

# ASX: **CXO** Announcement

30 January 2020

Centralised Company Announcements Platform  
Australian Securities Exchange  
10th floor, 20 Bond Street  
SYDNEY NSW 2000

## QUARTERLY ACTIVITIES AND CASHFLOW REPORT 31 DECEMBER 2019

Please find attached the Quarterly Activities and Appendix 5B Quarterly Cashflow reports for the quarter ended 31 December 2019.

Yours faithfully,



Stephen Biggins

Managing Director

# ASX Release

## Quarterly Activities Report for Three Months Ended 31 December 2019

30 January 2020

CORE LITHIUM LTD  
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### Directors:

Greg English | Non-Executive  
Chairman  
Stephen Biggins | Managing  
Director  
Heath Hellewell | Non-Executive  
Director  
Malcolm McComas | Non-Executive  
Director

### Issued Capital:

- 792,524,510 Ordinary Shares
- 44,273,810 Unquoted Options
- 29,850,000 Unquoted  
Performance Rights

## Highlights

The Board of Core Lithium Ltd (“Core” or “Company”) is pleased to present its Quarterly Activities Report for the period ended 31 December 2019.

During the December quarter, Core was focused on a number of initiatives aimed at further enhancing the value and potential of its wholly owned Finnis Lithium Project, located near Darwin in the Northern Territory.

During the reporting period, Core:

- Continued its Mineral Resource expansion and exploration drilling program at the Finnis Project, targeting the discovery of new lithium-rich pegmatites as well as increasing Ore Reserves;
- Acquired a new lithium project in the NT, adjacent to the Barrow Creek Project;
- Revealed consistent and thick high-grade spodumene drill intersections at the BP33 and Carlton deposits; and
- Prepared to commence exploration at two new exciting pegmatite prospects within the Finnis Lithium Project.

**ASX: CXO**

## Finniss Lithium Project, NT

Core is positioned to be Australia's next Lithium Producer, developing one of Australia's most capital efficient and lowest cost lithium projects located close to Darwin Port, Australia's closest port to Asia.

Core's 2019 Definitive Feasibility Study highlighted production of 175,000tpa of high-quality lithium concentrate at a C1 Opex of US\$300/t and US\$50M Capex through simple DMS (gravity) processing of some of Australia's highest-grade lithium resources.

The low capital cost is primarily a function of the coarse grained pegmatites, which only require DMS processing, rather than the more expensive flotation circuits required by West Australian lithium producers.

Core is currently working toward increasing Mineral Resources, Ore Reserves and mine-life ahead of project construction and lithium production, subject to financing and regulatory approvals.

The Finniss Lithium Project has arguably the best supporting infrastructure and logistics chain to Asia of any Australian lithium project. The Finniss Lithium 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 binding offtake and is also in the process of negotiating further offtake and finance agreements with some of Asia's largest lithium consumers and producers.

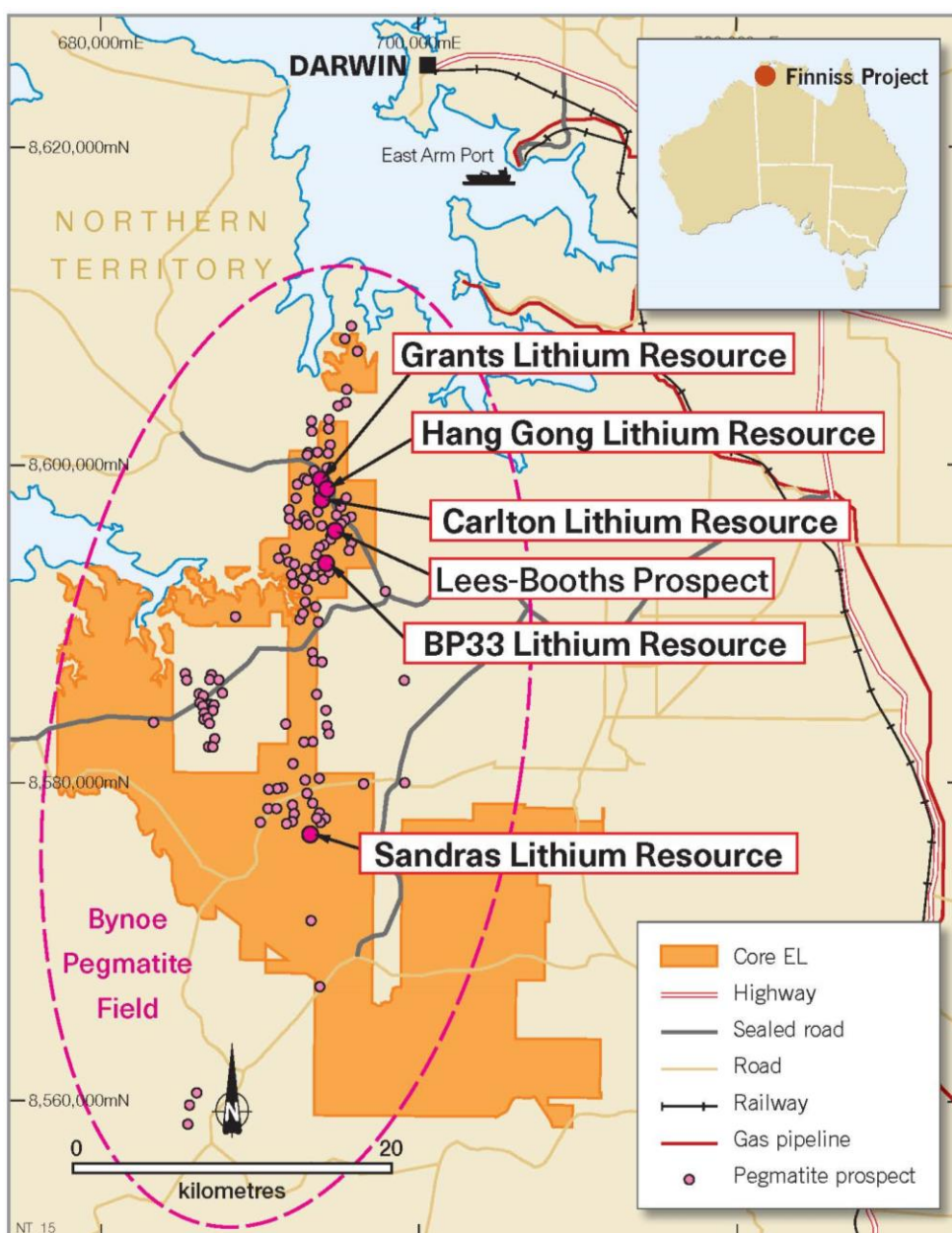


Figure 1. Lithium resources within Core's 100%-owned Finniss Lithium Project.

# December Quarter Activities

## Numerous high-grade spodumene drill intersections across Finniss

During the reporting period, Core announced high-grade spodumene intersections from exploration and Mineral Resource growth drilling at the Finniss Lithium Project.

Drill assays were received from Core's near-term Mineral Resource growth and conversion drilling, as well as regional exploration drilling aimed at extending the mine life within the broader Finniss Lithium Project.

These new results are expected to expand the current Mineral Resources, and in parallel to Core's mining studies, substantially add to the Ore Reserves and mine-life of the Finniss Lithium Project.

Drilling identified and intersected high-grade spodumene pegmatites at a range of prospects within the Finniss Lithium Project (CXO ASX announcement 9 October 2019), including:

- **Hang Gong**
  - 4.8m @ 1.5% Li<sub>2</sub>O from 116.5m & 13.8m @ 1.3% Li<sub>2</sub>O from 127.9m (NMRD002)
  - 13m @ 1.56% Li<sub>2</sub>O from 123m (NRC109)
  - 13m @ 1.29% Li<sub>2</sub>O from 142m & 5m @ 0.83% Li<sub>2</sub>O from 161m & 3m @ 1.44% Li<sub>2</sub>O from 175m (NRC113)
- **Carlton**
  - 31m @ 1.13% Li<sub>2</sub>O from 186m (NRCD001)
  - 6m @ 0.9% Li<sub>2</sub>O from 195.9m (NRCD002)
- **Lees Booths**
  - 4m @ 1.00% Li<sub>2</sub>O from 92m (NRC122)
- **Ah Hoy**
  - 10m @ 1.57% Li<sub>2</sub>O from 128m (FRC208)
- **Grants**
  - 47.4m @ 1.53% Li<sub>2</sub>O from 202m (FRCD013)
  - 28m @ 1.22% Li<sub>2</sub>O from 182m (FRCD015)

## High-grade intersections at BP33 to increase Ore Reserves

In the December Quarter, Core revealed consistent and thick high-grade spodumene drill intersections from the BP33 deposit at the Finniss Lithium Project.

The Company is confident that these new drill assays will substantially extend the BP33 mine life, and in parallel to Core's mining studies, substantially add to Ore Reserves and project-life of the Finniss Lithium Project.

Core has recently drilled four further RC holes at BP33 to successfully support converting part of the current Inferred Mineral Resource to the higher confidence Indicated category (CXO ASX announcement 15 October 2019) (Figure 2):

- FRC212: 52m @ 1.28% Li<sub>2</sub>O from 77m, including 23m @ 1.85% Li<sub>2</sub>O from 101m
- FRC213: 41m @ 1.50% Li<sub>2</sub>O from 140m, including 11m @ 2.00% Li<sub>2</sub>O from 163m
- FRC214: 15m @ 1.59% Li<sub>2</sub>O from 97m
- NRC129: 31m @ 1.31% Li<sub>2</sub>O from 98m

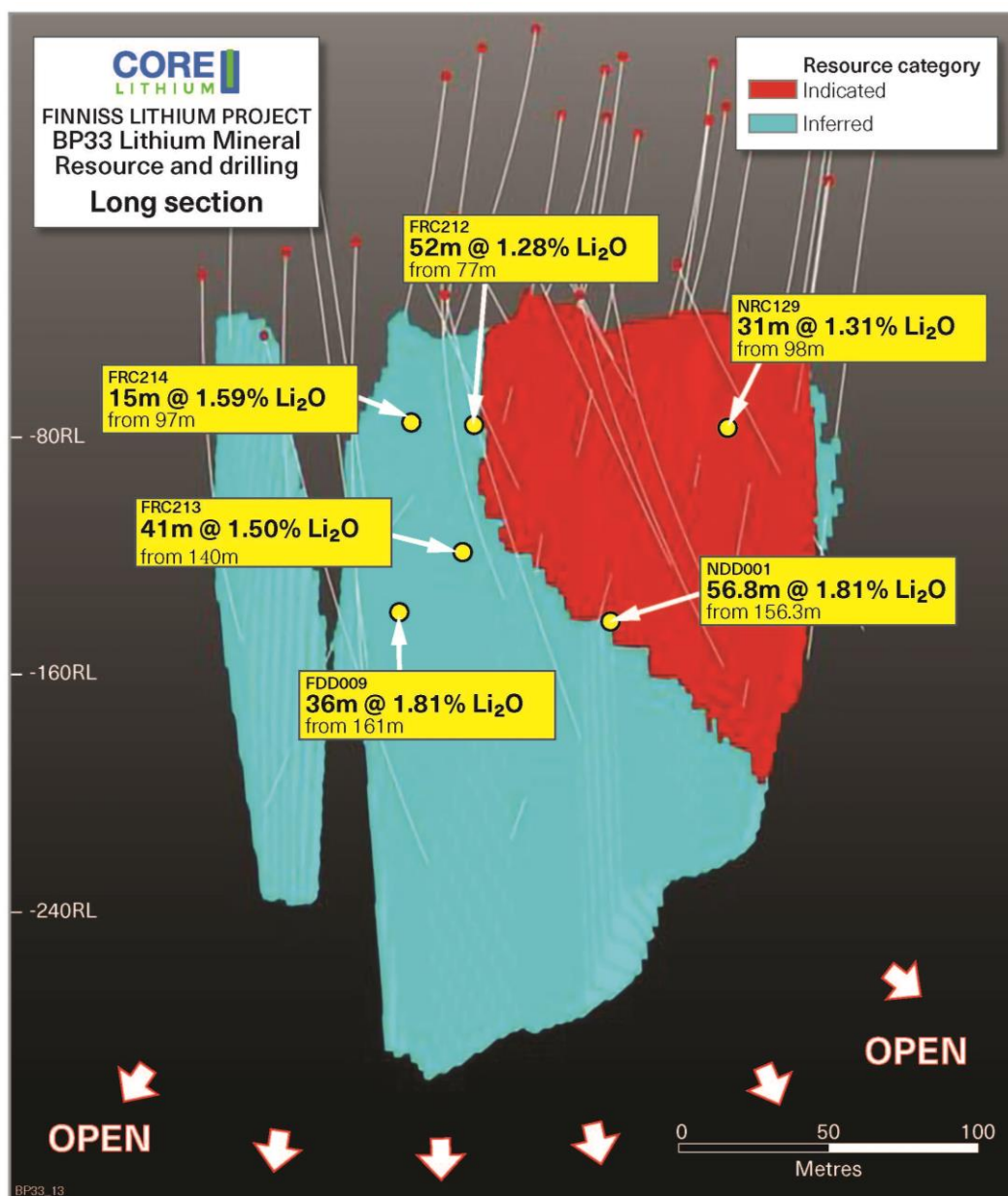


Figure 2. Current resource model for BP33 in long section showing resource category (red Indicated, blue Inferred) and drilling pierce points of previous and new drilling. Recently received assays results are highlighted. Resource conversion area highlighted.

Two deeper diamond drill holes (DDH's) have also been completed at BP33 intersecting 51m and 60m respectively of spodumene pegmatite in the lower part of the currently Inferred Mineral Resource model. The pegmatite intersected by drilling is massive with large, inclusion-free, pale-coloured, bladed spodumene porphyroblasts (Figure 3).

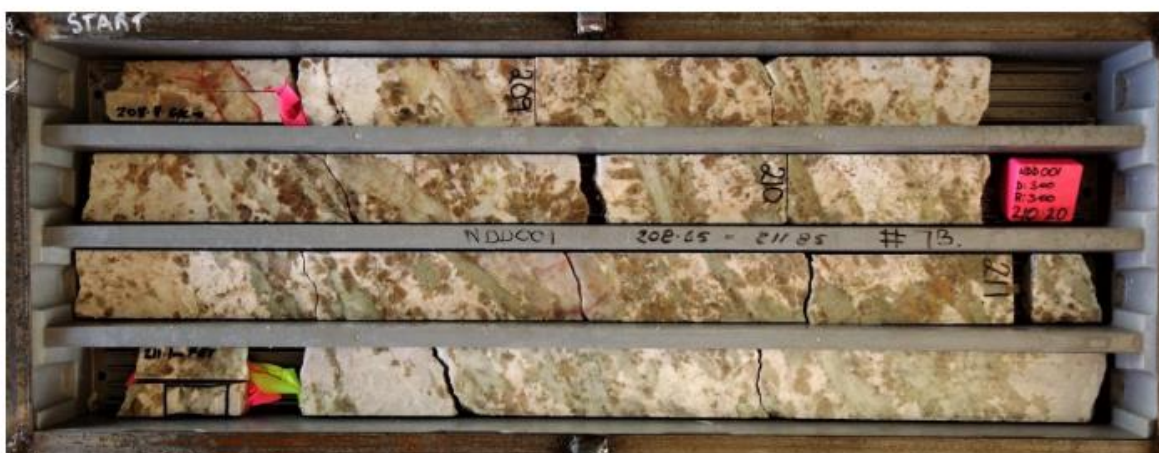


Figure 3. Coarse bladed spodumene in NDD001, recently drilled at BP33 Prospect.

### World-class pegmatite intersection at Finniss

Further to the aforementioned promising drill intersections, Core announced a world-class spodumene pegmatite intersection at the BP33 Prospect during the reporting period (CXO ASX announcement 12 December 2019).

A world-class 119-metre continuous intersection of pegmatite was drilled by the Company as part of the deep RC and diamond drilling program at BP33.

Visual inspection of a 105m interval of the drill core and under UV light suggested that spodumene grades were in line with, or better than, the average grade 1.5%  $\text{Li}_2\text{O}$  of the BP33 orebody.

Of note were the very coarse spodumene crystals of the BP33 pegmatite, which are typical of the spodumene pegmatites within the Finniss Lithium Project.

The coarse crystalline nature enables the high recovery of lithium by simple, gravity dense media separation (DMS). Effective DMS separation translates into significantly lower capex, lower processing costs and low start-up risk.

The outstanding drill result indicated that the primary pegmatite body at BP33 extends with an ~40m true width for at least a further 100m vertically from previous drilling on that section and remains open at 400m vertical depth (Figure 4).

Subsequent to the end of the quarter, Core reported the assays for this hole, with a world class intersection of 107m @ 1.70%  $\text{Li}_2\text{O}$  reported. Further details are contained in the 'Subsequent Activities' section below (CXO ASX announcement 16 January 2020).

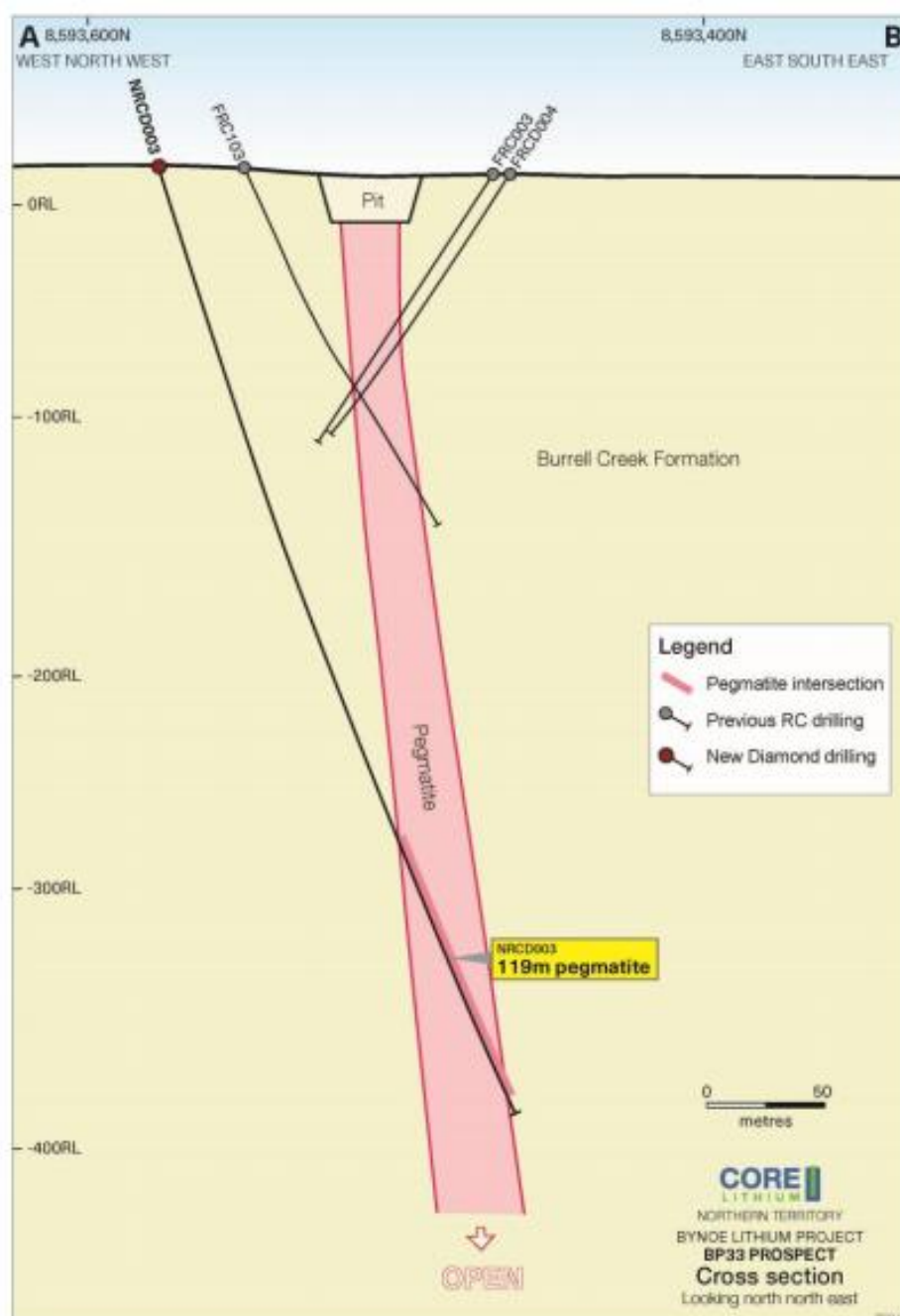


Figure 4. Cross section at BP33 showing pegmatite intersections in previous and recent drilling.

## New wide spodumene pegmatite drill intersections outside current Mineral Resource at Carlton

In November 2019, Core announced wider than expected spodumene pegmatite intersections from Mineral Resource expansion drilling at its Carlton Prospect, which is currently being considered for development at the Finniss Lithium Project.

All six reverse circulation (RC) drill holes that were completed to target depth at the Carlton prospect intersected spodumene pegmatite of downhole width greater than 31m.



The drilling indicated that the primary pegmatite body at Carlton extends at least a further 100m vertically from previous drilling, and also extends south by an additional 100m (Figure 5 and Figure 6).

The deeper drill holes also intersected a second pegmatite body east of the current 'primary' pegmatite (Figure 5). This body does not outcrop at surface and may become more significant at depth, which provides further upside in any potential underground mining scenario.

The new drill intercepts strongly support the concept that the Carlton pegmatite is plunging steeply to the south, a feature in common with both the nearby Grants and BP33 orebodies.

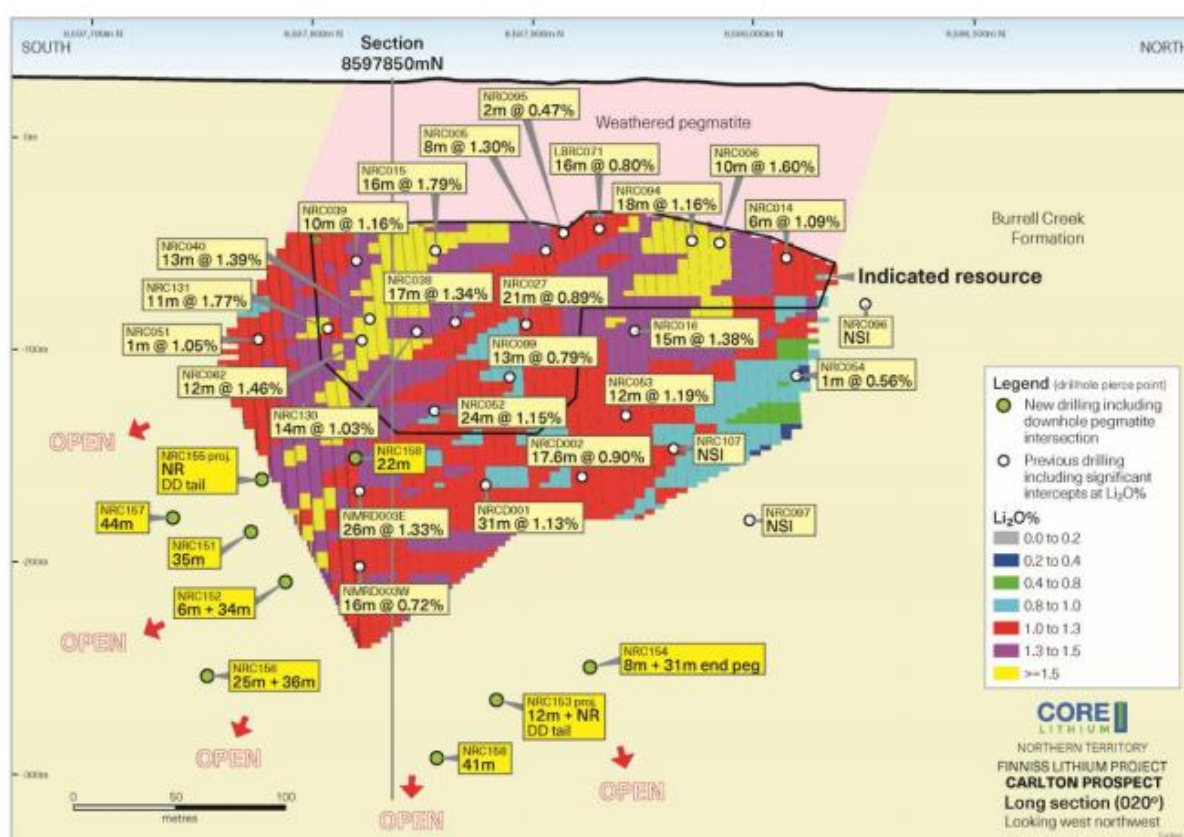


Figure 5. Long section for Carlton showing the current Mineral Resource (coloured by grade and segregated into resource category), showing previous assays and current drilling geology results as mid-pegmatite pierce points. Previously released results as ASX announcements “High-Grade Lithium Intersected in New Spodumene Pegmatites” on 5 February 2018, “New Exploration Intersections Add to Finnis Potential” on 16 August 2018 and “Carlton and Hang Gong to Boost Finnis Resource Base” on 27 November 2018.

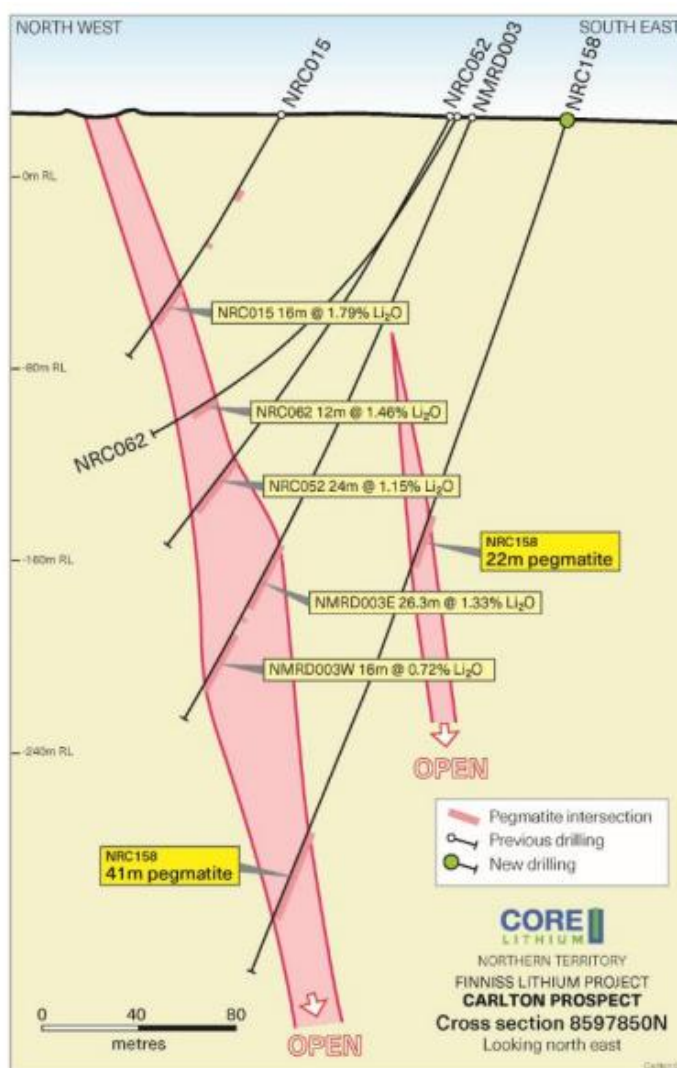


Figure 6. Cross section 8597850N showing pegmatite intersections in previous and current drilling and the interpreted wireframe for the "Primary" and new eastern "Secondary" pegmatite bodies.

## New Hendersons West and McGrants prospects

In November 2019, Core commenced exploration drilling at two new exciting prospects within the Finnis Lithium Project, being the Hendersons West and McGrants prospects.

These prospects were discovered during the course of Core's 2019 regional exploration program at the Finnis Lithium Project and had been advanced to the stage of deep RC drill testing.

Hendersons West prospect is located within 2km of the Grants deposit and has been mapped using shallow auger drilling. Shallow drill testing indicates that the pegmatite is likely to be mineralised at depth.

McGrants lies only 700m west of Grants and was discovered after follow-up of soil anomalies and regional RAB drill traverses.

## Rights Acquired to Enable Ancillary Mineral Lease

Also during the reporting period, the Company entered into an agreement with Lithium Plus Pty Ltd for the rights to apply for an Ancillary Mineral Lease within Exploration Licence EL31133 as part of the Finniss Lithium Project.

The agreement covers an area adjacent to the proposed Grants Mine and lithium concentrate processing plant upon which ancillary mining activity (surface water storage) is proposed by Core.

The consideration payable for the acquisition amounts to \$50,000 in Core shares totalling 1,269,905 Ordinary shares to Lithium Plus Pty Ltd.

# Subsequent Activities

## World-class High-Grade Lithium Intersection of 107m @ 1.70% Li<sub>2</sub>O at BP33

Core kicked off the new decade with a world-class intersection of 107m @ 1.70% Li<sub>2</sub>O at the Finniss Lithium Project (CXO ASX announcement 16 January 2020).

A continuous intersection of greater than 100m high-grade spodumene pegmatite was drilled by the Company as part of a recent deep RC and diamond drilling program at the BP33 Prospect in November.

Early mining studies at BP33, and also nearby Carlton Prospect, have highlighted important opportunities to increase mining efficiency and to substantially extend mine life, and will be applied to the upcoming Mineral Resource expansion updates over coming months.

These opportunities include the potential to substantially increase Ore Reserves and mine life through cost-efficient underground mining of the wide, near-vertical pegmatite orebodies that continue at depth at BP33 and Carlton, subsequent to initially developing Grants as a simple open-cut mining operation.

The new mining studies and updated Feasibility Study are expected to be completed in H1 2020 following updated Mineral Resource estimates through February from the Finniss Lithium Project.

## New high-grade lithium intersections to add to Mineral Resource at Carlton

New high-grade spodumene pegmatite intersections are expected to expand the Mineral Resource at the Carlton Prospect.

- High-grade lithium intersections outside the current Mineral Resource include:
  - 35m @ 1.32% Li<sub>2</sub>O (NRC151)
  - 14m @ 1.40% Li<sub>2</sub>O and 8m @ 1.37% Li<sub>2</sub>O (NRC154)
  - 23m @ 1.12% Li<sub>2</sub>O and 32m @ 1.52 % Li<sub>2</sub>O (NRC156)
    - Including 5m @ 2.69% Li<sub>2</sub>O
  - 13m @ 1.02% Li<sub>2</sub>O and 24m @ 1.08% Li<sub>2</sub>O (NRC157)
  - 27m @ 1.24% Li<sub>2</sub>O (NRC158)
    - Including 4m @ 2.28% Li<sub>2</sub>O
  - 14m @ 1.22% Li<sub>2</sub>O (NRCD004)

These new drill results show that the primary pegmatite body at Carlton extends at least a further 100m vertically from previous drilling, and also extends south by an additional 100m. The >220m strike extent of pegmatite at surface is now mirrored in the subsurface, with true pegmatite width estimated to increase by up to 20% in some sections.

The expanding lithium Mineral Resource at Carlton is currently being considered for addition to the development schedule and should add significant mine-life to the Finniss Lithium Project.

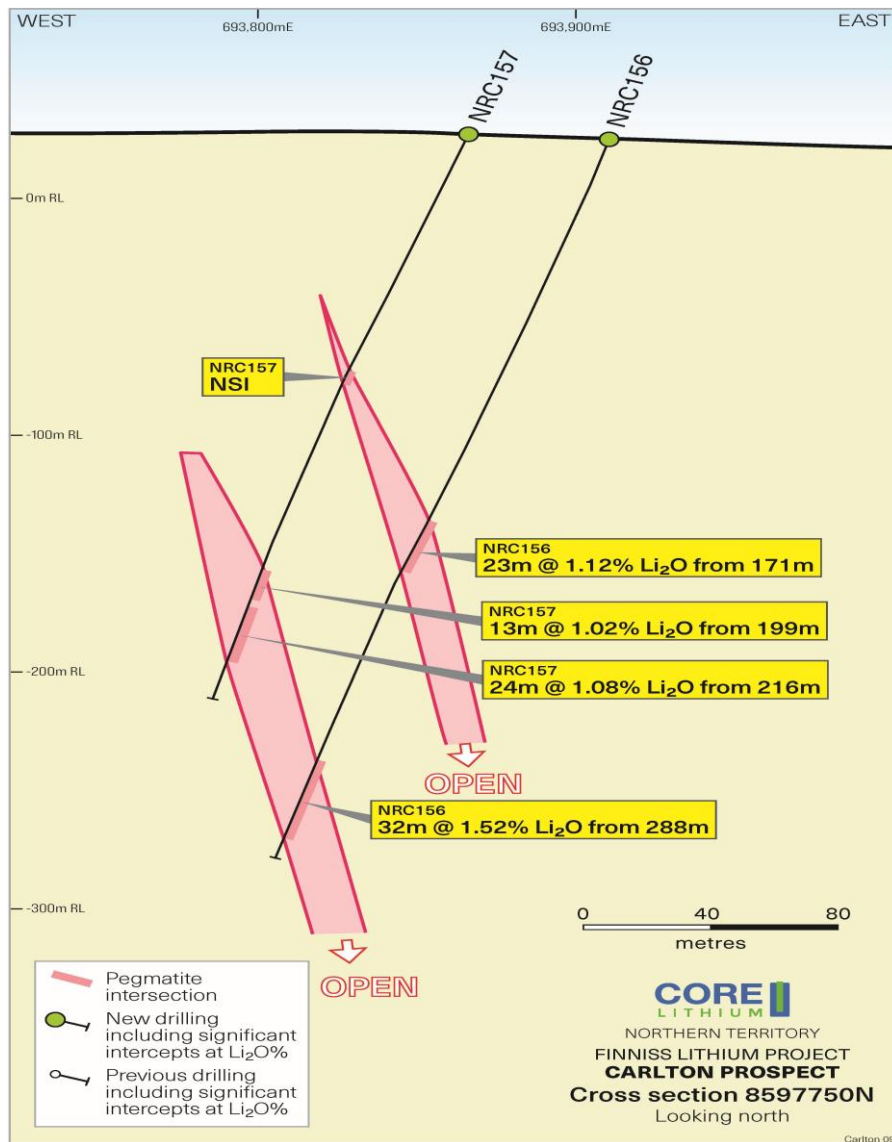


Figure 7: Cross section showing “Primary” and new “Secondary” pegmatite body south of the current Mineral Resource at Carlton

# Corporate

## New lithium project acquisitions in the NT

During October, Core announced it had entered into conditional agreements to acquire two new lithium pegmatite projects that lie in close proximity to the Finniss Project.

Core and Todd River Resources Ltd (ASX:TRT) executed tenement sale agreements for EL26848 (Walanbanba) and EL31209 (Soldiers Creek) for the equivalent of \$50,000 in Core shares for each project, subject to Core completing satisfactory due diligence.

Core believes there are strong synergies between the lithium potential of these new projects and their proximity to Core's existing lithium projects and the direct rail link to Darwin Port.

Following the due diligence period, Core acquired EL26848 (Walanbanba) and issued 1,317,792 Ordinary shares as consideration on 17 December 2019.

## Core Lithium Appoints New Director

In the December Quarter, Core appointed Malcolm McComas as a non-executive director of the Company with immediate effect.

Mr McComas joined the Board as Core strengthens the organisation's capabilities and skills at both management and Board level as the Company moves toward development and operations of the first Australian lithium project outside of WA.

Mr McComas is an experienced company director and was previously an investment banker with leadership roles at several global organisations.

Specifically, he was head of investment banking at County NatWest (now Citi Group) for 10 years and a director of Grant Samuel for a similar period.

Mr McComas has worked with many growth companies in the resources sector over his career and was most recently a director of BC Iron, the WA based iron ore producer and Consolidated Minerals, a global manganese company.

## Share capital changes – Ordinary Shares, Options and Performance Rights

During the quarter, the following changes were made to Core's capital structure:

- Issue of 1,317,792 shares as consideration for the acquisition of Exploration Licence EL26848 (Walanbanba) in the Northern Territory (voluntarily escrowed until 30 June 2020).
- Issue of 1,269,905 shares as consideration for the right to acquire an ancillary mineral lease within Exploration Licence EL31133 in the Northern Territory (voluntarily escrowed until 15 April 2020).

- Issue of 392,156 shares as consideration for professional services.
- Issue of 550,000 shares upon exercise of performance rights where performance hurdles were met.
- Issue of 20,000,000 unquoted options to directors as remuneration.
- Issue of 24,950,000 unquoted performance rights as director and employee remuneration.
- Lapse of 1,400,000 unquoted performance rights where performance hurdles were not met.

A summary of movements and balances of equity securities between 1 October 2019 and this report are listed below:

|   | Ordinary shares    | Unquoted Options  | Unquoted performance rights |
|---|--------------------|-------------------|-----------------------------|
| <b>On issue at start of the Quarter</b>                     | <b>788,994,657</b> | <b>24,273,810</b> | <b>6,850,000</b>            |
| Consideration share issued                                  | 2,979,853          | -                 | -                           |
| Performance rights – exercise                               | 550,000            | -                 | (550,000)                   |
| Performance rights – lapsed                                 | -                  | -                 | (1,400,000)                 |
| Options – issue   | -                  | 20,000,000        | -                           |
| Performance rights – issue                                  | -                  | -                 | 24,950,000                  |
| <b>Total securities on issue at the date of this report</b> | <b>792,524,510</b> | <b>44,273,810</b> | <b>29,850,000</b>           |

## About Core

Core is well positioned to be Australia's next Lithium Producer, developing one of Australia's most capital efficient and lowest cost spodumene lithium projects located in close proximity to Darwin Port.

Core's 2019 DFS highlights production of 175,000tpa of high-quality lithium concentrate at a C1 Opex of US\$300/t and US\$50M Capex through simple and efficient DMS (gravity) processing of some of Australia's highest-grade lithium Mineral Resources.

Core is currently working toward increasing Mineral Resources, Ore Reserves and mine-life ahead of project construction and lithium production, subject to financing and regulatory approvals.

The Finniss Lithium Project has arguably the best supporting infrastructure and logistics chain to Asia of any Australian lithium project. The Finniss Lithium 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 already established binding offtake and is in the process of negotiating further agreements within the lithium battery supply chain and electric vehicle industry.

Authorise for release by the Board of Core Lithium Ltd.

For further information please contact:

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## Mineral Resources and Ore Reserves

| MINERAL RESOURCES      |              |             |                     |                       |                       |
|------------------------|--------------|-------------|---------------------|-----------------------|-----------------------|
| Deposit                |              | Tonnes (Mt) | Li <sub>2</sub> O % | Li <sub>2</sub> O (t) | LiCO <sub>3</sub> (t) |
| Grants                 | Measured     | 1.09        | 1.48                | 16,100                | 39,815                |
|                        | Indicated    | 0.82        | 1.54                | 12,600                | 31,160                |
|                        | Inferred     | 0.98        | 1.43                | 14,000                | 34,622                |
|                        | <b>Total</b> | <b>2.89</b> | <b>1.48</b>         | <b>42,700</b>         | <b>105,597</b>        |
| BP33                   | Indicated    | 0.63        | 1.39                | 9,000                 | 22,257                |
|                        | Inferred     | 1.52        | 1.56                | 24,000                | 59,352                |
|                        | <b>Total</b> | <b>2.15</b> | <b>1.51</b>         | <b>33,000</b>         | <b>81,609</b>         |
| Sandras                | Inferred     | 1.30        | 1.0                 | 13,000                | 32,149                |
|                        | <b>Total</b> | <b>1.30</b> | <b>1.0</b>          | <b>13,000</b>         | <b>32,149</b>         |
| Carlton                | Indicated    | 0.46        | 1.3                 | 6,000                 | 14,838                |
|                        | Inferred     | 0.63        | 1.3                 | 8,000                 | 19,784                |
|                        | <b>Total</b> | <b>1.09</b> | <b>1.3</b>          | <b>14,000</b>         | <b>34,622</b>         |
| Hang Gong              | Inferred     | 1.42        | 1.2                 | 17,000                | 42,041                |
|                        | <b>Total</b> | <b>1.42</b> | <b>1.2</b>          | <b>17,000</b>         | <b>42,041</b>         |
| Lees                   | Inferred     | 0.78        | 1.3                 | 9,700                 | 23,988                |
|                        | <b>Total</b> | <b>0.78</b> | <b>1.3</b>          | <b>9,700</b>          | <b>23,988</b>         |
| <b>Finniss Project</b> | <b>Total</b> | <b>9.63</b> | <b>1.3</b>          | <b>129,400</b>        | <b>320,006</b>        |

Table 1. Mineral Resource Estimates for Finniss Lithium Project.

| ORE RESERVES            |                |             |                            |                      |
|-------------------------|----------------|-------------|----------------------------|----------------------|
| Deposit /Resource       | Classification | Tonnes (Mt) | Grade (Li <sub>2</sub> O%) | Contained Metal (kt) |
| Grants                  | Proved         | 1.0         | 1.4                        | 14.9                 |
| Grants                  | Probable       | 0.8         | 1.5                        | 11.6                 |
| <b>Grants Sub-total</b> |                | <b>1.9</b>  | <b>1.5</b>                 | <b>26.5</b>          |
| BP33                    | Probable       | 0.4         | 1.3                        | 5.7                  |
| <b>Total Reserves</b>   |                | <b>2.2</b>  | <b>1.4</b>                 | <b>32.2</b>          |

Table 2. Ore Reserve Estimates for Finniss Lithium Project.

## Tenement Table

| Tenement number           | Tenement name      | Beneficial Interest at the end of the Quarter | Changes during Quarter   |
|---------------------------|--------------------|---|--|
| <b>South Australia</b>    |                    |   |  |
| EL 5731                   | Fitton             | 100%  | None   |
| EL 6038                   | Mt Freeling        | 100%  | Renewed for 1 year expiring 1 Nov 2020. Reduced at renewal from 669km <sup>2</sup> to 494km <sup>2</sup> .   |
| EL 6111                   | Yerelina           | 100%  | Renewed for 2 years expiring 17 Sep 2021. Reduced at renewal from 999km <sup>2</sup> to 466km <sup>2</sup> . |
| EL 6445                   | Wyatt Bore         | 100%  | Granted for 2 years expiring 18 Dec 2021.  |
| <b>Northern Territory</b> |                    |   |  |
| EL 27709                  | Pattersons         | 100%  | None   |
| EL 28029                  | White Range East   | 100%  | None   |
| EL 28136                  | Blueys             | 100%  | None   |
| EL 28940                  | Mordor             | 100%  | None   |
| EL 29347                  | Yambla             | 100%  | None   |
| EL 29389                  | Mt George          | 100%  | None   |
| EL 29579                  | Jervois North      | 100%  | None   |
| EL 29580                  | Jervois East       | 100%  | None   |
| EL 29581                  | Jervois West       | 100%  | None   |
| EL 29689                  | Riddoch            | 100%  | None   |
| EL 29698                  | Finniss            | 100%  | None   |
| EL 29699                  | Bynoe              | 100%  | None   |
| EL 30012                  | Bynoe              | 100%  | None   |
| EL 30015                  | Bynoe              | 100%  | None   |
| EL 30669                  | Ross River         | 100%  | None   |
| EL 30793                  | McLeish            | 100%  | None   |
| EL 31058                  | Barrow Creek       | 100%  | None   |
| EL 31126                  | Zola               | 100%  | None   |
| EL 31127                  | Ringwood           | 100%  | None   |
| EL 31139                  | Anningie West      | 100%  | None   |
| EL 31140                  | Anningie South     | 100%  | None   |
| EL 31145                  | Barrow Creek North | 100%  | None   |
| EL 31146                  | Barrow Creek South | 100%  | None   |
| EL 31271                  | Bynoe              | 100%  | None   |

| Tenement number | Tenement name                    | Beneficial Interest at the end of the Quarter | Changes during Quarter                     |
|-----------------|----------------------------------|---|--|
| EL 31279        | Sand Palms                       | 100%  | None                                       |
| EL 31449        | Napperby                         | 100%  | None                                       |
| MLN16           | Bynoe                            | 100%  | None                                       |
| ML 31726        | Grants Mineral Lease             | 100%  | None                                       |
| ML32074         | Observation Hill Ancillary Lease | 100%  | Granted for 20 years expiring 17 Jan 2039. |

## Competent Person Statement

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as Managing Director of Core Lithium Ltd who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Biggins consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

*The information in this release that relates to the Estimation and Reporting of Ore Reserves is based on, and fairly represents, information and supporting documents compiled by Mr Blair Duncan. Core confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates in the announcements "Grants Lithium Resource Increased by 42% ahead of DFS" dated 22 October 2018, "Over 50% Increase in BP33 Lithium Resource to Boost DFS" dated 6 November 2018, "Maiden Sandras Mineral Resource Grows Finnis to 6.3Mt" dated 29 November 2018, "Finniss Mineral Resource Grows to 8.6Mt with Hang Gong" dated 31 January 2019, "Upgrade of Mineral Resource at Carlton Grows Finnis Project" dated 12 March 2019, "Finniss Feasibility Study and Maiden Ore Reserve" dated 17 April 2019 and "Initial Resource for Lees Drives Finnis Mineral Resource" dated 6 May 2019 continue to apply and have not materially changed. Core confirms that it is not aware of any new information or data that materially affects the Exploration Results included in this announcement as cross referenced in the body of this announcement.*

*The Mineral Resources and Ore Reserves underpinning the production target have been prepared by a Competent Person in accordance with the requirements of the JORC code. Core confirms that all material assumptions underpinning production target and forecast financial information derived from the product target announced on 17 April 2019 continue to apply and have not materially changed.*

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Core Lithium Ltd

### ABN

80 146 287 809

### Quarter ended ("current quarter")

31 December 2019

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| <b>1.</b>                            | <b>Cash flows from operating activities</b>           |                            |                                       |
| 1.1                                  | Receipts from customers                               | -                          | -                                     |
| 1.2                                  | Payments for  |                            |                                       |
|                                      | (a) exploration & evaluation                          | (2,454)                    | (3,968)                               |
|                                      | (b) development                                       | -                          | -                                     |
|                                      | (c) production  | -                          | -                                     |
|                                      | (d) staff costs (net of capitalised expenditure)      | (438)                      | (805)                                 |
|                                      | (e) administration and corporate costs                | (235)                      | (556)                                 |
| 1.3                                  | Dividends received (see note 3)                       | -                          | -                                     |
| 1.4                                  | Interest received                                     | 19                         | 45                                    |
| 1.5                                  | Interest and other costs of finance paid              | (3)                        | (3)                                   |
| 1.6                                  | Income taxes paid                                     | -                          | -                                     |
| 1.7                                  | Research and development refunds                      | -                          | -                                     |
| 1.8                                  | Other – grant received                                | 40                         | 40                                    |
| <b>1.9</b>                           | <b>Net cash from / (used in) operating activities</b> | <b>(3,071)</b>             | <b>(5,247)</b>                        |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| <b>2.</b>                            | <b>Cash flows from investing activities</b>           |                            |                                       |
| 2.1                                  | Payments to acquire:                                  |                            |                                       |
|                                      | (a) property, plant and equipment                     | (10)                       | (10)                                  |
|                                      | (b) tenements (see item 10)                           | -                          | -                                     |
|                                      | (c) investments                                       | -                          | -                                     |
|                                      | (d) other non-current assets                          | -                          | -                                     |
| 2.2                                  | Proceeds from the disposal of:                        |                            |                                       |
|                                      | (a) property, plant and equipment                     | -                          | -                                     |
|                                      | (b) tenements (see item 10)                           | -                          | -                                     |
|                                      | (c) investments                                       | -                          | -                                     |
|                                      | (d) other non-current assets                          | -                          | -                                     |
| 2.3                                  | Cash flows from loans to other entities               | -                          | -                                     |
| 2.4                                  | Dividends received (see note 3)                       | -                          | -                                     |
| 2.5                                  | Other (provide details if material)                   | -                          | -                                     |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(10)</b>                | <b>(10)</b>                           |

|           |   |     |      |
|-----------|---|-----|------|
| <b>3.</b> | <b>Cash flows from financing activities</b>                                 |     |      |
| 3.1       | Proceeds from issues of shares  | -   | 350  |
| 3.2       | Proceeds from issue of convertible notes                                    | -   | -    |
| 3.3       | Proceeds from exercise of share options                                     | -   | -    |
| 3.4       | Transaction costs related to issues of shares, convertible notes or options | (8) | (39) |
| 3.5       | Proceeds from borrowings  | -   | -    |
| 3.6       | Repayment of borrowings   | -   | -    |
| 3.7       | Transaction costs related to loans and borrowings                           | -   | -    |
| 3.8       | Dividends paid  | -   | -    |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 3.9                                  | Other   |                            |                                       |
|                                      | Net proceeds on sale of lithium royalty               | -                          | 6,615                                 |
|                                      | Lease payments  | (56)                       | (56)                                  |
| 3.10                                 | <b>Net cash from / (used in) financing activities</b> | <b>(64)</b>                | <b>6,870</b>                          |

|     |  |              |              |
|-----|--|--------------|--------------|
| 4.  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |              |              |
| 4.1 | Cash and cash equivalents at beginning of period                             | 7,146        | 2,388        |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above)              | (3,071)      | (5,247)      |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above)              | (10)         | (10)         |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above)             | (64)         | 6,870        |
| 4.5 | Effect of movement in exchange rates on cash held                            | -            | -            |
| 4.6 | <b>Cash and cash equivalents at end of period</b>                            | <b>4,001</b> | <b>4,001</b> |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts |  | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|--|----------------------------|-----------------------------|
| 5.1  | Bank balances  | 3,971                      | 4,116                       |
| 5.2  | Call deposits  | 30                         | 3,030                       |
| 5.3  | Bank overdrafts  | -                          | -                           |
| 5.4  | Other (provide details)  | -                          | -                           |
| 5.5  | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b> | <b>4,001</b>               | <b>7,146</b>                |

| 6. Payments to directors of the entity and their associates  | Current quarter<br>\$A'000 |
|--|----------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2                                   | 106                        |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3                       | -                          |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 |                            |

The amount above includes all payments to Directors and also includes payments to entities associated with Heath Hellewell. The payments relate to executive services and directors' fees on commercial terms.

| 7. Payments to related entities of the entity and their associates                                       | Current quarter<br>\$A'000 |
|--|----------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2                                   | -                          |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3                       | -                          |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 |                            |

Not applicable

| 8. Financing facilities available<br><i>Add notes as necessary for an understanding of the position</i>  | Total facility amount at quarter end<br>\$A'000 | Amount drawn at quarter end<br>\$A'000 |
|--|---|--|
| 8.1 Loan facilities  | -   | -                                      |
| 8.2 Credit standby arrangements  | -   | -                                      |
| 8.3 Other (please specify)   | -   | -                                      |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |   |  |

Not applicable

| 9. Estimated cash outflows for next quarter |                                      | \$A'000      |
|---|--------------------------------------|--------------|
| 9.1   | Exploration and evaluation           | 353          |
| 9.2   | Development                          | -            |
| 9.3   | Production                           | -            |
| 9.4   | Staff costs                          | 336          |
| 9.5   | Administration and corporate costs   | 198          |
| 9.6   | Other – working capital movement     | 444          |
| <b>9.7</b>                                  | <b>Total estimated cash outflows</b> | <b>1,331</b> |


| 10.  | Changes in tenements (items 2.1(b) and 2.2(b) above)                                  | Tenement reference and location          | Nature of interest  | Interest at beginning of quarter | Interest at end of quarter |
|------|---|--|---|----------------------------------|----------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | EL6038<br>Mt Freeling<br>South Australia | Renewed for 1 year expiring 1 Nov 2020.<br>Reduced at renewal from 669km <sup>2</sup> to 494km <sup>2</sup> .   | 100%                             | 100%                       |
|      |   | EL6111<br>Yerelina<br>South Australia    | Renewed for 2 years expiring 17 Sep 2021.<br>Reduced at renewal from 999km <sup>2</sup> to 466km <sup>2</sup> .<br><br>All licences are beneficially held | 100%                             | 100%                       |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased           | EL6445<br>South Australia                | Wyatt Bore<br>Granted for 2 years expiring 18 Dec 2021.   | 0%                               | 100%                       |
|      |   | ML32074<br>Northern Territory            | Observation Hill Ancillary Lease<br>Granted for 20 years expiring 17 Jan 2039.<br><br>All licences are beneficially held                                  | 0%                               | 100%                       |



## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

  
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Company secretary

Date: 30 January 2020

Print name: Jaroslaw (Jarek) Kopias

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.