

ASX: **CXO** Announcement

30 April 2020

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

QUARTERLY ACTIVITIES AND CASHFLOW REPORT 31 MARCH 2020

Please find attached the Quarterly Activities and Appendix 5B Quarterly Cashflow reports for the quarter ended 31 March 2020.

Yours faithfully,



Stephen Biggins
Managing Director

ASX Release

Quarterly Activities Report for Three Months Ended 31 March 2020

30 April 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
- 27,550,000 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 March 2020.

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

During the reporting period, Core:

- Revealed a world-class, high-grade lithium intersection of 107m @ 1.70% Li₂O, along with promising metallurgy results at the BP33 Prospect;
- Announced high-grade intersections at the Carlton Prospect, which are expected to expand the Mineral Resource; and
- Subsequently received approval of its Mine Management Plan from the Northern Territory Government, paving the way for Core to commence construction and operation of the Finniss Project.

ASX: CXO

Finniss Lithium Project, NT

Core is positioned at the front of the line of new global lithium supply, 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.

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.

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.

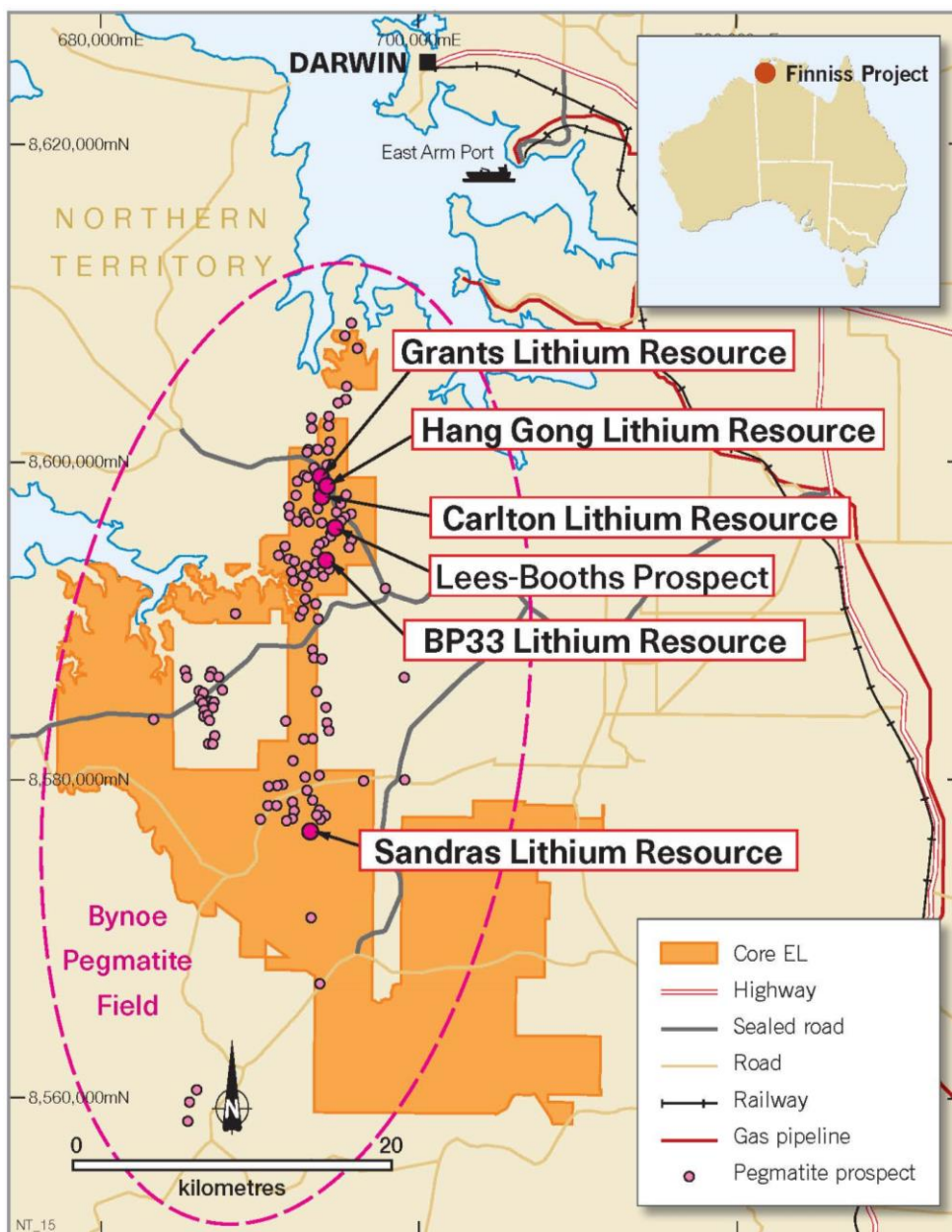


Figure 1. Lithium resources within Core's 100%-owned Finniss Lithium Project.

March Quarter Activities

World-class, high-grade lithium intersection at Finniss

During the reporting period, Core announced a world-class, high-grade lithium intersection of 107m @ 1.70% Li₂O at the BP33 Prospect, within the Finniss Lithium Project (ASX announcement “World-class High-Grade Lithium Intersection at Finniss” on 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 reverse circulation (RC) and diamond drilling program at the BP33 Prospect.

Along with the high lithium grade nature of the BP33 spodumene pegmatite, of note were the very coarse spodumene crystals of the BP33 pegmatite (Figure 2), 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 eliminates the need for flotation and translates into significantly lower capex, lower processing costs and low start-up risk.

The outstanding drill result has 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 3).



Figure 2. Large light green spodumene crystals in new pegmatite drill core from BP33.

Other holes completed during the recent RC drilling program at BP33 also intersected spodumene mineralised pegmatite including 19m @ 1.35% Li₂O (NRC148) and 14m @ 1.02% Li₂O (FRC216) (Figure 3). All these new lithium drill intersections are outside of the current BP33 Mineral Resource and are therefore expected to substantially expand the defined Mineral Resource at BP33.

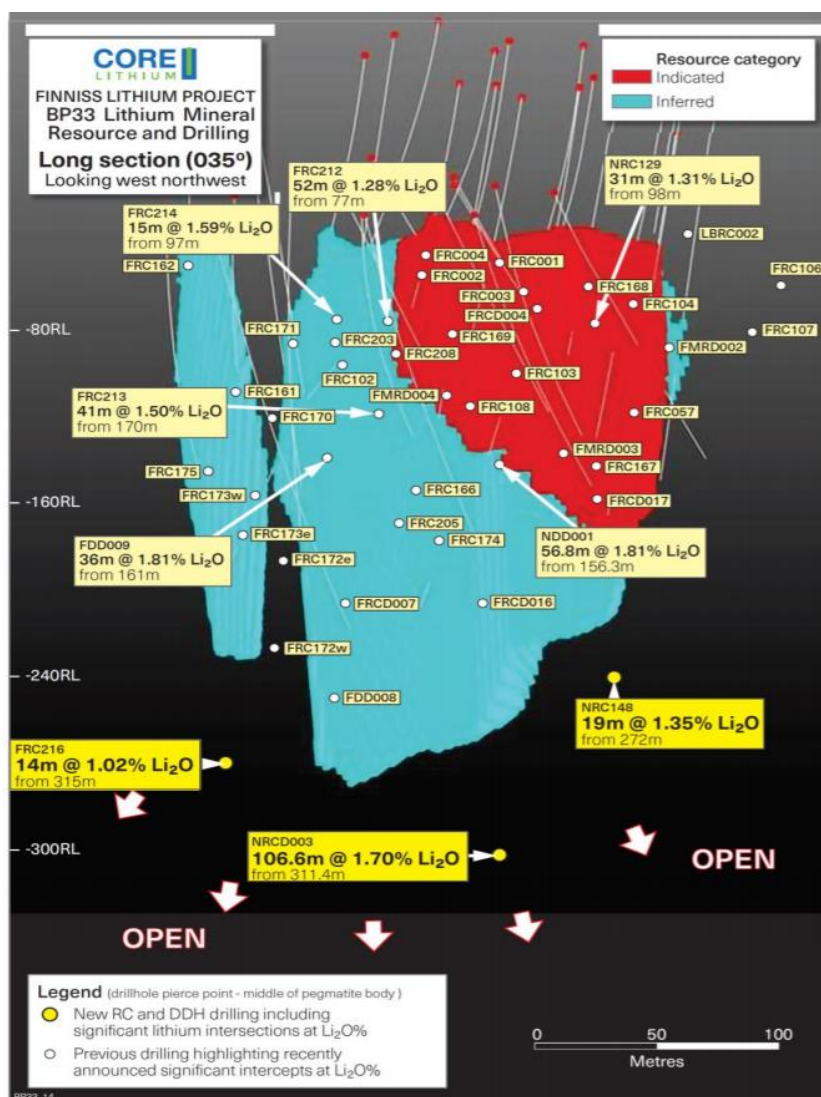


Figure 3. Long section for BP33 showing the current Mineral Resource (coloured by grade and segregated into resource category), showing previous recent and new assay results (intercept widths are not estimated true width) as mid-pegmatite pierce points (ASX announcements released as "High-grade Intersections at BP33 update" on 15 October 2019).

Outstanding metallurgy results from BP33

In March, Core announced much improved metallurgical performance from recent testwork conducted on representative bulk samples of spodumene pegmatite core recently drilled from the BP33 deposit (ASX announcement “Outstanding Metallurgy Results from BP33” on 10 March 2020).

The new results from the high lithium grade and low iron content ore body at BP33 improve on previous test work results in regard to producing exceptional quality lithium concentrate at better lithium grades, lower iron content, at higher recovery and at a larger crush size.

Core believes that the high-quality, low-iron, coarse Finniss lithium concentrate will be differentiated in a lithium battery and Electric Vehicle (EV) market focussed on demand for exceptional quality materials supplied from ethical and sustainable sources.

Testwork included a number of larger scale tests using the 100mm DMS cyclone circuit with results demonstrating the robust metallurgy of the BP33 deposit. DMS results were excellent, showing that an overall lithium recovery of 72% could be achieved at the coarser cut-off of 0.85mm. Iron grade in the combined concentrates was 0.44% Fe₂O₃, well below the maximum Fe₂O₃ grade of 1% required by customers.

The outstanding new metallurgical results from the high grade BP33 orebody will be incorporated along with new resource and reserve estimates into an updated Feasibility Study in Q2 2020, targeting a significantly increased mine life and substantially improved project economics.

High-grade intersections at Carlton

During the reporting period, Core announced new high-grade spodumene pegmatite intersections that are expected to expand the Mineral Resource at Carlton Prospect, located within the Finniss Lithium Project.

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 Project.

All recently completed RC drillholes and the single diamond core (DD) hole intersected significant intervals of spodumene pegmatite at Carlton. These new drill results showed 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 (Figures 4 and 5).

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.

Several drillholes also intersected a second pegmatite body in addition to the current ‘primary’ pegmatite (Figure 4). This second body does not outcrop at surface and may become more significant at depth, which provides further upside in any potential underground mining scenario.

Importantly, both the primary and secondary pegmatites are open along strike to the south and at depth.

The new drill intercepts strongly support the concept that the Carlton pegmatite is plunging to the south, a feature in common with both the nearby Grants and BP33 high-grade lithium orebodies (Figure 6).

The new Mineral Resource estimate at Carlton is expected to result in a substantial increase in the size of Inferred and Indicated Mineral Resources and, in parallel to Core’s mining studies, add significantly to Ore Reserves and mine life of the Finnis Lithium Project.

Carlton has obvious potential to continue to expand in size beyond the extent defined by current drilling.

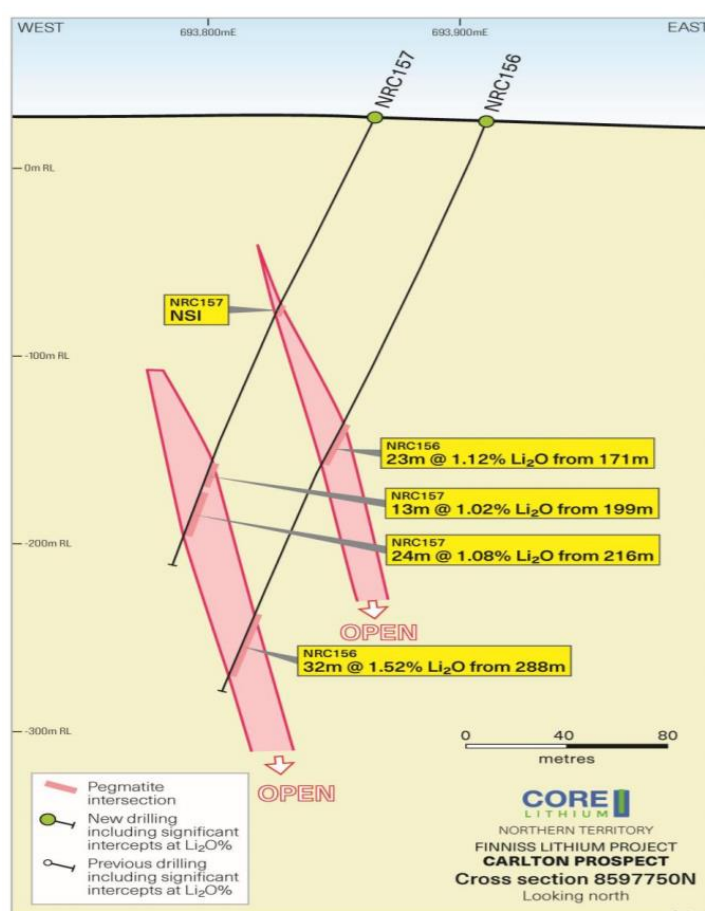


Figure 4. Cross section showing “Primary” and new “Secondary” pegmatite body south of the current Mineral Resource at Carlton (ASX announcement “New High-grade Lithium Intersections at Carlton” on 23 January 2020).

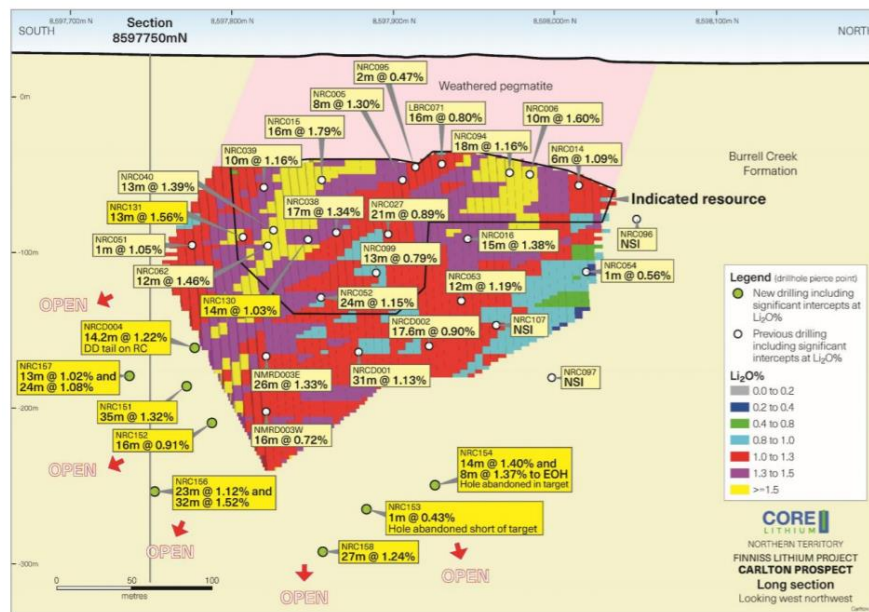


Figure 5. Long section showing the current Mineral Resource (coloured by grade and segregated into resource category), showing previous assays and current drilling geology results as mid-pegmatite pierce points at Carlton. Previously released results as ASX announcements “High-Grade Lithium Intersected 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.

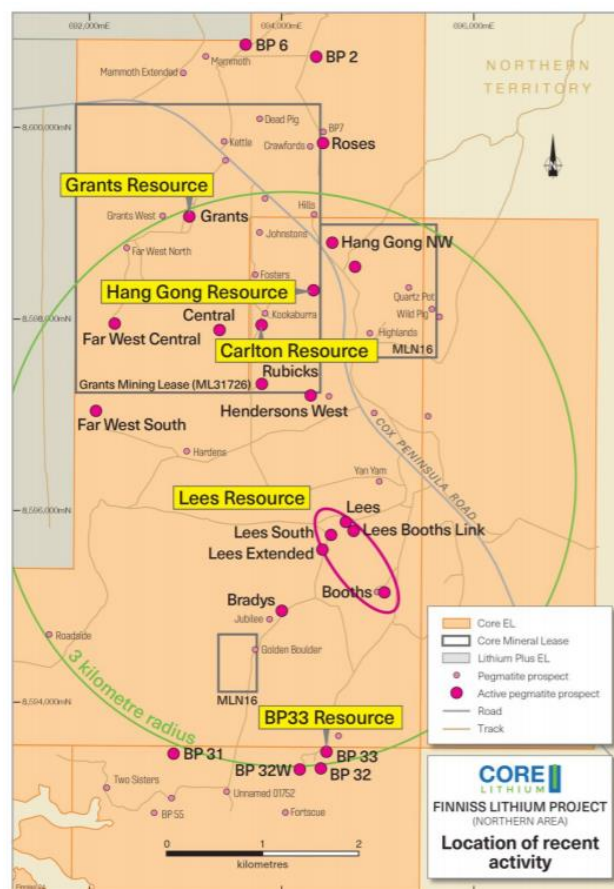


Figure 6. Main prospects in the northern Finnis Lithium Project area, showing the close proximity of Carlton and Grants Deposits.

Historic high-grade gold grades at new project in the NT

Also during the reporting period, Core revealed that bona fide gold and base metal prospectivity has been identified during a review of historic data and company reports for its new Adelaide River Project in the Pine Creek Orogen of the Northern Territory.

The Adelaide River Gold Project, comprising exploration licence application EL31886, is located 25km south east of the Finniss Lithium Project and leverages Core's local exploration capabilities.

Gold mineralisation at Adelaide River is hosted in gold vein systems similar to those at the nearby Cosmo gold mine, operated by Kirkland Lake Resources.

Kirkland Lake, which recently completed a A\$5 billion takeover of Detour Gold (TSX:DGC), is currently progressing an underground mine development at the nearby Cosmo gold mine and plans to establish a significant gold mining centre in the Pine Creek region of the Northern Territory.

This region in the NT has potential for long-term, profitable mining operations in a historic mining district with over 4.5 million ounces of gold produced over the past four decades.

Core's new tenement area hosts extensive laminated quartz veins that locally contain fine visible gold and sulphide-hosted gold, not unlike many of the other gold deposits of the Pine Creek and Cosmo Howley Mineral Fields.

Napperby Uranium Deposit, NT

Core notes that uranium prices have increased by over 35 per cent over the past month. This has made uranium arguably the best performing major commodity in 2020 to date.

Whilst the Finniss Lithium Project remains Core's flagship operation and focus, the Company notes this uptick in price bodes well for the value of our non-core Napperby uranium deposit in the NT.

Core's high-quality JORC Resource at Napperby aligns with the Company's focus on low emission energy and storage sources and is proving to be a value-enhancing asset with the recent prices escalating for raw materials.

Core announced an upgrade of the Mineral Resource at Napperby following the JORC 2012 Code guidelines on 12 October 2018. The Napperby Uranium Inferred Mineral Resource estimation defined by SRK Consulting comprises 9.54Mt at 382ppm U_3O_8 for 8.03 Mlb of contained U_3O_8 at a 200 ppm U_3O_8 cut-off (Table 1 and Figure 7).

Napperby also includes significant Vanadium mineralisation that represents a 9.54Mt Inferred Mineral Resource at 236ppm V_2O_5 .

Core obtained a Kick-Start grant via the CSIRO to undertake a review on mining and processing options coupled with geochemical/thermodynamic modelling as a predictive tool to understand the Napperby deposit formation and carnotite precipitation/dissolution.

Core has undertaken a low-cost desktop study to assess development options for the Napperby Uranium Deposit, in light of recent innovations in lixiviant development and In Situ Recovery ('ISR') techniques.

The aim of the study was to determine whether this modelling could inform an understanding of the mechanism for a potential reversal of the deposition process for value metal extraction. Available information on the leaching of uranium from calcrete deposits, with a specific focus on carnotite leaching and prior ISR treatment application and existing Napperby metallurgical data was reviewed.

Based on the findings, potential gaps were identified from the previous metallurgical test work, coupled with outcomes from the geological review and geochemical modelling.

Recommendations for further test work include possible processing of the Napperby deposit by ISR and key opportunities in reducing reagent consumption and increasing recovery.

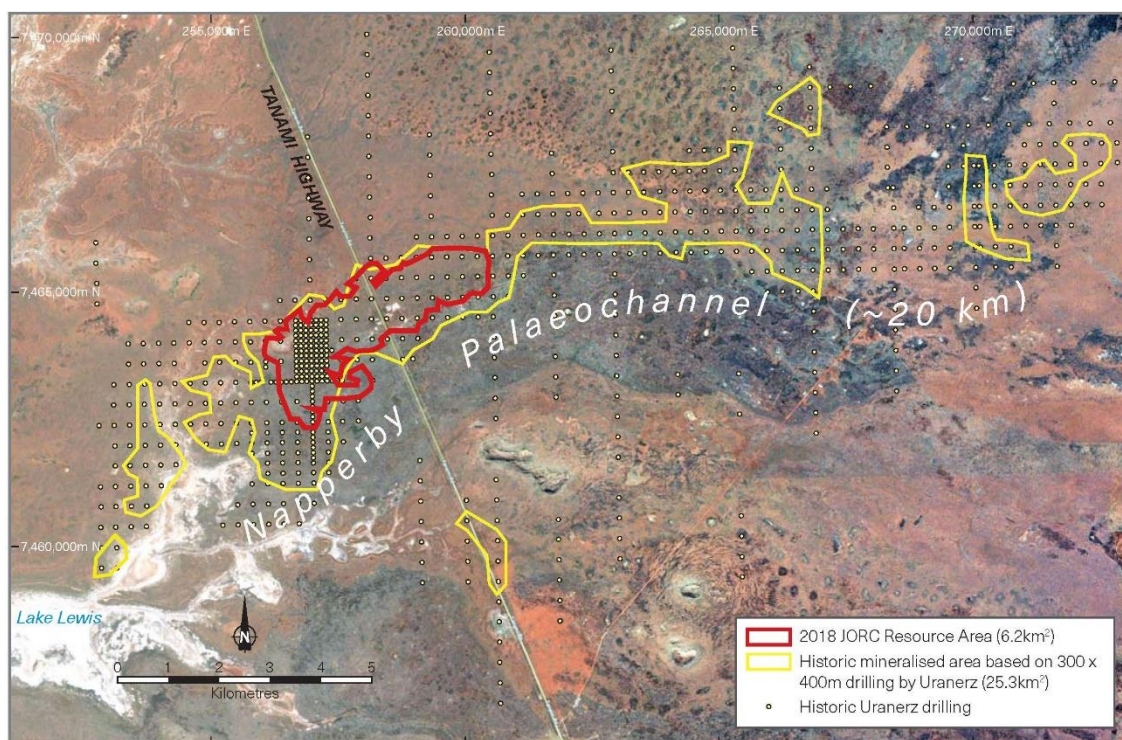


Figure 7. Outline of the Mineral Resource area versus the historic mineralised area defined by Uranerz (CXO ASX announcement “Napperby Uranium Resource Update and Increase” on 12 October 2018).

Cut-off (U ₃ O ₈ ppm)	Ore Tonnage (Mt)	Grade U ₃ O ₈ (ppm)	Metal (U ₃ O ₈ t)	Metal (U ₃ O ₈ Mlb)	Vanadium (V ₂ O ₅ ppm)
200	9.54	382	3643	8.03	236

Table 1. Inferred Mineral Resource Estimate for Napperby Uranium Deposit at 200ppm U₃O₈ cut-off (CXO ASX announcement “Napperby Uranium Resource Update and Increase” on 12 October 2018).

Subsequent Activities

Key NT Government approvals received for Finniss

In April, Core was very pleased to announce the receipt of approval of its Mine Management Plan (MMP) from the Northern Territory Government, marking achievement of another key milestone as the Company plans to build Australia's first lithium mine and production facility outside of Western Australia.

The MMP is the final regulatory hurdle required to commence site activities and paves the way for Core to commence construction and subsequent operation of the Finniss Project.

Core is on track to be construction-ready in 2020.

Corporate

BP33 NOI

During April, Core lodged a Notice of Intent (NOI) with the Northern Territory Environmental Protection Authority (NTEPA) in relation to the expansion of the BP33 project as an underground operation.

Once released by the NTEPA for public information, the BP33 NOI will be available at <https://ntepa.nt.gov.au>.

COVID-19 update

Towards the end of the March quarter, Core provided an update to the market in the wake of the global COVID-19 crisis.

Core is pleased to reiterate the sentiment of that announcement in this quarterly update, in that the impact of the COVID-19 pandemic on the Company's plans and objectives for the coming period is proving to be minimal.

Following the completion of a large drilling and field program in 2019, the Company is 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.

Appendix 5B expenditure disclosure

Core's Appendix 5B includes amounts in items 6.1 and 6.2. These amounts represent payments of executive and non-executive director fees paid as salaries and wages and to entities nominated by relevant directors.

During the quarter Core expended \$1,016k on exploration activities. This expenditure primarily represents exploration and development activities at Core's Finnis Lithium Project.

Share capital changes – Ordinary Shares, Options and Performance Rights

The following changes were made to Core's capital structure:

- Lapse of 2,300,000 unquoted performance rights where performance hurdles were not met.

A summary of movements and balances of equity securities between 1 January 2020 and this report are listed below (*represents movements subsequent to the end of the quarter):

	Ordinary shares	Unquoted Options	Unquoted performance rights
On issue at start of the Quarter	792,524,510	44,273,810	29,850,000
Performance rights – lapsed	-	-	(1,300,000)
Performance rights – lapsed*	-	-	(1,000,000)
Total securities on issue at the date of this report	792,524,510	44,273,810	27,550,000

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.

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.

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 ₂ O %	Li ₂ O (t)	LiCO ₃ (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
	Total	2.89	1.48	42,700	105,597
BP33	Indicated	0.63	1.39	9,000	22,257
	Inferred	1.52	1.56	24,000	59,352
	Total	2.15	1.51	33,000	81,609
Sandras	Inferred	1.30	1.0	13,000	32,149
	Total	1.30	1.0	13,000	32,149
Carlton	Indicated	0.46	1.3	6,000	14,838
	Inferred	0.63	1.3	8,000	19,784
	Total	1.09	1.3	14,000	34,622
Hang Gong	Inferred	1.42	1.2	17,000	42,041
	Total	1.42	1.2	17,000	42,041
Lees	Inferred	0.78	1.3	9,700	23,988
	Total	0.78	1.3	9,700	23,988
Finniss Project	Total	9.63	1.3	129,400	320,006

Table 2. Mineral Resource Estimates for Finniss Lithium Project.

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

Table 3. Ore Reserve Estimates for Finniss Lithium Project.

Tenement Table

Tenement number	Tenement name	Interest at the end of Quarter	Changes during Quarter
South Australia			
EL 5731	Fitton	100%	None
EL 6038	Mt Freeling	100%	None
EL 6111	Yerelina	100%	None
EL 6445	Wyatt Bore	100%	None
Northern Territory			
EL 26848	Walanbanba	100%	Acquisition of project
EL 27709	Pattersons	100%	None
EL 28029	White Range East	100%	None
EL 28136	Blueys	100%	None
EL 28940	Mordor	0%	Surrendered at anniversary
EL 29347	Yambla	100%	None
EL 29389	Mt George	100%	None
EL 29579	Jervois North	0%	Surrendered at anniversary
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
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%	None

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 Finniss 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 Finniss Project" dated 12 March 2019, "Finniss Feasibility Study and Maiden Ore Reserve" dated 17 April 2019, "Initial Resource for Lees Drives Finniss Mineral Resource" dated 6 May 2019 and "Napperby Uranium Resource Update and Increase" dated 12 October 2018 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 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 or oil and gas exploration entity quarterly cash flow report

Name of entity

Core Lithium Ltd

ABN

80 146 287 809

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed) ¹	(8)	(21)
(b) development	-	-
(c) production	-	-
(d) staff costs	(330)	(986)
(e) administration and corporate costs	(210)	(1,202)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	52
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	40
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(543)	(2,121)

¹There has been a reclassification of YTD cashflows from the December 2019 Quarterly cashflow report to comply with listing rule 19.11A.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(11)	(21)
	(d) exploration & evaluation (if capitalised) ²	(1,008)	(4,976)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
	(f) exploration & evaluation (Royalty) ²	-	6,875
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Security bond refund)	43	43
2.6	Net cash from / (used in) investing activities	(976)	1,921

²There has been a reclassification of YTD cashflows from the December 2019 Quarterly cashflow report to comply with listing rule 19.11A.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	350
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other - Lease Repayments	(24)	(80)
3.10	Net cash from / (used in) financing activities	(24)	270

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,001	2,388
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(543)	(2,121)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(976)	1,921
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(24)	270
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,458	2,458

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 \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,428	3,971
5.2	Call deposits	30	30
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,458	4,001

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	48
6.2	Aggregate amount of payments to related parties and their associates included in item 2	58

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Not applicable			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(543)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,008)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,551)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,458
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,458
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.6

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Core has sufficient cash reserves to achieve its short- and medium-term objectives. Core has proactively looked to reduce expenditure relating to non-core assets and identify cost efficiencies in light of current market uncertainty associated with COVID-19. Total current forecast net cash expenditure for the next two Quarters is estimated at approximately \$1.6 million.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Core continued positive discussions with advisors, strategic investors and partners to work towards securing funding to further progress the Finnis Lithium Project. The discussions are currently confidential and incomplete.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: On the basis of 1 and 2 above, Core expects it will be able to meet short- and medium-term objectives with a focus on progressing the Finnis Lithium Project.

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.

Date: 30 April 2020

Authorised by: the Board of the Company

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.