

ASX: CXO Announcement

19 May 2023

Approval for BP33 underground mine early works

Highlights

- Early works funding of \$45-50M has been approved for BP33, the next proposed mine at Finniss, to complete development of a box-cut and preliminary site establishment
- A Northern Territory based contractor has been appointed to undertake early works
- Final BP33 project scope and capital cost estimate will now be determined using the recently announced increased Mineral Resource
- Final Investment Decision for BP33 is expected by end Q1 CY24

The Board of Australian lithium miner Core Lithium Ltd (**ASX: CXO**) has approved expenditure for early-works for the BP33 underground project. In parallel, and as previously announced, the BP33 project has received all mine authorisation approvals from the Northern Territory Government.

Core Lithium is aiming to develop the Finniss Lithium Project via several satellite deposits within trucking distance of the Dense Media Separation (DMS) plant located at the Grants Mine Operation. Due to its scale, the recent grant of NT Government approvals and the study work conducted to date, BP33 has been selected as the next potential mine to be developed.

Early works for BP33 underground have been approved, including the covered box cut, improved access and some associated surface works for water management. The capital approved for these works is \$45 million to \$50 million. This updates earlier estimates presented in September 2022 for early works¹. Subject to potential early wet season, modelled geotechnical and groundwater impacts, this work is expected to be complete by end of Q1 CY24. This approach allows a detailed feasibility study to be completed in parallel and enable mine decline development to begin soon after a positive final investment decision (FID).

These early works have been approved based on the 2022 Mineral Resource model for BP33². In March 2023, Core announced it had increased its Mineral Resources by 131% to 10.1Mt at 1.48% Li₂O³.

¹ See ASX announcement dated 30 September 2022 – Equity Raise Presentation.

² See ASX announcement dated 12 July 2022 – Significant Increase to Finniss Resources

³ See ASX Release dated 6 March 2023 – BP33 Mineral Resource more than doubled. The BP33 Mineral Resource Estimate (MRE) of 10.1Mt at 1.48% Li₂O was first reported on 6 March 2023 and is comprised of; Measured MRE of 2.85Mt @ 1.46% Li₂O, Indicated MRE of 4.09Mt @ 1.53% Li₂O and Inferred MRE of 3.17Mt @ 1.45% Li₂O. The 2022 BP33 MRE of 4.37Mt @ 1.53% Li₂O is comprised of; Measured MRE of 1.80Mt @ 1.55% Li₂O, Indicated MRE of 2.40Mt @ 1.56% Li₂O and Inferred MRE of 0.17Mt @ 1.00% Li₂O. Core Lithium confirms that the Company is not aware of any new information or data that materially affects this Mineral Resource Estimate and confirms that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

Final capital expenditure, development and production timing for the BP33 underground mine cannot be reliably determined before the Company completes further studies that include the new BP33 resources, further metallurgical test work, additional geotechnical studies, mine sequencing options and cost estimates associated with a potentially extended mine area. FID for BP33 will be made once this work is completed and expected Q1 CY24.

The contract for the early works civil construction has been awarded to Northern Australian Civil (NAC), a Darwin-based contractor with prior box-cut development experience.

Following completion of the early works and subject to a positive FID and board approval to proceed with the BP33 underground mining operations, subsequent work required before BP33 ore production commences is expected to include decline development, early stope development, ventilation infrastructure, water management and power infrastructure and further civil site works.

To date, Core Lithium's Grants Mining Operation has spent over \$120 million with local suppliers and employs over 300 local people through its contracting partners. Core recently established a community Grants Program to provide mutual benefits to those communities close to where we operate and we will continue to focus on local procurement, employment, and community benefits as we expand our operations in the Finniss region.

Core Lithium CEO Gareth Manderson said:

"We are pleased to announce this positive, incremental investment decision that allows initial works to be undertaken while the feasibility study is completed for BP33, our potential next mine at the Finniss Lithium Operation.

"Core would like to acknowledge the support of the Government of the Northern Territory. We have been able to bring on the Finniss operations at a time in the market when it can deliver benefits for the NT and all its stakeholders due to the professional and efficient processes for approvals. The BP33 approval is another example of this.

"I am pleased the civil works contract has been awarded to a successful locally based business, Northern Australian Civil. NAC currently provides civil construction activities at Grants Operations and is a fantastic local contracting partner which employs local Darwin and NT residents and invests back into the Territory.

"We will continue focus on the safe ramp up of the Grants open pit and concentrate production through the DMS plant.

"We will aim to provide final project expenditure and other project metrics once we have incorporated the increased resources into our studies by Q1 CY24."

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

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About Core Lithium

Core Lithium Ltd (ASX: **CXO**) (**Core** or **Company**) is an Australian hard-rock lithium mining company that owns and operates the Finnis Lithium Operation on the Cox Peninsula, south-west and 88km by sealed road from the Darwin Port, Northern Territory. Core's vision is to generate sustained value for shareholders from critical minerals exploration and mining projects underpinned by strong environmental, safety and social standards. For further information about Core and its projects, visit www.corelithium.com.au.