

ASX: CXO Announcement

5 August 2020

NT Government offers conditional \$5m concessional Finance Facility

Highlights

- The Northern Territory Government Local Jobs Fund (LJF) offers to invest \$5 million in the Finniss Lithium Project through a low-cost business investment concessional loan (Finance Facility)
- Concessional Finance Facility will contribute to lower start-up capital costs
- Finniss Lithium Project will create over 250 jobs in the Northern Territory and is expected to generate significant socio-economic benefits and enterprise opportunities
- NT Government finance building foundation for FID as Core engages with Project Finance Markets
- NT Government support boosts Core Lithium's progress towards becoming the next Australian lithium producer

Advanced Australian lithium developer Core Lithium Ltd (**Core** or **the Company**) (ASX: **CXO**) is pleased to announce that it has received from the Northern Territory Government a non-binding indicative term sheet with the Local Jobs Fund (LJF) for a \$5 million concessional Finance Facility to fund development of the Finniss Lithium Project (Finance Facility).

The presentation of the Finance Facility follows an assessment process by the LJF investment committee and is a recognition of the significant employment opportunities, socio-economic benefits and enterprise opportunities in the Northern Territory to be generated from the Finniss Lithium Project.

The Finance Facility is expected to contribute to the lower start-up capital funding needs, and the concessional interest rate is expected to reduce the overall cost of finance.

Core will work with the LJJ investment committee to finalise documentation and satisfy customary conditions precedent alongside a commercial project financier. Any formal offer of finance remains subject to the final recommendation of the LJJ investment committee and the approval processes of the Northern Territory Government.

Core continues to engage with debt and equity capital markets in finalising the balance of the Finnis Lithium Project's capital funding requirements. Regarding product offtake, it already has a binding agreement with China's Yahua for 75,000tpa and a non-binding MOU with Geneva-based Transamine Trading for a further 50,000tpa, which in total represent approximately 70% of Project offtake.

Northern Territory Chief Minister Michael Gunner said the proposed financial commitment will bring new industry and jobs to the Territory.

"To ensure the Territory rebounds strongly from COVID-19 the Northern Territory government is investing in projects that will help our economy grow and create jobs for Territorians.

"The Territory Government has provided Core Lithium a non-binding term sheet for a \$5 million Business Investment Concessional Loan through the Local Jobs Fund, subject to due diligence.

"We are making the Territory Australia's comeback capital, and this job-creating project can be a key part of that," Mr Gunner said.

Core's Managing Director, Stephen Biggins, commented:

"We are delighted to have the support of the Northern Territory Government in the offer of a concessional finance facility, which contributes to the transition from developer to miner.

"The Northern Territory Government's proposed financial commitment is a recognition of the value of the near development-ready Finnis Lithium Project and its contribution to reducing global emissions and rebound in economic growth in the Territory."

Key terms of the Northern Territory Government Local Jobs Fund Finance Facility

Facility Amount	\$5 million to be used for the development of the Finniss Lithium Project
Tenor	36 months
Interest Rate	BBSW + 2%
Security	Registered General Security Deed ranking pari passu with other senior debt providers
Terms Sheet is non-binding	The non-binding indicative Terms Sheet is not to be construed as an offer of finance. An offer of finance can only be issued after the recommendations of the independent LJF Investment Committee and the approval of the Northern Territory of Australia.
Conditions Precedent to Financial Close	The Finance Facility is subject to the agreement of final terms and facility documents are entered into with customary conditions precedent which include, but are not limited to: <ul style="list-style-type: none"> • Binding offtake agreements for at least 50% of production • Evidence of the balance of funding being secured • Announcement of Final Investment Decision

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

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About the Northern Territory Local Jobs Fund

The Local Jobs Fund is a Northern Territory Government initiative aimed at creating more local jobs, accelerating major and significant projects and supporting economic transformational projects to help high growth businesses.

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.

Core has recently announced a 50% increase in Resources and a 7-year Life of Mine (LOM) backed by Reserves.

Core has also recently signed its first European Offtake MOU with Geneva-based Transamine for 50,000tpa, in addition to binding offtake for 75,000tpa with one of China's largest lithium producers, Sichuan Yahua.

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 & other renewable energy sources.