

ASX:CXO Announcement

10 September 2020

Core Lithium considers sale of non-core silver assets

Highlights

- Core has received a number of Expressions of Interest in the Company's 100%-owned Blueys Silver Project in the NT
- Core has previously discovered high-grade silver, lead and zinc at the Blueys Silver Project
- Drilling has intersected grades up to 1,000g/t (1kg/t) silver and 17% zinc and lead
- Very high grades of silver 4,500g/t (4.5kg/t) silver and 10% copper also found at surface
- Core's 2014 drilling regularly intersected silver mineralisation over a 500m long zone at the nearby Inkheart Prospect
- Potential to infill and expand high-grade silver mineralisation at Blueys and Inkheart to define maiden Silver Mineral Resource
- Core considering asset sale or restructure of its silver and gold assets

Core Lithium Ltd (ASX: CXO) (Core or the Company) is pleased to report that it has received a number of Expressions of Interest in relation to the Company's wholly-owned Blueys Silver Project, located near Alice Springs, Northern Territory.

Core has previously discovered high-grade silver, lead and zinc within the Blueys Project, with drilling having intersected grades of up to 1,000 grams per tonne (or 1 kilogram per tonne) of silver and 17% zinc and lead, while very high grades of silver at 4,500g/t Ag and 10% copper were also found in rock chips at surface.

Throughout the course of 2014, drilling activities by Core regularly intersected silver mineralisation over a 500m long zone at the nearby Inkheart Prospect that included 3m @ 198g/t Ag and 4.1% Pb (IKRC016), and 3m @ 177g/t Ag and 4.1% Pb (IKRC007).

Core remains of the view that there is significant potential to infill and expand high-grade silver mineralisation at Blueys in order to define a maiden JORC silver Mineral Resource.

Given the prospectivity of these silver assets, and in conjunction with the prevailing silver price, Core's management team has been considering and exploring its options for the Blueys Silver Project, including an asset sale or restructuring of these silver assets with a view to generating the best valuable outcome for shareholders.

This has so far culminated in Core receiving a number of Expressions of Interest in relation to the potential sale of the portfolio.

Commenting on the Expressions of Interest, Core's Managing Director Stephen Biggins said:

"We're pleased to have received this interest in our non-core silver assets and will carefully consider the best course of action with a view to generating the maximum value out of these assets for our shareholders."

"As we have stated, we remain committed to progressing activities at our flagship Finniss Lithium Project in the Northern Territory, which was recently the subject of a \$5 million concessional Finance Facility through the NT Government's Local Jobs Fund."

"We look forward to updating shareholders once we have carefully explored our options for these silver assets."

The Blueys Silver Project is located within a 1.5-hour drive by bitumen road to the town of Alice Springs.

A full history of activities conducted on the Blueys Silver Project by Core, since the Company acquired it in 2012, can found in the presentation accompanying this announcement.

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:

Warrick Hazeldine
Managing Director
Cannings Purple
+61 417 944 616
whazeldine@canningspurple.com.au

Fraser Beattie
Senior Consultant
Cannings Purple
+61 421 505 557
fbeattie@canningspurple.com.au



Blueys Silver Project Northern Territory, Australia

corelithium.com.au | ASX CXO



Important and cautionary notes

The information in this report that relates to Exploration Results is based on information compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as Managing Director of Core Lithium Ltd who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Biggins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The report includes results that have previously been released under JORC 2012 by Core. The Company is not aware of any new information or data that materially affects the information included in this announcement as cross referenced in the announcement.

This document has been prepared by Core lithium Ltd ("Core", "Company") and provided as a basic overview of the tenements held or controlled by the company. This presentation does not purport to be all-inclusive or to contain all the information that you or any other party may require to evaluate the prospects of the Company.

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The mineral tenements of the Company as described in this presentation are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

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Blueys Silver Project, NT

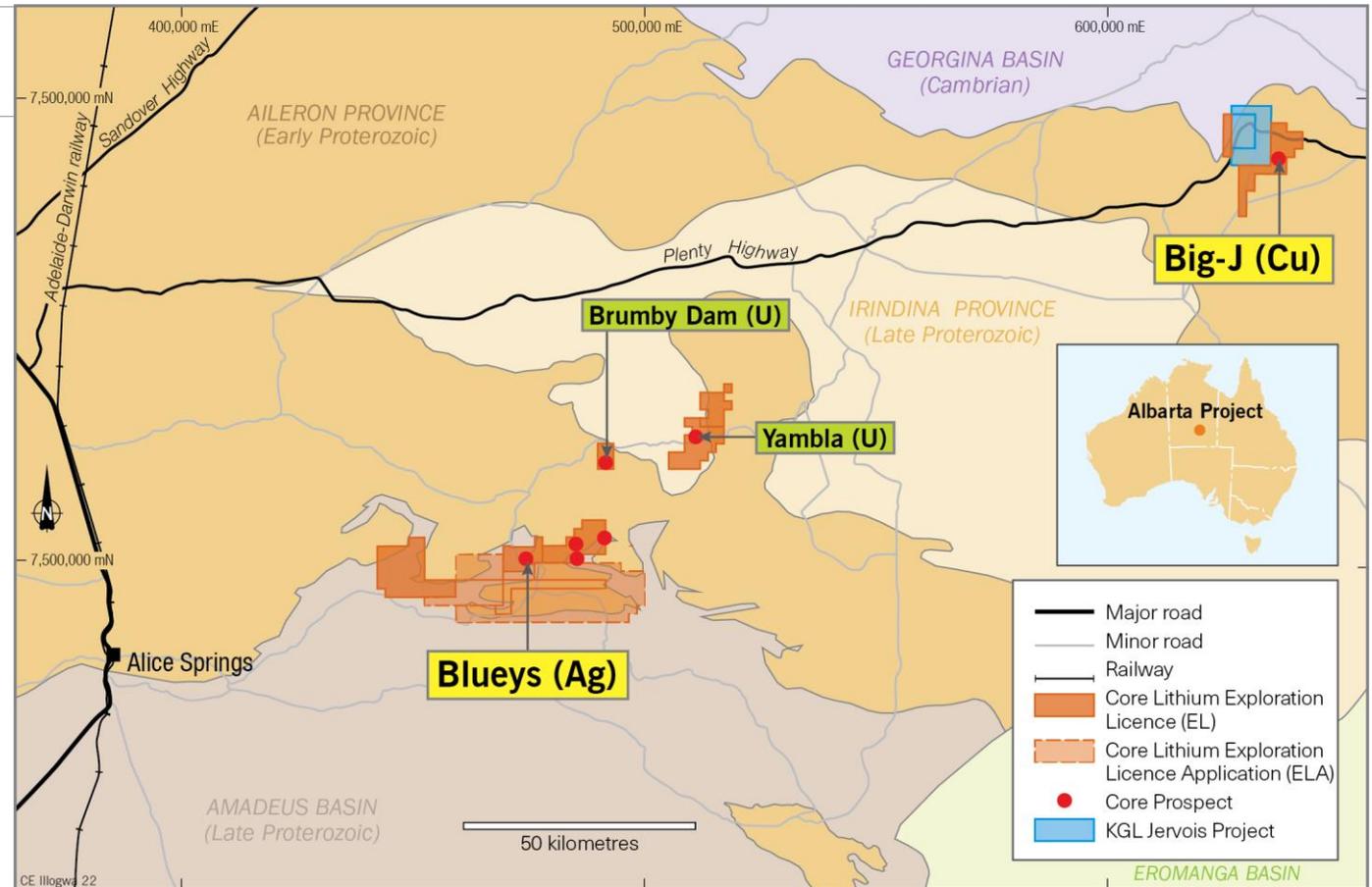
Northern Territory, Australia

- Core has previously discovered high grade silver, lead and zinc on the Blueys Silver Project in the Northern Territory (NT)
- Drilling has intersected grades up to 1,000g/t (1kg/t) Ag and 17% zinc & lead
- Very high grades of silver 4,500g/t (4.5kg/t) Ag and 10% copper also found at surface
- Core's 2014 drilling regularly intersected silver mineralisation over a 500m long zone at Inkheart Prospect
- Potential to infill and expand high-grade silver mineralisation at Blueys to define maiden JORC Silver Resource

Blueys Silver Project, NT

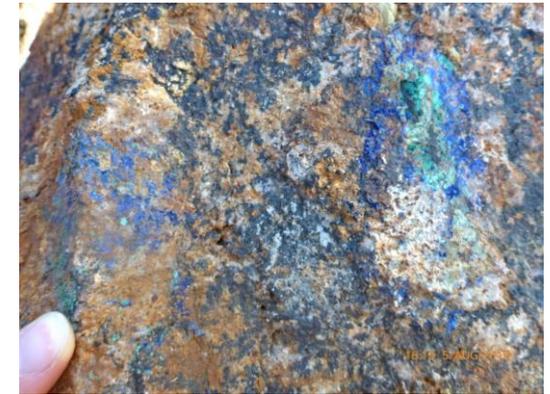
Northern Territory, Australia

- Blueys Silver Project close to major regional centre at Alice Springs
- Blueys only 1½ hours bitumen drive and less than 100km north east of Alice Springs



Blueys Silver Project, NT

- Core acquired the Blueys Silver Project in 2012 from private owners
- Core was initially attracted to the Blueys Prospect because of very high grades of silver, copper and lead at surface



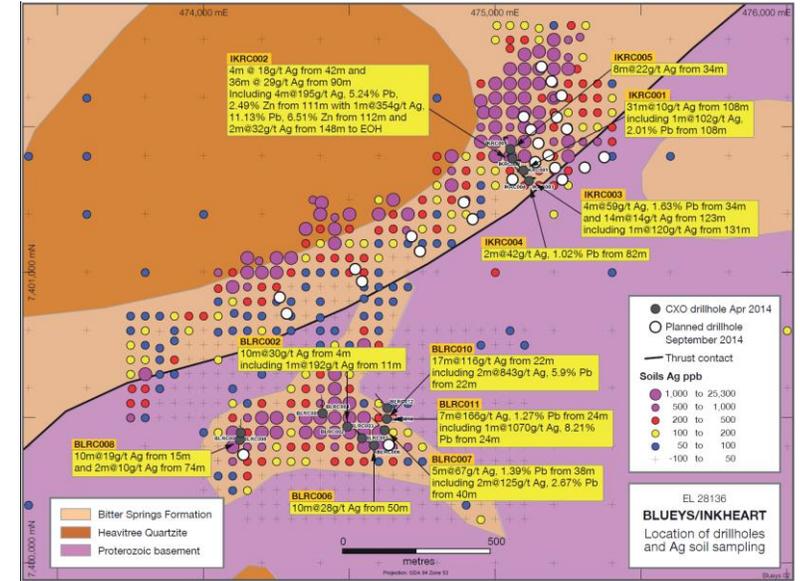
SampleID	Ag kg/t	Cu_ppm	Pb_ppm
BLU011	4.01 kg/t	5.48%	1,082
BLU012	1.15 kg/t	5,473	24.9%
BLU013	1.26kg/t	2,531	23.4%

See ASX announcements “Highest ever Silver Grades at Blueys Prospect” on 10 September 2013 and “IP Drill Targets Found at Blueys NT” on 4 December 2013.

Blueys Silver Project, NT

- In 2014 Core undertook a first phase of Reverse Circulation Drilling
- 2,500m drilled in 20 holes focused mainly on Blueys
- 1m intercept @ 1,070g/t silver (Ag) and 8% lead (Pb) drilled at Blueys
- 2m intercept @ 843 g/t Ag and 5.9% Pb in a broader halo of 17m @116 g/t Ag and 0.83% Pb at Blueys

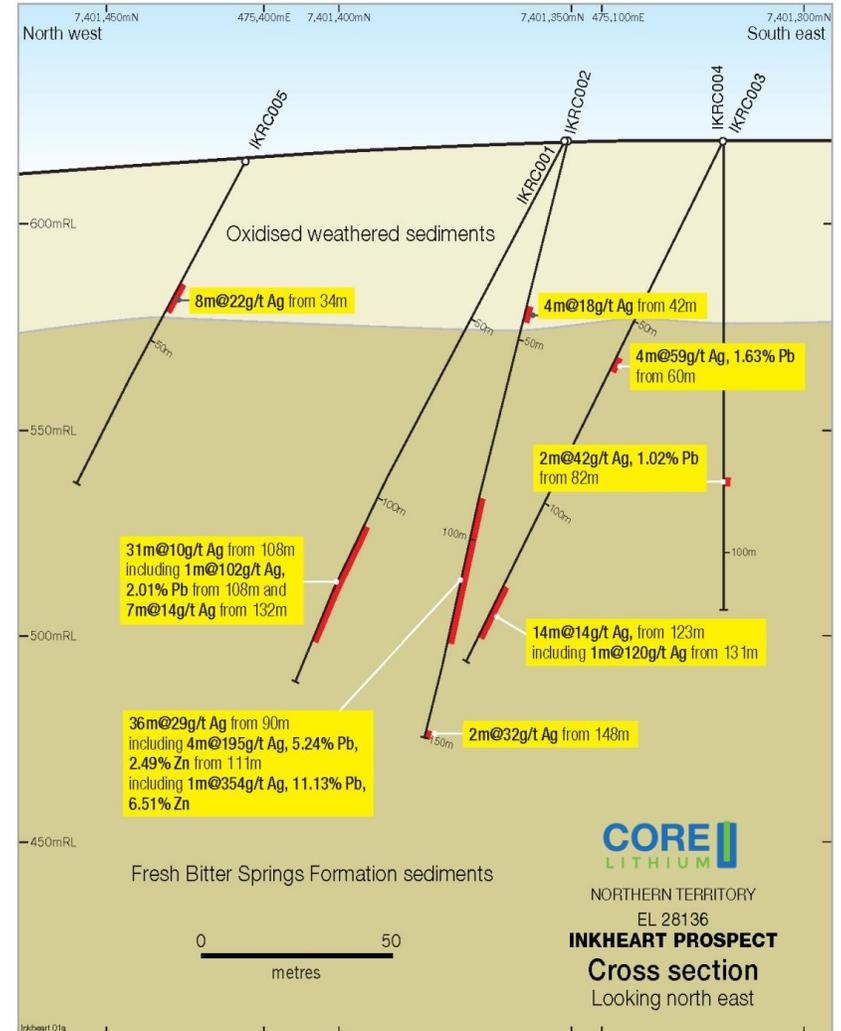
See ASX announcement “High Grade Silver Lead from Albarta Drilling Program NT” on 17 June 2014.



Blueys Silver Project, NT

- 4m intercept @ 195 g/t Ag, 5.24% Pb and 2.49% Zn from 111m including 1m @ 354 g/t Ag, 11.13 % Pb and 6.51% Zn at Inkheart
- Two high-grade prospects part of the same big primary sulphide, base metal system

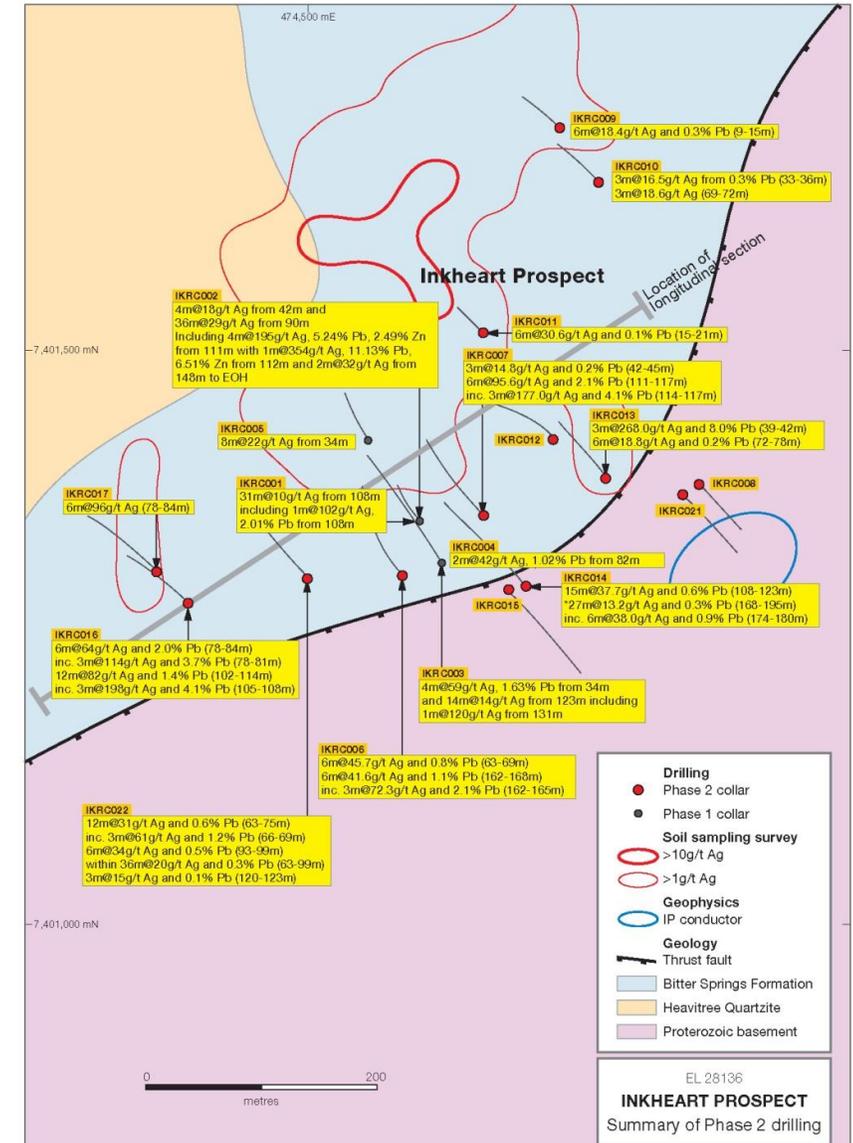
See ASX announcement “High Grade Silver Lead from Albarta Drilling Program NT” on 17 June 2014.



Blueys Silver Project, NT

- Core completed a second phase of RC drilling in Oct. 2014
- 2,500m drilled focussed on Inkheart
- 3m @ 198g/t Ag and 4.1% Pb (IKRC016) and 3m @ 177 g/t Ag and 4.1% Pb (IKRC007)
- 36m @ 20g/t Ag and 0.3%Pb within a substantial 50m wide intersection (63-123m) of altered, veined and mineralised rocks containing elevated silver, lead, zinc and copper

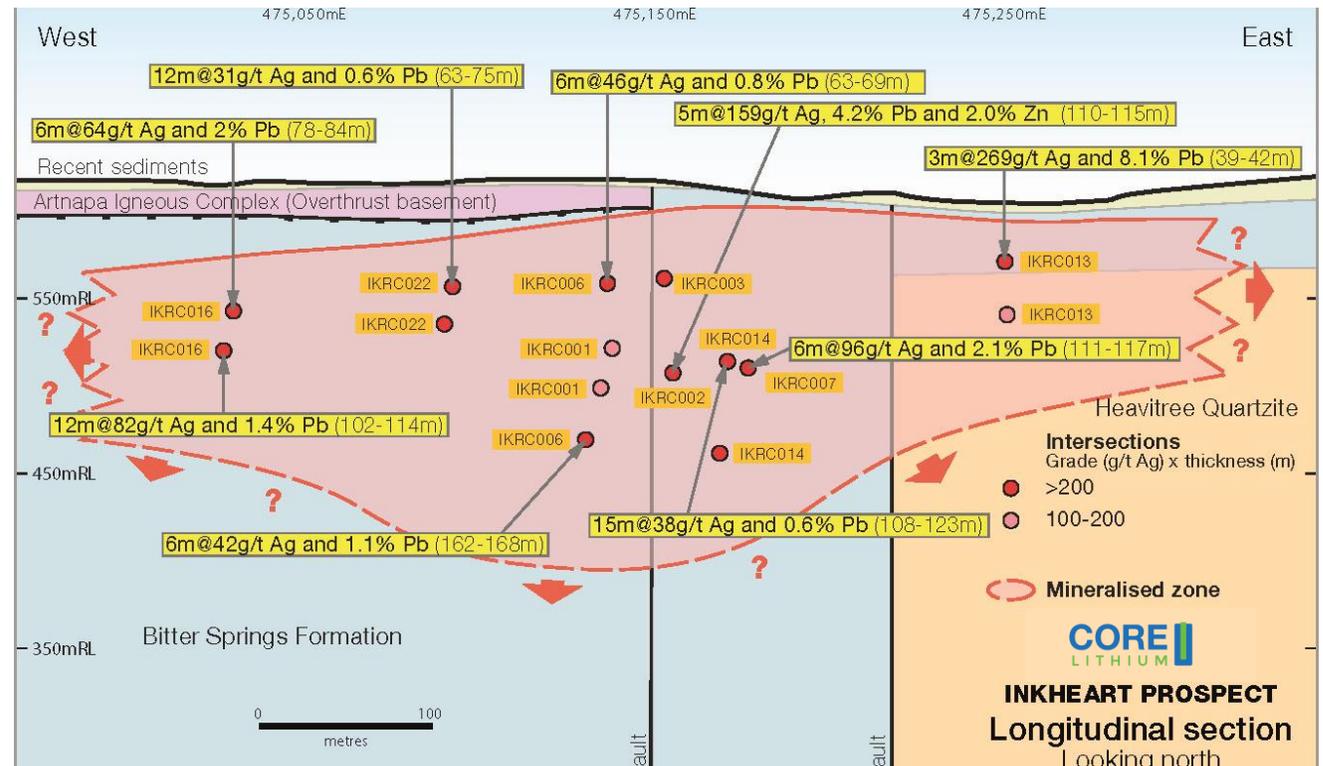
See ASX announcements “Additional Silver Lead Mineralisation Discovered at Inkheart” on 21 October 2014 and “New Intersections Extend Mineralisation at Inkheart, NT” on 3 November 2014.



Blueys Silver Project, NT

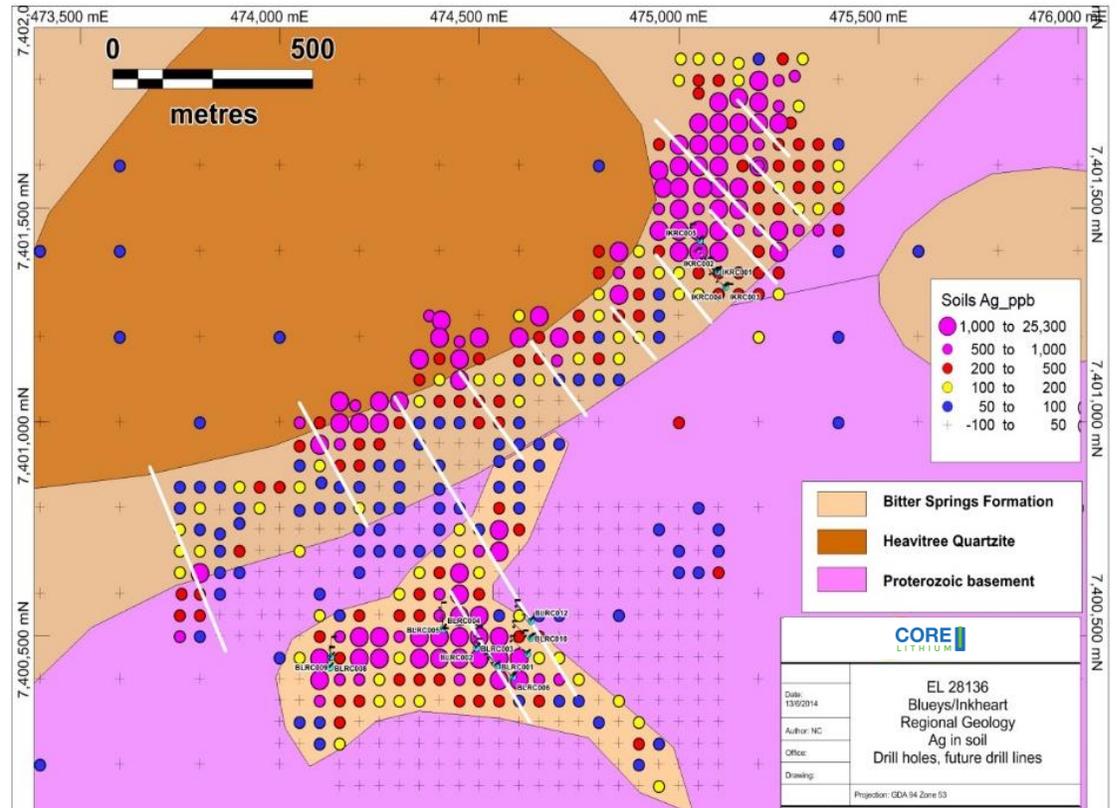
- 500m long sulphide system drilled and open at depth and along strike at Inkheart
- Thick mineralised zones at Inkheart are open along strike and at depth
- Potential for Maiden JORC Silver Resource

See ASX announcements “High Grade Silver Lead from Albarta Drilling Program NT” on 17 June 2014 and “Additional Silver Lead Mineralisation Discovered at Inkheart” on 21 October 2014.



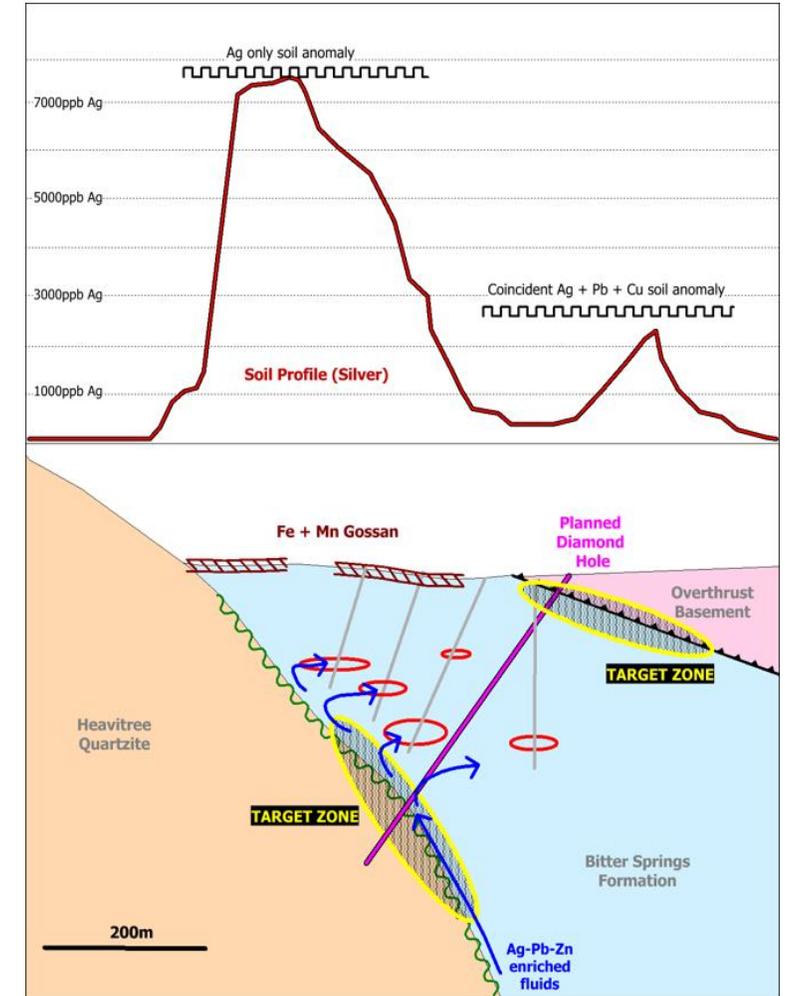
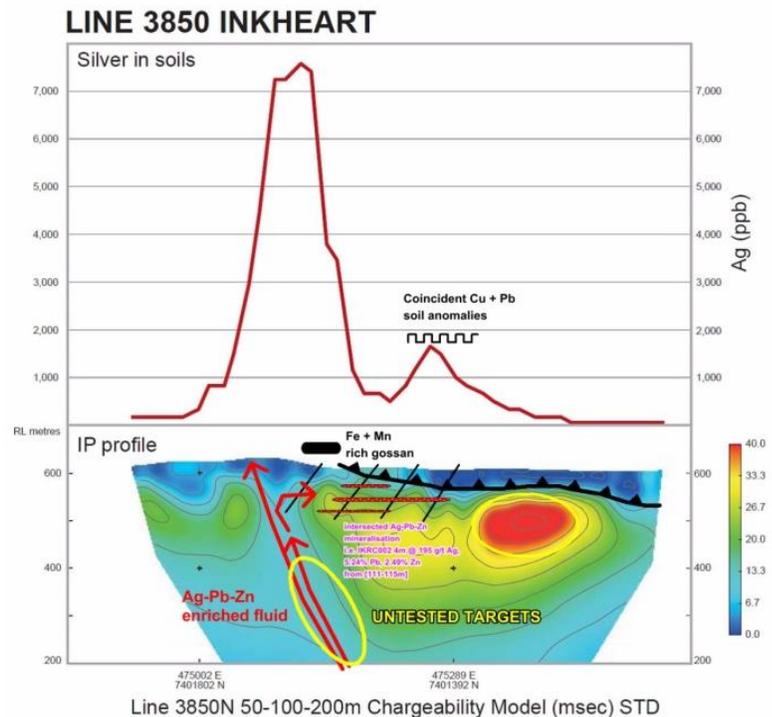
Blueys Silver Project, NT

- Planned 5,000m RC Resource Drilling program on regular spaced traverses to extend and infill the known mineralisation at Blueys and Inkheart
- Test potential to define maiden JORC Silver Mineral Resource



Blueys Silver Project, NT

- Northern Territory Geological Survey previously awarded funding for a 1,000m diamond drilling program to test potential high-grade targets beneath previous RC drill intersections



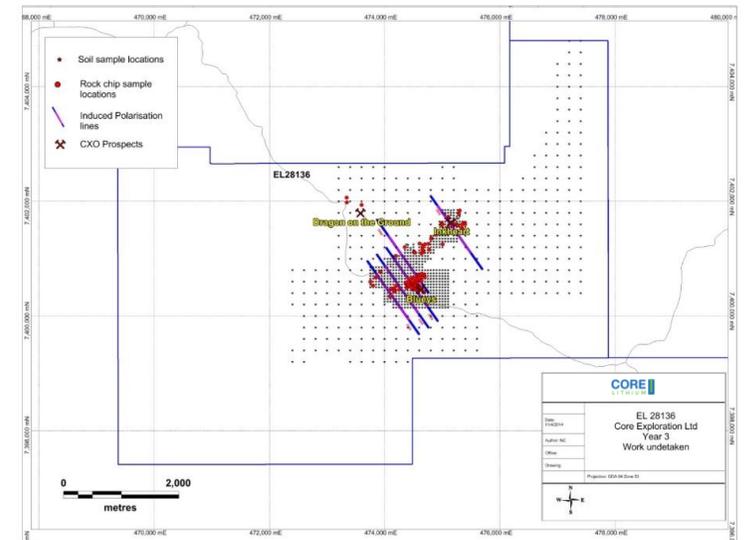
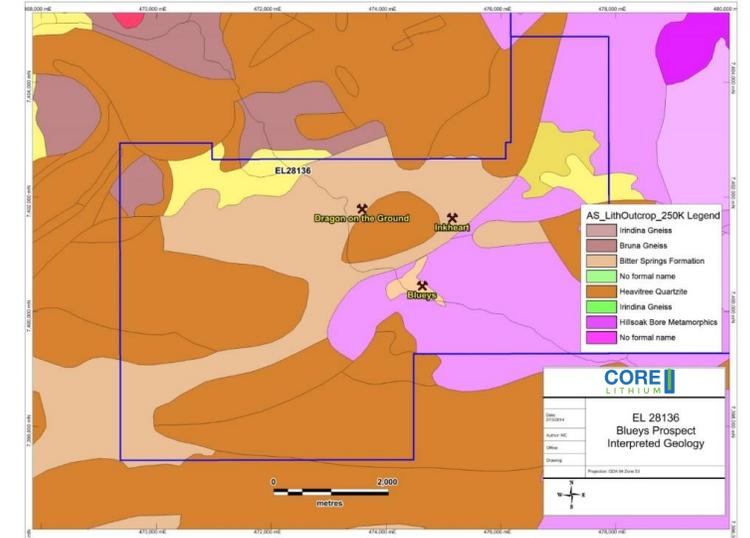
Blueys Silver Project, NT

Untested Extensions:

A large proportion of the Blueys EL and prospective geology has not yet been soil sampled

Huge Regional Potential:

Core has tens of kilometres strike of same target silver-lead-zinc host geology under tenure in the region





Thank you

For more information:

Core Lithium

Level 1, 366 King William Street, Adelaide

Stephen Biggins: +618 8317 1700

Authorised for release by the Board of Core Lithium Ltd.

For broker and media enquiries:

Cannings Purple

Warrick Hazeldine: +61 417 944 616

Fraser Beattie: +61 421 505 557

corelithium.com.au | ASX CXO

