

# ASX: CXO Announcement

22 May 2020

## Core Lithium Secures First European Offtake

### Highlights

- Offtake partner discussions and negotiations culminate in Core signing a non-binding Memorandum of Understanding (MOU) for Offtake with Transamine
- Transamine is a well-established dynamic, Geneva-based company with global reach
- Transamine and Core have agreed to the supply of 50,000tpa of spodumene concentrate from the Finniss Lithium Project over five years
- Fully binding Offtake Agreement to be negotiated over coming months
- Additional option for financing facility with Transamine

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Core Lithium Ltd (**Core** or **Company**) (ASX: CXO), Australia's most logistically efficient lithium developer, is pleased to announce that discussions and negotiations with a potential European offtake partner, Transamine Trading, have culminated in the signing of a non-binding offtake term sheet for the supply of 50,000 tonnes per annum spodumene concentrate from the Company's wholly-owned Finniss Lithium Project, located near Darwin in the Northern Territory. This offtake comes in addition to Core's existing binding offtake agreement with Yahua for 75,000tpa.

The term sheet paves the way for a binding offtake agreement, which is anticipated later in 2020 and subject to due diligence and a final investment decision (FID) on the Finniss Project by Core.

The initial supply period is for five years, with the option to extend in anticipation of the longer life of mine in the forthcoming revised Feasibility Study on the Finniss Project.

Transamine is a Geneva-based trading company specialising across a range of strategic material functions including sourcing, marketing, logistical support and

financial tools. Transamine has proven lithium offtake experience with various lithium producers and has tied up sound relationship with converters, leveraging their global expertise in non-ferrous metals, complemented by their high standards of conduct, promoting sustainability, social and environmental responsibility.

The successful signing of the term sheet with Transamine is the result of in-depth engagement with several potential offtake parties and project financiers, accelerating since the recent NT Government approval for mining and production from the Finniss Project.

This offtake term sheet reinforces the confidence in the Finniss Project and the long-term demand fundamentals of lithium beyond current COVID-19 challenges.

Additionally, this is a reflection of Core Lithium's commitment to the diversification of the lithium-ion battery supply chain, with the inevitable establishment and growth of downstream lithium processing and battery manufacturing in Europe.

Core continues to actively negotiate with a number of parties for the remaining production from Core's Finniss Lithium Project.

Core Lithium Managing Director Stephen Biggins said:

*"We are very pleased with the recent signing of the offtake term sheet with Transamine and look forward to advancing this to a binding offtake agreement over the coming months."*

*This is a big step in cementing Core's relationship with this offtake partner.*

*Transamine, among other existing and prospective offtake partners, has recognised the excellent prospects for Core Lithium to become an efficient and reliable supplier of high-quality spodumene concentrate from Darwin, with the support of the Northern Territory Government.*

*Core Lithium remains focussed on developing the Finniss Lithium Project for the benefit of all stakeholders including the Northern Territory and the growing number of offtake partners and project financiers.*

*We are encouraged by the ongoing confidence in lithium demand and project support despite the current challenging environment as we progress towards construction, commissioning and production."*

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

**For further information please contact:**

Stephen Biggins  
Managing Director  
Core Lithium Ltd  
+61 8 8317 1700  
[info@corelithium.com.au](mailto:info@corelithium.com.au)

**For Media and Broker queries:**

Warrick Hazeldine  
Managing Director  
Cannings Purple  
+61 417 944 616  
[whazeldine@canningspurple.com.au](mailto:whazeldine@canningspurple.com.au)

## About the Finniss Lithium Project

The Finniss Lithium Project is at the front of the line of new global lithium production and has arguably the best logistics chain to markets 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.