

# ASX: CXO Announcement

26 March 2020

## Finniss Lithium Project Update

### Highlights

- Core's short-to-medium-term objectives are currently not anticipated to be significantly impacted by COVID-19;
- Majority of near-term milestones, including Mineral Resource estimate upgrade, updated mine plan and updated Feasibility Study, not reliant on field work;
- Core's Asian partners and strategic investors are beginning to return to normal following Chinese New Year and local response to COVID-19;
- Core is advancing discussions with additional potential offtake and financing partners;
- Core has commenced engagement with the Federal Government's newly established Critical Minerals Facilitation Office;
- Core is well capitalised with cash on hand of \$4 million at 31 December 2019; and
- Core is able to fund existing key milestones and deliver a construction and finance ready project in 2020.

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Advanced Australian lithium developer, Core Lithium Ltd (**Core** or **Company**) (ASX: CXO), is pleased to provide an update to shareholders with regards to our short-and medium-term plans in the wake of the COVID-19 pandemic.

Following the completion of a large drilling and field program in 2019, the Company is currently working towards delivery of an updated Feasibility Study for the Finniss Lithium Project. The aim of the drilling program was to define sufficient Mineral Resources to materially increase the mine life at Finniss.

The new Mineral Resource upgrade will be used to update the mine plan for Finniss, with efficient underground mining techniques to be investigated and modelled for the high-grade BP33 and Carlton deposits. The Feasibility Study in 2019 was based on mining only the Grants and BP33 deposits, with BP33 being only partially mined in that study. The updated mine plan will incorporate the initial mining of Grants, an expanded BP33 plus the addition of a much larger Carlton deposit. The completion of the updated mine plan does not require any field work or travel, therefore the H1 2020 timeframe for this work has not changed.

Based on the high-quality drill results received since the completion of the Feasibility Study in 2019, Core's management is confident that the Mineral Resource upgrade and mine plan update will be strongly positive for the Finniss Lithium Project.

The updated mine plan will be used to update the Feasibility Study for the Project, with increased mine life expected to be attractive to offtake and financing partners. As with the mine plan update, no travel or field work is required to complete the Feasibility Study update and we still expect to announce the results during H1 2020.

Core continues to work positively with offtake partner and largest shareholder Yahua and other strategic partners as the Company looks to add additional offtake and sources of strategic finance for the Project. Core's strategic partners remain committed to their own long-term views and strategic positions with respect to lithium-ion battery demand originating in Europe and North America. With China appearing to be returning to business following disruptions from Chinese New Year and COVID-19, discussions with strategic partners have recommenced and accelerated.

Core is also pleased to commence engagement with the Australian Federal Government's Critical Minerals Facilitation Office to position Core as an independent, secure and reliable Australian supplier of critical minerals to the globe.

Core Lithium Managing Director Stephen Biggins said, *"Even though COVID-19 will delay our next round of Mineral Resource expansion drilling in 2020, our commercial and financing discussions continue, and the Project's Feasibility Study update and approvals are progressing."*

*"Alongside progress on major milestones on approvals, offtake and finance, Core is working towards updating the Finniss Feasibility Study to at least double or possibly triple the project mine-life."*

*"Given the low capex and naturally competitive operating costs of the project close to Port, with project approvals potentially in place and substantially increased mine life in the near future, we see the Finniss Lithium Project being front of the line of new global lithium supply as EV manufacturing recovers post COVID-19."*

*"Shareholders and investors in Core will be strong beneficiaries as markets rebalance and value focusses on the forecast revenue of Core's low-capex, construction-ready lithium project positioned to finance and construct."*

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

Lithium is the core element in batteries used to power electric vehicles and the Finnis Project boasts world-class, high-grade and high-quality lithium suitable for this use and other renewable energy sources.

This announcement has been approved for release by the Core Lithium Board.

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