

ASX: CXO Announcement

5 June 2019

Underwritten Share Purchase Plan to complement \$8.1M Royalty Investment

Highlights

- Along with the \$8.1 Million royalty investment by Lithium Royalty Corporation (LRC), Core invites shareholders to participate in several near-term milestones and growth strategy ahead of the development of the Finniss Lithium Project in 2019
- Share Purchase Plan (SPP) to raise up to \$2.0 million offered to Shareholders at an issue price of 4.0 cents per share
- SPP partially underwritten to \$1.0 million by sophisticated and institutional investors
- Board currently pursuing all options to maximise shareholder value ahead of any decision to mine, including further investment in near term Mineral Resource conversion and focused exploration to improve the production profile further and extend the mine life
- Strong news flow expected over the coming weeks and months:
 - Mineral Resource and Exploration Drilling at Finniss
 - Rapid Mineral Resource Growth
 - Ore Reserve and Mine Life Growth
 - Binding Concentrate Offtake
 - Fine Lithium Offtake
 - Full Project Approval
 - Project Financing

Advanced Australian lithium developer, Core Lithium Ltd (**Core** or **Company**) (ASX:CXO) is pleased to offer all Core shareholders the ability to participate in the Company's growth plans via a Share Purchase Plan alongside the \$8.1 Million Strategic Investment by Lithium Royalty Corporation announced today.

Funds received from the SPP and \$8.1 Million Strategic Investment will be used to progress the Company's flagship Finniss Lithium Project development plans, near term Mineral Resource growth and conversion and focused exploration to improve the production profile further and extend the mine life within the broader Finniss Lithium Project area and for working capital purposes.

Core is also actively working on several material goals that once achieved, are likely to have a significant impact on the project. Core will update shareholders in due course as significant progress on these goals is achieved, including:

- Expanding lithium Mineral Resources, Ore Reserves, and mine-life at Finniss
- NT Govt regulatory approval to achieve full approval for mine and plant construction
- Binding Offtake along with Customer Finance support for remaining lithium concentrate
- Fine lithium offtake agreements
- Project Financing for the Project, which may include customer, debt, equity, royalty and mezzanine finance structures some of which non-binding term sheets are in place

Core's Managing Director, Stephen Biggins, commented:

"We are pleased to offer Core shareholders the opportunity to participate in Core's partially underwritten SPP and contribute towards the Company's plans to transition into a lithium developer this year."

"The recent \$8.1M Strategic Investment and DFS highlight the profitability and rapid payback of the Project. We now have an advanced, near development ready lithium project which we expect to generate attractive returns for our shareholders."

"The Board remains committed to overseeing a low-risk, measured transition to lithium producer at the Finniss Lithium Project to ensure long-term shareholder value. As such, the Company is pursuing several well-funded, near-term activities with the potential to improve the Project's returns further and continue to de-risk the decision to mine."

"These activities include further investment in Mineral Resource conversion and advanced exploration opportunities across Core's 500km² tenement package. The global Finniss Project Mineral Resource has increased by over 500% from the start of 2018 to almost 10Mt, and we expect to continue to increase that rapidly with the further drilling commencing next month."

Share Purchase Plan

In order to ensure existing shareholders are able to participate in the Company's growth, Core is pleased to announce a Share Purchase Plan to raise up to \$2 million for all eligible shareholders at an issue price of \$0.04 (4 cents) per share, which is a 17% discount to Core's last closing price.

The SPP is partially underwritten up to the amount of \$1,000,000 by sophisticated and institutional investors. The underwriter is entitled to fees of 5% of the underwritten amount and 4,000,000 unquoted options to be issued at a price \$0.00001, exercise price of \$0.06 and expiry of 30 June 2022. The issue of underwriter shares and options will be made under the Company's existing 15% placement capacity under ASX Listing Rule 7.1 or 7.1A (for the underwriter shares) if price conditions allow.

The SPP is only available to Australian and New Zealand shareholders who were registered as Core shareholders at 7:00pm (AEST) on 4 June 2019 (Eligible Shareholders).

The Company expects to post a booklet containing the full details of the SPP Offer to Eligible Shareholders by the date shown below.

Listed below is the proposed timetable for the SPP. However, the Directors reserve the right to vary the dates and times without notice.

Indicative SPP Timetable*

Record Date (7:00pm AEST)	Tuesday, 4 June 2019
Announcement Date of Plan	Wednesday, 5 June 2019
Opening Date of Plan / Despatch of Offer document	Wednesday, 5 June 2019
Closing Date of Plan (5:00pm WST)	Friday, 21 June 2019
Issue of New Shares under the Plan	Wednesday, 26 June 2019

* These dates are indicative only. The Company may vary the dates and times of the SPP by lodging a revised notice with ASX. Eligible Shareholders are encouraged to submit their applications early as the Core directors reserve the right to close the SPP early if oversubscribed.

About Core

Core has recently published a DFS for the development of a spodumene concentrate operation at the Finnis Lithium Project and is aiming to increase mine-life further and commence mining and construction in the second half of 2019 and spodumene concentrate production in 2020, subject to financing and regulatory approvals.

The Finnis Project has arguably the best supporting infrastructure and logistics chain to Asia of any Australian lithium project. The Finnis Project is within 25km of port, power station, gas, rail and 1 hour by sealed road to workforce accommodated in Darwin and importantly to Darwin Port - Australia's nearest port to Asia.

Core has established offtake and prepayment agreements and is also in the process of negotiating further agreements with some of Asia's largest lithium consumers and producers that support and finance the Finniss Project's modest capex requirements and the Company into production.

For further information please contact:

Stephen Biggins
Managing Director
Core Lithium Limited
+61 8 8317 1700
info@corelithium.com.au

For Media and Broker queries:

Andrew Rowell
Director - Investor Relations
Cannings Purple
+61 400 466 226
arowell@canningspurple.com.au

Competent Persons Statements

Core confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the announcements "Grants Lithium Resource Increased by 42% ahead of DFS" dated 22 October 2018, "Over 50% Increase in BP33 Lithium Resource to Boost DFS" dated 6 November 2018, "Maiden Sandras Mineral Resource Grows Finniss to 6.3Mt" dated 29 November 2018, "Finniss Mineral Resource Grows to 8.6Mt with Hang Gong" dated 31 January 2019, "Upgrade of Mineral Resource at Carlton Grows Finniss Project" dated 12 March 2019, "Finniss Feasibility Study and Maiden Ore Reserve" dated 17 April 2019 and "Initial Resource for Lees Drives Finniss Mineral Resource" dated 6 May 2019 continue to apply and have not materially changed. The Mineral Resources and Ore Reserves underpinning the production target have been prepared by a Competent Person in accordance with the requirements of the JORC code. Core confirms that all material assumptions underpinning production target and forecast financial information derived from the production target announced on 17 April 2019 as "Finniss Definitive Feasibility Study and Maiden Ore Reserve" continue to apply and have not materially changed.