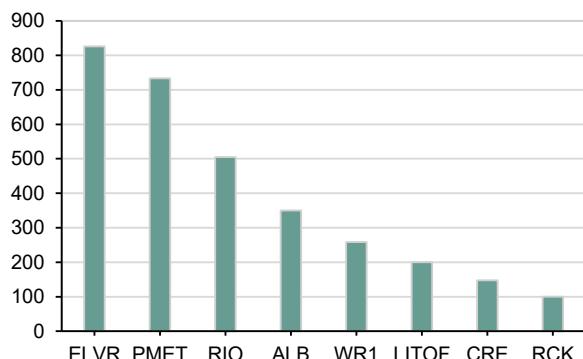
Exhibit 7: Elevra proposed project development timeline



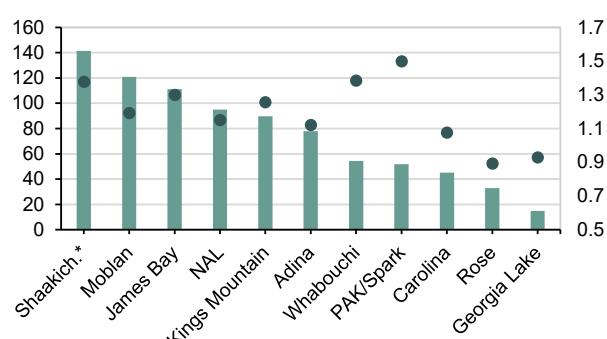
Source: Elevra Lithium

Strengthening its leading hard rock North American position

The merger has strengthened Elevra's position as the leading pure-play hard-rock lithium operator in North America, both in terms of the company's resource base and proposed production capacity. On a combined 100% basis, the company boasts 278Mt in total regional mineral resources (286Mt including Ewoyaa at 23%) at 1.15% Li₂O, implying total metal content of 3.0Mt, or c 7.9Mt LCE. This is almost twice the size of the second-largest regional resource at the Shaakichiwaanaan project in Canada, which is being advanced by Patriot Battery Metals. On a stand-alone basis, Moblan represents the second-largest regional resource after Shaakichiwaanaan. Since acquisition in 2021, the company boosted total mineral resources at NAL and Moblan by c 1.6x and c 6.5x respectively, also increasing resource confidence levels. The latest update in 2025 saw a 30% increase in total resources at Moblan and a 124% increase in reserves at NAL. Similarly, on a combined basis, the proposed production capacity at NAL (315ktpa SC5.4), Moblan (300ktpa SC6, at 100%) and Carolina (242ktpa SC6) would place Elevra at the top of the regional peer group, ahead of Patriot Battery Metals, Rio Tinto (Whabouchi, James Bay) and Albemarle (Kings Mountain).

Exhibit 8: Proposed North American spodumene capacity, kt (SC6 basis)


Source: Elevra Lithium, Company data

Exhibit 9: North American hard rock resources (Mt, LHS) and Li2O grades (%, RHS)


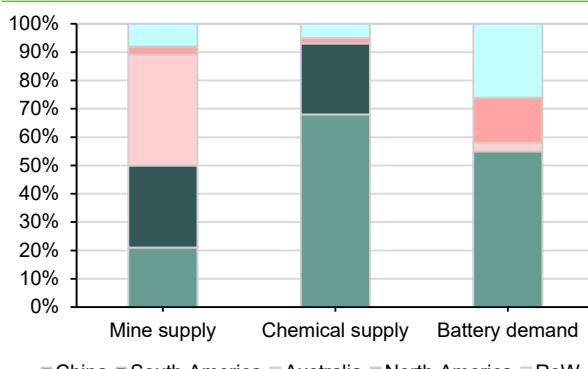
Source: Elevra Lithium, Company data. Note:

*Shaakichiwuanaana.

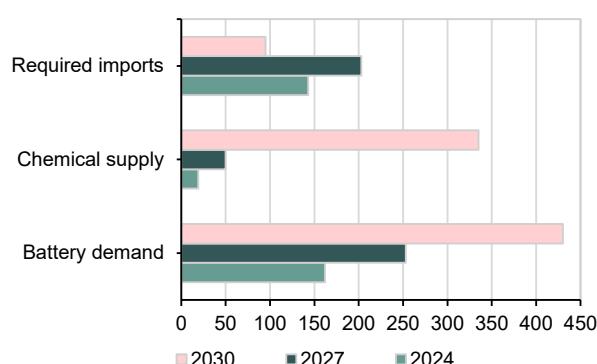
Leveraging its regional exposure to fast-growing BESS battery market

While global lithium demand continues to be driven by electrification and the green energy transition, regional and underlying market dynamics are changing. Historically, EVs and transportation led battery demand, but recent growth has been uneven and increasingly concentrated in China, where strong government support, a robust manufacturing base and rapidly expanding charging infrastructure have accelerated adoption. Global EV sales rose by 25% to 17.1m units in 2024, while sales fell 3% in Europe and growth slowed to 7% in the US. In H125, global sales reached 9.1m, with growth rebounding to 26% in Europe and 32% in China, but slowing further to 3% in the US. Although the global EV market is still expected to grow significantly over the long term, growth rates have been downgraded and adoption is expected to be slower.

As EV growth outside China has become more volatile, BESS has emerged as the key demand driver. According to Rho Motion, BESS has been the fastest growing source of battery demand globally over the past three years, expanding 52% in 2024 and 54% in H125. China currently accounts for about two-thirds of grid-scale BESS capacity, but its share is expected to decline as other countries, particularly the US at c 25%, grow significantly. Rho Motion expects the US battery storage capacity to triple by 2027 to 245GWh, driven by the grid and data centres. This is despite the scale-back in policy support from the Inflation Reduction Act (IRA). While tariffs and the One Big Beautiful Bill Act have added to market uncertainty, trade frictions and policy changes could create an opportunity to further localise the lithium supply chain in the US. At present, 90% of global lithium mine supply originates from Australia, South America and China, while chemical supply is largely dominated by China. This industry backdrop bodes well for Elevra, with its advanced upstream lithium assets in Canada and direct downstream exposure to the US through Carolina.

Exhibit 10: Lithium geographical supply chain and demand, 2024


Source: Various industry sources, Elevra Lithium

Exhibit 11: North American lithium supply/demand balance, kt LCE


Source: Various industry sources, Elevra Lithium

North American Lithium: Ahead of the curve

NAL is Elevra's flagship project and is the only independent producing hard-rock lithium asset in North America. Acquired in 2021, NAL is a past producing operation comprising an open pit mine and a concentrator, with c C\$400m invested by the previous owners. It is located in La Corne, within the Abitibi-Témiscamingue region of Quebec, c 60km north of the city of Val-d'Or, a major mining service centre. The project's concentrator has a nameplate, permitted capacity of 4,500tpd to produce up to 220kt of spodumene concentrate per annum. In April 2023, the company released a combined definitive feasibility study (DFS) on the project and the satellite Authier deposit. The DFS envisaged average annual production of 190kt of concentrate over the mine life of 20 years at an average cash cost of C\$817/t (US\$613/t). The study estimated an after-tax net present value of C\$1,367m (US\$1,025m) at an 8% discount rate and US\$1,352/t concentrate price.

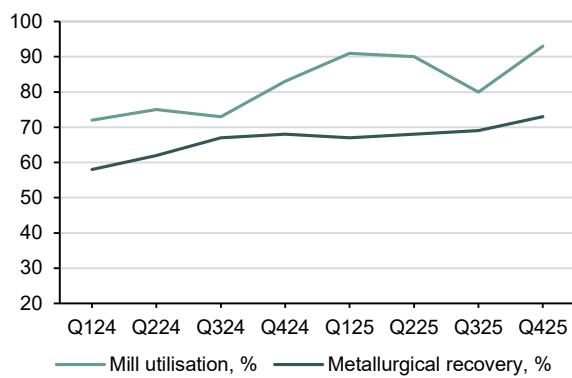
The project's restart was completed in March 2023 at an overall capital cost of just US\$80m, jointly funded by Sayona and Piedmont, with the first shipment of concentrate taking place in July 2023. Since then, the project has produced 395kt of concentrate (to end June 2025). Following the restart, the company continued to invest in the project, commissioning a crushed ore dome and a jaw crusher in 2024, both of which have led to improved plant utilisation and recovery rates. As a result, mill utilisation rates increased from 51% in Q323 to 93% in Q425, while processing recovery grew from 43% to 73%. Together with higher throughput rates, this has had a positive effect on costs, with the cash production cost falling to the lowest level of A\$1,149/t (US\$737/t) in Q425.

Exhibit 12: NAL key performance metrics

	Q124	Q224	Q324	Q424	Q125	Q225	Q325	Q425
Mill utilisation, %	72	75	73	83	91	90	80	93
Metallurgical recovery, %	58	62	67	68	67	68	69	73
Concentrate grade, %	5.5	5.5	5.4	5.3	5.3	5.3	5.2	5.2
Concentrate produced, kt	31	34	40	50	52	51	43	59
Concentrate sold, kt	48	24	58	28	49	66	27	67
Average realised FOB price, A\$/t	1,985	946	999	885	1,067	1,054	1,142	1,054
Cash cost of sale, FOB, A\$/t	1,231	1,327	1,536	1,506	1,335	1,280	1,374	1,232
Cash cost of production, FOB, A\$/t	1,841	1,924	1,681	1,275	1,088	1,117	1,492	1,149

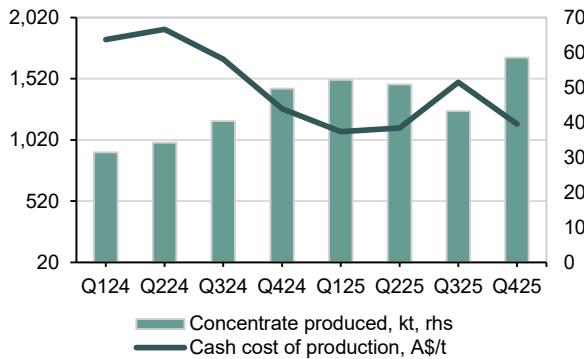
Source: Elevra Lithium

Exhibit 13: NAL mill utilisation and recovery



Source: Elevra Lithium

Exhibit 14: NAL concentrate production and cash cost



Source: Elevra Lithium

Scoping study to support expanded production and lower costs

Elevra released an updated mineral resources estimate for NAL in August, followed by a scoping study in September that envisaged more than 50% expansion in production and a visible reduction in operating costs. In the latest update, NAL saw a 124% increase in total JORC-compliant ore reserves to 48.6Mt at 1.11% Li₂O, while its total mineral resources grew 8% to 95.0Mt at 1.15% Li₂O. The revised estimate includes drilling conducted by the company in 2023–24 and is based on a new geological model, the latest economic parameters and an updated mine plan.

The significant upgrade to the mineral reserves estimate at NAL has clearly demonstrated the potential for an increase in production rates and underpinned the recently published expansion scoping study on the project. As a result, the company targets an increase in the plant processing capacity from the currently permitted 4,500tpd to 6,500tpd by introducing a second concentrator with 2,300tpd capacity and making a number of other processing modifications. This should result in a 64% increase in annual life-of-mine production from c 192kt to 315kt of concentrate at an unchanged grade of 5.4% Li₂O. NAL's current production status should shorten the permitting cycle, with construction expected to be completed by end CY29. The final investment decision (FID) is planned for Q3 CY27, following the completion of pre-feasibility and feasibility studies.

The project's expansion capital cost is estimated at C\$366m (US\$271m), including a 30% contingency, or c US\$2,200/t of additional capacity. The implied capital intensity therefore looks attractive compared to the similar hard-rock lithium projects in North America (see Exhibit 15), with an estimated average development capex per tonne of capacity of c US\$2,400/t (c US\$2,900/t for the feasibility stage projects). Importantly, the higher throughput rates will result in a significant reduction in operating costs. Elevra estimates NAL's post expansion C1 cash cost at C\$799/t (US\$562/t), which compares favourably to the project's current cash production costs of c US\$750/t. Further, we note that the scoping study opex includes freight costs under customer offtake agreements, which is likely to somewhat inflate the operating cost compared to the similar projects. Expansion all-in sustaining cost (AISC) is estimated at C\$920/t or US \$690/t.

Exhibit 15: NAL expansion key project metrics

Mine life, years	24
Average concentrate production, ktpa	315
C1 cash cost, C\$/t	799
AISC, C\$/t	974
Initial capex, C\$m	366
Expansion post-tax IRR, %	26
Expansion payback, months	46

Source: Elevra Lithium

Exhibit 16: NAL peer group comparison under various scenarios

Project	Company	Study	Date	Production, kt	Production SC6 basis, kt	Capex, US\$m	Cash cost*, US\$/t	Capital intensity**, US\$/t
NAL - expansion	Elevra Lithium	Scoping	Sep-25	123*	111*	271	562	2,203
NAL - base	Elevra Lithium	In production	Sep-25	192	173	N/A	701	N/A
NAL - feasibility	Elevra Lithium	DFS	Apr-23	190	171	N/A	613	N/A
Moblan	Elevra Lithium	DFS	Feb-24	300	300	722	417	2,407
Shaakichiwaanaan - Stage 1	Patriot Battery Metals	PEA	Aug-24	400	367	610	560	1,662
Adina	Winsome Resources	Scoping	Sep-24	282	259	292	598	1,127
Rose	Critical Elements	FS	Aug-23	158	147	471	587	3,204
PAK/Spark	Frontier Lithium	DFS	May-25	200	200	688	439	3,440
Georgia Lake	Rock Tech Lithium	PFS	Oct-22	100	100	250	719	2,500

Source: Company data. Note: *As reported. **On a SC6 basis.

Along with the expansion project economics, the company has introduced a base production scenario, which we understand represents the updated financial and operating metrics under the current production capacity. These include C1 production cost of C\$935/t (US\$701/t) and AISC of C\$1,128/t (US\$846/t).

Elevra key assets

Elevra's Quebec operations are organised into two hubs: Eeyou Istchee James Bay (EIH) and Abitibi-Temiscamingue (ATH). The ATH consists of the producing NAL and pre-development Authier lithium projects, the early-stage Tansim and Vallee exploration assets, as well as the Pontiac mining claims. The EIH includes the advanced Moblan lithium project (60%), the exploration-stage Lac Albert project, as well as the early-stage Troilus claims (100%). Geologically, all projects are hard rock deposits hosted in spodumene-bearing pegmatite intrusions.

Exhibit 17: Illustrative map of Canadian operations



Source: Elevra Lithium

Moblan: High-quality stand-alone project

Moblan is a greenfield lithium project located in the Eeyou Istchee James Bay region of northern Quebec, just 300m from Route du Nord, a regional highway accessible year-round. The project was jointly acquired by Sayona (60%) and SOQUEM (40%), a subsidiary of Investissement Québec, in October 2021. In February 2024, the company released a DFS that envisaged production of 300ktpa of spodumene concentrate (6% Li₂O) over the 21-year life based on the ore reserves estimate of 34.5Mt at a relatively high feed grade of 1.36% Li₂O. The project's pre-production capital cost and unit cash cost were estimated at C\$963m (US\$722m) and a very competitive C\$555/t (US\$417/t), respectively. The DFS calculated a post-tax NPV of C\$2.2bn (US\$1.6bn) at an 8% discount rate and a concentrate price of US\$1,990/t. Since releasing the DFS, the company announced results from 94 new drill holes totalling 20,735m, which further demonstrated the high-grade nature of this economically attractive asset. The August 2025 resource update saw 30% growth in total JORC-compliant mineral resources to 121.0Mt at 1.19% Li₂O and a 39% increase in mineral reserves to 48.1Mt at 1.31% Li₂O, reinforcing Moblan's status as one of North America's largest undeveloped lithium deposits. The company plans to update the DFS to incorporate a higher resource base and potentially increase the project's estimated production capacity at a lower estimated capital intensity.

Carolina: Strategic foothold in the US

Carolina is located in North Carolina, US. It is designed as an integrated lithium project producing spodumene concentrate and up to 60ktpa of lithium hydroxide (LiOH) in two 30ktpa trains. In 2021, Piedmont completed a bankable feasibility study on the project, which assumed production of 30ktpa LiOH for 30 years from 242ktpa of internally sourced spodumene concentrate (first 11 years with the remainder market sourced) at an initial capital cost of US\$988m and opex of US\$3,657/t LiOH (first 10 years; US\$6,235/t average opex assuming US\$687/t concentrate input price in subsequent years). In March 2022, Piedmont published a preliminary economic assessment for the second 30ktpa hydroxide plant at an initial capex of US\$572m and a steady state opex of US\$10,448/t LiOH (conversion cost of US \$2,128/t). The second plant is expected to source concentrate from third parties (ie Sayona and/or Ewoyaa) at a rate of 196ktpa on an SC6 basis. In April 2024, Piedmont received a mining permit to build and operate the Carolina project. Carolina is one of only two advanced spodumene projects in the US and could benefit from access to infrastructure, low energy costs and government support (eg tax credits from the IRA). Elevra sees the project as an integrated downstream operation and will be looking to bring in a technical partner to further advance the project.

Ewoyaa (Atlantic Lithium)

Elevra currently holds a 22.5% interest in Atlantic Lithium's Ewoyaa lithium project in Ghana, which it earned through funding the exploration and feasibility study expenditure. The company can earn an additional 27.5% interest in the project by funding the initial US\$70m development cost and 50% of capex above US\$70m. This investment will entitle Elevra to a 50% offtake from Ewoyaa at market prices. Elevra also controls a 4.9% stake in Atlantic Lithium, which brings its current overall direct and indirect ownership in Ewoyaa to c 26%. A 2023 DFS for the project envisaged production c 300ktpa of 6.0% and 5.5% spodumene concentrate over 12 years at an initial capital cost of just US\$185m and C1 FOB opex of US\$377/t (after US\$245/t in secondary product credits). The project's latest mineral resource estimate is 36.8mt at 1.24% Li₂O. In October 2023, Atlantic was granted a mining lease for the project. However, following the deterioration in lithium prices, the company has initiated a renegotiation of the lease terms with local authorities. In July, the company announced that the government agreed to review the revised terms, which will then require the parliamentary ratification.

Financials: Driven by NAL

Elevra's financial results are largely driven by NAL. The combined company has not yet published consolidated financial results, and we therefore focus on the stand-alone performance of Sayona and Piedmont. In FY25 (to June), Sayona reported an 11% y-o-y increase in revenues to A\$223m on record concentrate sales. During the year, the company produced 205kt and sold 209kt of spodumene concentrate, both up 32% versus FY24. However, the lower realised price (down 16%) driven by the reduction in international price benchmarks has somewhat offset the impact of strong sales. The company has taken proactive steps to mitigate the challenging market conditions through a combination of optimised seaborne freight logistics and forward market sales, which resulted in a c A\$23m revenue uplift in FY25. While the unit cash cost of sales was down 9% to A\$1,290/t (US\$835/t) driven by higher sales volumes, adjusted for working capital movements unit production cash costs fell by 27% to A\$1,198/t. The company continues to focus on cost savings, reducing corporate costs by A\$12m in FY25. The increase in underlying EBITDA loss to A\$67m was predominantly due to higher-cost inventory flush-through at NAL. At the same time, the increase in after tax loss was mainly a result of the impact of non-cash and one-off items such as a A\$271m impairment charge at NAL and A\$13m in merger and integration costs. Importantly, Sayona's net cash outflow from operating activities narrowed significantly to just A\$15m, underscoring the company's cost reduction efforts and the positive impact from operational improvements at NAL. Sayona ended the year with A\$72m in cash.

Exhibit 18: Sayona FY25 results summary, A\$m

	2025	2024	Change, %
Concentrate produced, kt	205	156	31.5
Concentrate sold, kt	209	158	32.4
Average realised FOB price, A\$/t	1,069	1,272	(16.0)
Unit cash cost of sales, A\$/t	1,290	1,417	(9.0)
Revenue	223	201	10.9
Underlying EBITDA	(67)	(54)	24.1
Profit/(loss) after tax	(382)	(119)	221.0
Net cash flow from operating activity	(15)	(62)	(75.8)
Cash	72	91	(20.9)

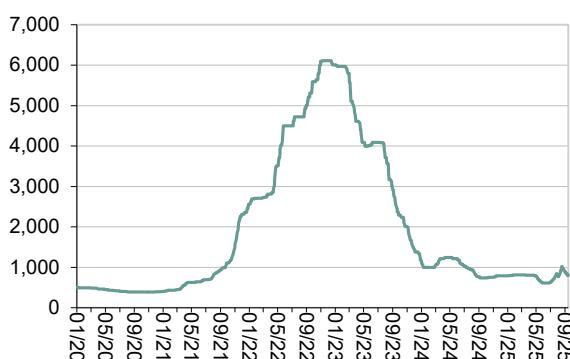
Source: Elevra Lithium

The merger with Piedmont will not have an immediate visible impact on the Elevra's financial performance. Prior to the combination, Piedmont's main source of revenues was the sale of concentrate from NAL under the off-take agreement between the companies. Under the agreement, Piedmont was entitled to buy the greater of 50% of production or 113ktpa of concentrate over the mine life of the NAL and Authier projects. The price was set at market levels (CIF China) on a 6% Li₂O dry basis, with a floor of US\$500/t (A\$750/t) and a ceiling of US\$900/t (A\$1,350/t) on a DAP North Carolina basis. Volumes under the agreement were shipped from Quebec to Piedmont customers LG Chem (50ktpa for four years) and Tesla (125kt over three years, plus potential extension for another three years), while the residual production was sold to China.

Historically, the agreement had little impact on Sayona's financials, since the market price of concentrate was largely trading within the off-take range. However, with the spot prices bottoming out in mid-2025 at c US\$600/t (CIF China, SC6 basis) and then rebounding to c US\$900/t on supply disruptions in China, consensus expectations suggest a

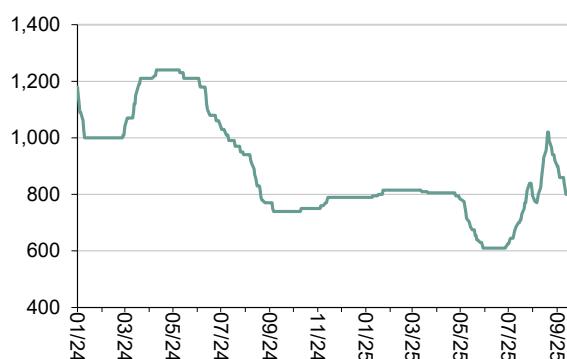
further gradual recovery in prices over the medium term (2027: US\$938/t; 2028: US\$1,162/t). While the current market conditions remain fragile and lithium prices are likely to continue to be volatile as slower demand growth is compounded by the low supply side discipline, the medium- to long-term market fundamentals remain favourable. On the demand side, growing global EV penetration will be complemented by the anticipated exceptionally strong increase in BESS installations, with the latter now representing a major driver of growing lithium consumption, especially in the US. At the same time, depressed lithium prices will inevitably delay new mine capacity, which, together with tightening environmental regulations, in particular in China, could create a substantial supply-demand gap and push lithium prices higher on the three- to five-year horizon. As the current producer with the strongest medium-term expansion potential, Elevra should be one of the main beneficiaries of the market recovery.

Exhibit 19: Long-term historical lithium concentrate price, CIF China, US\$/t



Source: LSEG Data & Analytics

Exhibit 20: Near-term historical lithium concentrate price, CIF China, US\$/t



Source: LSEG Data & Analytics

Sayona finished Q425 with A\$72.3m (US\$48m) in cash and virtually no debt, while Piedmont had US\$56.1m (A\$85m) in cash and US\$29.3m (A\$44m) in debt, giving it a net cash position of A\$41m. After the period end, Elevra raised A\$69m in gross proceeds with RCF. This implies a pro forma cash position of c A\$225m (c US\$150m) on a gross basis. Given the prevailing weak lithium market conditions, Elevra plans to maintain a prudent capital management approach with minimal near-term capital outlay. However, it is worth noting that the pro forma cash on hand represents c 50% of the proposed expansion capital cost at NAL. On top of this, the company has ample balance sheet capacity to borrow, which we believe will be utilised once a positive FID decision on the NAL expansion is reached in CY27. To add to this, we expect that the improving lithium prices in the medium term and the ongoing operational improvements at NAL could bring the project into profitability at least within the same time frame, if not earlier. This will provide internal cash flows and will significantly improve Elevra's funding flexibility going forward.

FY26 guidance points to further improvements in economics

For FY26, the company guides for NAL concentrate production and sales of 195–210kt, with sales weighted towards the second and fourth quarters to deliver into higher priced sales arrangements. Importantly, the cash cost of sales is expected at A\$1,175–1,275/t (US\$765–830/t), including the freight costs linked to customer off-takes. At the mid-range of US\$798/t, this implies a reduction of c 5% compared to the cash cost achieved in FY25. Given the current spot spodumene price of c US\$900/t (CIF China, SC6) and assuming freight costs at c US\$60/t for shipments to China, the current guidance suggests that on an underlying basis, excluding corporate overheads, NAL could break even this year. This would be an important milestone for the company. We understand that at current market product prices the operation is already slightly cash positive on a C1 basis.

Valuation: Profitability to unlock value

The recently published scoping study valued NAL at C\$1,284m (US\$963m) under the expansion scenario and at C\$805m (US\$604m) at current capacity, using an 8% discount rate. This valuation alone implies a significant upside to Elevra's current market value of c A\$480m (US\$320m), without considering its other advanced pre-development assets and the investment in Atlantic Lithium/Ewoyaa.

The detailed cash flow valuation is outside the scope of this report. Instead, we have considered a select peer group of hard rock producers and explorers/developers to draw any conclusions regarding Elevra's valuation. Exhibit 20 provides a snapshot of broadly comparable companies at various development stages. Since Elevra is a producer, albeit it is

yet to achieve profitability, we believe that spodumene producers such as Liontown Resources (ASX: LTR) and Sigma Lithium (NASDAQ: SGML) provide the most relevant comparison based on financial multiples. LTR's FY25 (to June) EV/revenue of 10.9x (FY26e 7.4x) and SGML's FY25 (to December) multiple of 5.7x (FY26e 4.1x) compare to Elevra's own FY25 valuation of 3.0x (based on Edison estimated post transaction EV) and highlight the potential upside that can be realised once the company moves into profitability. We believe this could be achieved through ongoing operational optimisation and the planned capacity expansion at NAL, combined with the anticipated medium-term improvements in lithium prices.

As we noted above, current consensus expectations are for the benchmark spodumene price to recover in 2027/28 after being broadly flat in 2026. Given Elevra's relatively high operating leverage and the potential to improve its cost profile, as evidenced by the company's FY25 performance and FY26 guidance, as well as to expand production, we believe the stock represents a compelling investment proposition on a medium-term view.

Exhibit 21: Elevra peer group comparison

	Mcap, US\$m	EV, US\$m	Total mineral resource, Mt	Contained Li2O, kt	Contained LCE, kt	EV/resource, US\$/t LCE	EV/revenue, x	EV/EBITDA, x
Elevra Lithium	560	439	213	3,021	7,462	59	3.0	-
Liontown Resources	1,785	2,209	169	2,277	5,624	393	10.9	47.2
Sigma Lithium	669	826	107	1,491	3,683	224	5.7	51.0
Patriot Battery Metals	468	408	141	4,807	11,888	34	-	-
Frontier Lithium	83	76	52	776	1,917	40	-	-
Critical Elements	66	48	33	295	728	66	-	-
Winsome Resources	32	15	78	873	2,157	7	-	-

Source: Company data, LSEG Data & Analytics, Edison Investment Research

Exhibit 22: Sayona Mining historical financials

A\$m	2024	2025
Income Statement		
Revenue	200.9	223.4
Other income	6.1	11.3
Expenses excluding impairment and write down	(309.0)	(347.7)
Impairment and write down	(17.1)	(271.3)
Profit (loss) from operations	(119.1)	(384.4)
Net financial income/(expense)	3.6	(0.4)
Profit/(loss) before tax	(115.4)	(384.7)
Income tax benefit/(expense)	(3.6)	3.0
Profit/(loss) after tax	(119.0)	(381.7)
Basic EPS (cents)	(1.0)	(2.7)
Balance sheet		
Cash and cash equivalents	90.6	72.3
Trade and other receivables	27.5	33.2
Inventories	73.0	47.3
Other	26.5	10.2
Total current assets	217.7	163.0
PPE	726.6	477.7
Other	0.7	12.0
Total non-current assets	727.3	489.7
Trade and other payables	60.9	49.6
Interest bearing liabilities	15.5	62.8
Other	12.0	6.1
Total current liabilities	88.3	118.5
Interest bearing liabilities	15.2	14.8
Other	45.9	44.0
Total non-current liabilities	61.1	58.8
Share capital	795.8	833.7
Equity	665.0	420.2
Non-controlling interests	130.6	55.2
Total equity	795.6	475.4
Cash flow		
Net cash flows used in operating activities	(62.2)	(14.8)
Exploration expenditure	(26.3)	(31.5)
Purchases of property, plant and equipment	(102.4)	(19.7)
Net cash flows used in investing activities	(114.0)	(49.6)
Proceeds from non-controlling interests	24.4	10.4
Proceeds from issue of shares and exercise of options	37.4	40.0
Net cash flows from financing activities	57.9	46.1
Net decrease in cash and cash equivalents	(118.3)	(18.3)
Beginning cash and cash equivalents	211.1	90.6
Forex	(2.2)	0.0
Closing cash and cash equivalents	90.6	72.3

Source: Sayona Mining

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