

ASX: CXO Announcement

28 May 2019

Additional Lithium Product Adds to Finniss Revenue

Highlights

- **Expressions of interest recently received from multiple parties in purchasing additional fine lithium (FL) product from Core's Finniss Lithium Project**
- **200,000 to 250,000tpa FL forecast to be produced as a by-product**
- **Sale of FL products not included in recent DFS**
- **Low incremental cost of production of FL**
- **Core's transport cost from mine to Darwin Port is only US\$7/t**
- **Indicative pricing of between \$US50/t and US\$75/t of FL**
- **FL sales have potential to add significant revenues to the project at a high margin**
- **Core aiming to complete binding offtake of FL in coming months**

Emerging Australian Lithium developer Core Lithium Ltd (Core or Company) (ASX: CXO) is pleased to announce that it has received expressions of interest from a number of parties for the potential sales of fine lithium (FL); a by-product of producing high-quality lithium concentrate from the Finniss Lithium Project near Darwin in the NT.

As defined in Core's recent DFS, Core is targeting production of 175,000tpa of high-quality lithium concentrate from Finniss commencing in 2020.

In addition, between 200,000tpa and 250,000tpa of FL is planned to be sold as a by-product of the concentrate process through Core's Dense Media Separation (DMS) plant. The FL product was initially planned to be stored for processing at a later date, but in response to recent expressions of interest, Core is considering adding potential sales of FL to the revenues of the Finniss Lithium Project. As a by-product, FL incurs only a low marginal increase in operating cost, and because Core's Finniss Project is located only 30km from Port Darwin, Core's cost of transport of bulk lithium product from

mine to port is only US\$7/t. Core is undertaking further studies on FL product preparation and transport.

Indicative pricing of US\$50/t-US\$75/t for sales of 200,000tpa to 250,000tpa of FL is likely to add significant and material additional revenues (with a high margin) to the Finniss Project for the life of the project.

Further updates on FL offtake and will be made in due course.

Core's Managing Director, Stephen Biggins, commented

"The addition of fine lithium to the suite of saleable products is likely to materially improve the economics of what is already a very good project."

"We are already mining and partially processing this material anyway as we produce spodumene concentrate. There is little extra work that needs to be done to add significant revenue to the project."

"Core is well advanced with debt financiers in addition to finalising offtake terms in coming months."

About Core

Core has recently published a DFS for the development of a spodumene concentrate operation at the Finniss Project (refer to ASX announcement 17 April 2019) and is aiming to commence spodumene concentrate production in 2020, subject to financing and regulatory approvals.

The Finniss Project has arguably the best supporting infrastructure and logistics chain to Asia of any Australian lithium project. The Finniss Project is within 25km of port, power station, gas, rail and 1 hour by sealed road to workforce accommodated in Darwin and importantly to Darwin Port - Australia's nearest port to Asia.

Core has established offtake and prepayment agreements and is also in the process of negotiating further agreements with some of Asia's largest lithium consumers and producers that support and finance the Finniss Project's modest capex requirements and the Company into production in 2019.

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Core confirms that all material assumptions underpinning production target and forecast financial information derived from the production target announced on 17 April 2019 as "Finniss Definitive Feasibility Study and Maiden Ore Reserve" continue to apply and have not materially changed.