

ASX: CXO Announcement

10 November 2020

Core Lithium Accepted into European Commission's newly formed European Raw Materials Alliance (ERMA)

Highlights

- Core Lithium accepted as a member of the ERMA
- European Commission initiative launched on 29 September 2020
- Broader strategic initiative backed by the EIB
- ERMA's primary objective is to improve the EU's resilience in access to critical materials and achieve the Green Deal
- Facilitates collaborative relationships for innovative solutions and supply chain integration

Core Lithium Ltd (ASX: CXO) (Core or Company) continues to advance its global diversification strategy and is pleased to announce that its application has been accepted to join the newly launched European Raw Materials Alliance (ERMA).

The European Raw Materials Alliance was officially launched by the European Commission (EC or Commission) on 29 September 2020 and is a broader strategic extension on previous initiatives with the full backing of the Commission. At the launch, the EC acknowledges that in order for Europe to deliver the Green Deal*, a digital transition and remain a leader in future technologies, it faces a significant increase in demand for critical raw materials.

The European Commission has recognised that Europe is highly dependent on raw materials from countries with less stringent environmental, social and human rights standards, and less stable economies. Core's participation in the ERMA bolsters supplies of lithium, one of several critical materials from Australia, a jurisdiction with equally robust Environmental, Social, and Corporate Governance (ESG) standards evidenced in the Finnis Lithium Project's low carbon footprint, environmental credentials and ethical sourcing policies.

Through its ERMA membership, Core is part of a comprehensive collaborative ecosystem bringing innovative mining extractive technologies to the table while actively engaging with the European Union (EU) hi-tech manufacturing base and financiers mandated to facilitate the timely development of the EU's critical material processing capability including the European Investment Bank (EIB).

At the ERMA launch Maroš Šefčovič, Vice President of the European Commission, stated:

"Our strategic foresight shows clearly that the demand for critical raw materials is only going to rise, especially given the ongoing transition towards a green and digital economy. The pandemic has also highlighted the criticality of raw materials for our recovery. To secure a sustainable supply of raw materials we need to join forces across Europe, as we have done for the EU Battery Alliance. The European Alliance on Raw Materials will mobilise industrial and innovation actors, Member States, regions, the EIB, investors and civil society – to help build our capacities and investment cases along the entire value chain, from extraction to processing and recycling. This will in turn strengthen our resilience and boost our open strategic autonomy."

Core Managing Director Stephen Biggins said:

"We are very pleased with our ongoing development of Core's presence in Europe and participation in what is shaping to be a key end-user market for the lithium-ion battery production and demand for our product."

"Core Lithium is in the driving seat in terms of efficiently allocating Finniss' product into resilient and sustainable end-markets with respectable partners. Our acceptance into the ERMA reflects Core's own commitment to sustainable outcomes as downstream manufacturers increasingly scrutinise ESG standards and energy intensity along the entire LIB supply chain."

"As we develop new collaborative relationships and supply chain integration in Europe through the ERMA, we are also embracing existing and new relationships with potential partners in Asia who share Core's interest in the burgeoning LIB sector in the EU. We remain committed to partners in each region."

Core Lithium will ramp up its engagement with EU stakeholders despite the current COVID-19 challenges and anticipates participation in ERMA strategy development for critical material resilience.

The inevitable conversion of the Transamine MOU to a binding offtake agreement is a practical step to improving the EU's critical material resilience, after which the remaining portion of product remains to be allocated to one of a number of potential partners.

The Finnis Lithium Project is still on track to commence production in 2022 to secure its role in the Lithium-ion Battery (LIB) supply chain. Given its low start-up capital requirements, existing infrastructure and proximity to offshore transport services, the Finnis Lithium Project is well placed to meet the world's growing demand for lithium batteries for electric vehicles and other renewable technologies that the world is gravitating towards.

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 Lithium Project boasts world-class, high-grade and high-quality lithium suitable for this use and for other renewable energy sources.

About the European Raw Materials Alliance (ERMA)

The new alliance has been established in recognition of the critical importance of raw materials to the EU's security, sustainability and industrial leadership. If Europe is to deliver a Green Deal, a digital transition and remain a leader in future technologies, it faces a significant increase in demand for critical raw materials.

The European Raw Materials Alliance will identify barriers, opportunities and investment cases to build capacity at all stages of the raw materials value chain, from mining to waste recovery. The alliance will focus on increasing EU resilience in the rare earths and expanding to address other critical and strategic raw material needs, such as lithium, recently added to the EU's critical material list with other materials for Energy Storage and Conversion.

About the EIT RawMaterials

Developing raw materials into a major strength for Europe EIT RawMaterials, initiated and funded by the EIT (European Institute of Innovation and Technology), a body of the European Union, is the largest innovation community in the raw materials sector worldwide. Its vision is to develop raw materials into a major strength for Europe. Its mission is to enable sustainable competitiveness of the European minerals, metals and materials sector along the value chain by driving innovation, education and entrepreneurship. EIT RawMaterials unites more than 300 partners from leading industries, research and technology organisations and universities from more than 27 European countries. Partners of EIT RawMaterials are active across the entire raw materials value chain; from exploration, mining and mineral processing to substitution, recycling and circular economy.

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

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*The Green Deal aims to transform the 27-country European bloc from a high to a low carbon economy, without reducing prosperity and while improving people's quality of life, through cleaner air and water, better health and a thriving natural world.