

ASX: CXO Announcement

15 October 2019

Rights Acquired to Enable Ancillary Mineral Lease

Highlights

- **Core has entered into an agreement with Lithium Plus to acquire the rights to apply for an Ancillary Mineral Lease as part of the Finniss Lithium Project**
- **Existing Core tenements accommodate 70% of the Project's water requirements and this ancillary Mineral Lease will expand water availability and future production capacity for the Project**
- **An application for the ancillary Mineral Lease has been lodged with the Northern Territory Department of Primary Industry & Resources**

Advanced Australian lithium developer, Core Lithium Ltd (**Core** or **Company**) (ASX: CXO), is pleased to announce that the Company has entered into an agreement for the rights to apply for an Ancillary Mineral Lease within Exploration Licence EL31133 from Lithium Plus Pty Ltd as part of the Finniss Lithium project near Darwin in the NT.

The agreement covers an area adjacent to the proposed Grants Mine and lithium concentrate processing plant upon which ancillary mining activity (surface water storage) is proposed by Core.

The consideration payable for the acquisition amounts to \$50,000 in CXO shares totalling 1,269,905 shares to Lithium Plus Pty Ltd.

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

ASX Listing Rule Disclosures

Core provides the following information in relation to the issue of shares in the Company. The issue has been made from Core's existing 15% placement capacity under Listing Rule 7.1. An Appendix 3B seeking quotation of the shares is attached to this announcement.

Acquisition of Rights for Ancillary Mineral Lease within EL 31133 from Lithium Plus Pty Ltd

- Fully paid ordinary shares have been issued (CXO).
- Core has issued 1,269,905 shares at a price of approximately \$0.04 per share.
- The shares will rank equally with all other CXO shares on issue. The shares will be subject to voluntary escrow for a period six months to 15 April 2020.
- The shares amount to consideration of \$50,000 for the rights to apply for the Ancillary Mineral Lease.
- The purpose of the issue is the acquisition of rights to apply for the Ancillary Mineral Lease.
- Core will not seek securityholder approval for the issue of the shares.
- The shares will be issued to Lithium Plus Pty Ltd.

On 11 October 2019, Core announced that the Company had agreed to issue 2,635,584 shares to Todd River Metals Pty Ltd subject to completion of due diligence. This issue price referenced in that announcement was \$0.38 per share. The correct price is \$0.038 per share.

About Core

Core has published a Definitive Feasibility Study (DFS) for the development of a spodumene concentrate operation at the Finnis Lithium Project and is aiming to increase mine-life in the second half of 2019 and commence spodumene concentrate production in late 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 Finnis Project's modest capex requirements and the Company into production.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Core Lithium Ltd

ABN

80 146 287 809

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|----------------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,269,905 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares (CXO) |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No. The shares are subject to voluntary escrow to 15 April 2020.</p>
5	Issue price or consideration	\$50,000
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Acquisition of rights to apply for an Ancillary Mineral Lease</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
6b	The date the security holder resolution under rule 7.1A was passed	8 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	1,269,905

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	None	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	None	
6f	Number of +securities issued under an exception in rule 7.2	None	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 – 105,426,026 Rule 7.1A – 69,274,465	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	15 October 2019	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 790,264,562*	+Class Ordinary Shares (CXO) * 1,269,905 CXO shares are subject to voluntary escrow to 15 April 2020

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	6,850,000	Unquoted performance rights
	500,000	Unquoted Options Exercisable at 10.00 cents, expiring on 9 May 2020.
	1,500,000	Exercisable at 7.00 cents, expiring on 30 September 2020 and subject to KPI based performance hurdles.
	4,000,000	Exercisable at 8.00 cents, expiring on 31 January 2021.
	4,000,000	Exercisable at 6.00 cents, expiring on 30 June 2022.
	10,000,000	Exercisable at 8.00 cents, expiring on 5 September 2022. 7 million of 10 million options are subject to KPI based performance hurdles.
	3,273,810	Exercisable at 5.30 cents, expiring on 30 September 2022.
	1,000,000	Exercisable at 6.00 cents, expiring on 31 December 2023 and subject to KPI based performance hurdles.
	24,273,810	Total unquoted options

+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Dividends are paid as authorised by the board.
----	--	--

Part 2 - Pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ☒ ⁺Securities described in Part 1
- (b) ☐ All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Company secretary

Date: 15 October 2019

Print name: Jaroslaw (Jarek) Kopias

== == == == ==

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	633,866,657 ordinary shares
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	2,653,000 ordinary shares issued between 1 February 2019 and 26 September 2019, under listing rule 7.2, exception 4. 60,000,000 ordinary shares issued between 19 December 2018 and 16 January 2019 and approved by shareholders at a general meeting held on 14 March 2019. 83,725,000 ordinary shares issued on 27 June 2019, under listing rule 7.2, exception 15.
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	780,244,657

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	117,036,698
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>4,000,000 unquoted options issued on 24 June 2019</p> <p>3,273,810 unquoted options issued on 26 September 2019</p> <p>3,066,957 ordinary shares agreed to be issued in future</p> <p>1,269,905 ordinary issued on 15 October 2019</p>
“C”	11,610,672
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	117,036,698
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	11,610,672
Total [“A” x 0.15] – “C”	<p>105,426,026</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	780,244,657
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	78,024,465
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	8,750,000 ordinary shares issued under a placement on 10 July 2019.
“E”	8,750,000

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	78,024,465
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	8,750,000
Total [“A” x 0.10] – “E”	69,274,465 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.