

ASX: CXO Announcement

5 May 2020

Finniss Lithium Project Update

Highlights

- Core applies to new Northern Territory Government co-investment fund to accelerate project
- Offtake partner discussions and negotiations accelerate after recent MMP Approval with Asian and European parties
- Mineral Resource estimate nearing completion
- OreWin engaged to update mine plan for Finniss on expected increased Mineral Resources and efficient underground mining method for BP33 and Carlton
- Updated Feasibility Study on track for completion this quarter
- Core is on track to be construction ready post COVID-19

Advanced Australian lithium developer, Core Lithium Ltd (**Core** or **Company**) (ASX: CXO), is pleased to provide a further update to shareholders with regards to our short- and medium-term plans for the Finniss Lithium Project.

Core has recently applied to a new Northern Territory Government initiative aimed at creating more local jobs and accelerating major and significant projects. The NT Local Jobs Fund is an \$89 million co-investment fund to support economic projects and help high growth potential Territory businesses to increase exports nationally and international.

Discussions and negotiations with additional offtake partners and project financiers for the Project have accelerated after the recent NT Government approval for mining and production of high-quality lithium concentrate from the Finniss Lithium Project.

As announced on 26 March 2020, the Company's short and medium term goals have not been materially impacted by the COVID-19 pandemic and excellent progress is being made on the updated Feasibility Study.

The Company is finalising the Mineral Resource estimate upgrades for several deposits at Finniss. The updated estimates follow an extensive extension drilling campaign undertaken in 2019.

The Mineral Resource upgrade will be used to update the mine plan for Finniss, with underground mining techniques to be investigated and modelled for the BP33 and Carlton deposits. Independent Mining Consultants OreWin will deliver the updated mine plan with preliminary work nearing completion. It is expected that the updated mine plan will be completed shortly after the Mineral Resource estimate upgrade.

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.

Core Lithium Managing Director Stephen Biggins said,

"As we can start to see light at the end of the COVID-19 tunnel, the work that the Core team has been doing behind the scenes sets us up well for a strong second half."

"The imminent Mineral Resource estimates will feed directly into the mine update, which then feeds into the updated Finniss Feasibility Study, with the Company targeting an extended mine life of at least 7-10 years."

"With low capex, excellent grades and naturally competitive operating costs of the project close to Port, we are more confident than ever that the Finniss Lithium Project will be front of the line of new global lithium supply as EV manufacturing recovers post COVID-19."

The Finniss 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 Finniss 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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