

ASX: CXO Announcement

28 April 2021

Core's largest shareholder and key Tesla supplier Yahua to double planned lithium hydroxide output

Highlights

- Core's largest shareholder and key Tesla supplier, Yahua, plans to more than double lithium hydroxide output
- Yahua's output to increase from 20,000tpa to 50,000tpa of lithium hydroxide
- Core has binding offtake to supply Yahua with 75,000tpa of high-quality lithium concentrate for Yahua's hydroxide operation
- Core is targeting a start of construction of Finniss Lithium Project this year

Advanced Australian lithium developer Core Lithium Ltd (ASX: CXO) (Core or Company) is pleased to announce that the Company's largest shareholder and a key supplier to Tesla – China's Sichuan Yahua Industrial Group (Yahua) – is planning to more than double its lithium hydroxide production capacity.

Yahua announced this week that it will invest to increase the output of its Yaan plant from 20,000tpa to 50,000tpa of battery-grade lithium hydroxide.

Yahua and Tesla signed an agreement in December 2020 for Tesla to purchase US\$630 million to US\$880 million of battery-grade lithium hydroxide over a five-year period.

A significant portion of Yahua's lithium concentrate supply requirements for Yaan can be met by Core. Core and Yahua have signed a binding offtake agreement for Core to supply 75,000tpa (~10,000tpa LCE) of lithium spodumene concentrate. The Yahua offtake represents approximately 40% of Finniss' proposed 175,000tpa production.

Core is the most advanced new Australian lithium developer on the ASX and leading the supply of new global lithium production at a time when worldwide demand for this key battery component is again accelerating.

The Company's 100%-owned Finniss Project is one of the most capital-efficient lithium projects in Australia 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 as well as Darwin Port - Australia's nearest port to Asia.

Yahua announcement reference

<https://www.yicaiglobal.com/news/chinese-tesla-supplier-yahua-more-than-doubles-planned-battery-material-plant-output->

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

For Media and Broker queries:

Peter Klinger
Director
Cannings Purple
+61 411 251 540
pklinger@canningspurple.com.au

The information included in this announcement has been obtained from the "Finniss definitive Feasibility Study and Maiden Ore Reserve" announcement dated 17 April 2019 and "Increased Ore Reserve Significantly Extends Finniss" dated 30 June 2020. Core confirms that all material assumptions and technical parameters underpinning the forecast financial information derived from the Ore Reserve and Mineral Resource continue to apply and have not materially changed.