

ASX: **CXO** Announcement

9 July 2019

Resource Growth and Exploration Drilling Commences at Finniss Lithium Project

Highlights

- **Core has commenced Mineral Resource growth and exploration drilling at Finniss Lithium Project near Darwin in the NT**
- **RC and Diamond Drill rigs are on site to undertake a number of drilling campaigns for the remainder of 2019**
- **Exploration drilling is underway, targeting the discovery of new lithium-rich pegmatites at Finniss**
- **Resource expansion drilling aimed at increasing Mineral Resources and Ore Reserves**
- **Board focussed on maximising shareholder value ahead of decision to mine, including strategic investment in near-term Mineral Resource conversion and focused exploration to improve the production profile further and extend the mine life**
- **Strong newsflow 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 announce that exploration and Mineral Resource growth drilling has commenced at the Finniss Lithium Project near Darwin in the NT.

Funds received from the recently completed \$3.3 million Share Purchase Plan (**SPP**) and \$8.1M non-dilutive funding from Lithium Royalty Corporation (**LRC**) 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 mine life within the broader Finniss Lithium Project.

Core's exploration team mobilised to site last week and a Reverse Circulation (**RC**) drill rig and Diamond drill rig have now commenced drilling at Finniss.

Drilling over coming months will be conducted at a number of prospects aimed at making new discoveries, expanding existing Mineral Resources and adding additional Ore Reserves and mine life at the Finniss Lithium Project.

Core has increased the Mineral Resource base of the project by 500% since the start of last year and in 2019, the Company is aiming to continue significant Mineral Resource growth and making new substantial discoveries through active and well-funded exploration and drilling campaigns.

The Bynoe Pegmatite Field near Darwin comprises hundreds of lithium-rich pegmatites that haven't yet been tested. Core has tested 30 pegmatites to date, of which 6 now have a Mineral Resource or Exploration Target. Core's exploration work comprising soil geochemistry, mapping and shallow scout drilling has identified 50 more pegmatite targets to test and prioritise.

The Company has the potential to make a large, step change discovery of spodumene pegmatites as it tests the huge number of pegmatites covered by Core's dominant 500km² tenement holding in the area.

Core will update the market with significant drill results and Mineral Resource growth progress over coming weeks and months.

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 Finniss

Core's Managing Director, Stephen Biggins, commented:

"With the recent SPP and LRC funding, Core is in a great position to refocus on building lithium Mineral Resources and Ore Reserve expansion and exploration drilling to grow upside for shareholders."

“The strong economics of the Finnis Project, as recognised by LRC, are underwritten by the low capex development of high-grade lithium Mineral Resources with robust margins and the best logistics connection to Asia of any Australian lithium project.”

“With the DFS complete, approvals, additional offtake and project finance advancing and being finalised, Core is well placed to be Australia’s next lithium producer.”



Figure 1: Target Mine Life Expansion Plan

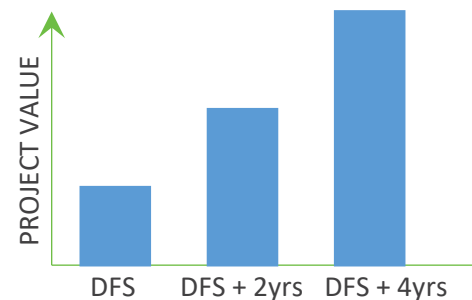


Figure 2: DFS Project Value Growth with Mine Life

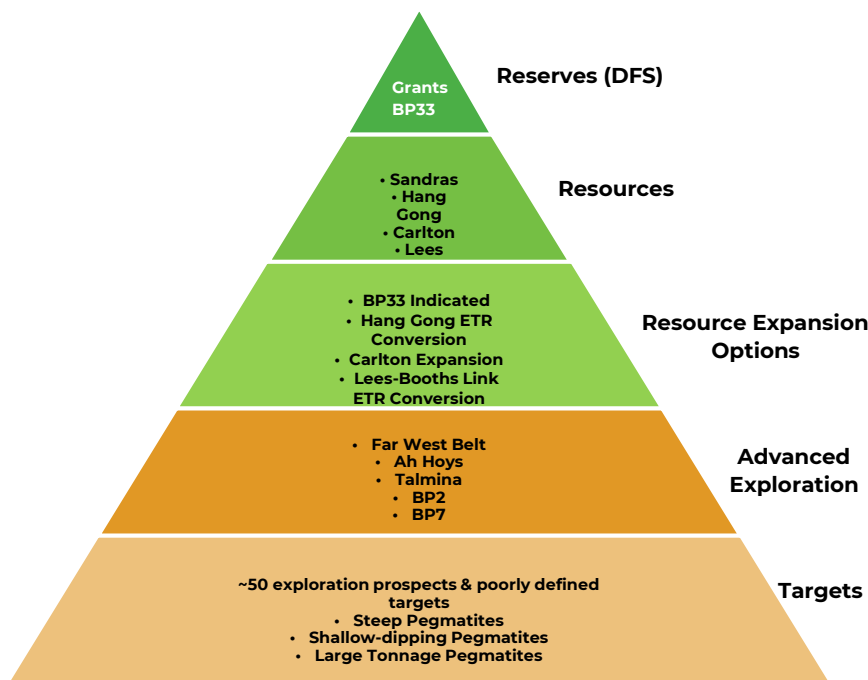


Figure 3: Reserve, Resources, Resource Expansion and Exploration Targets

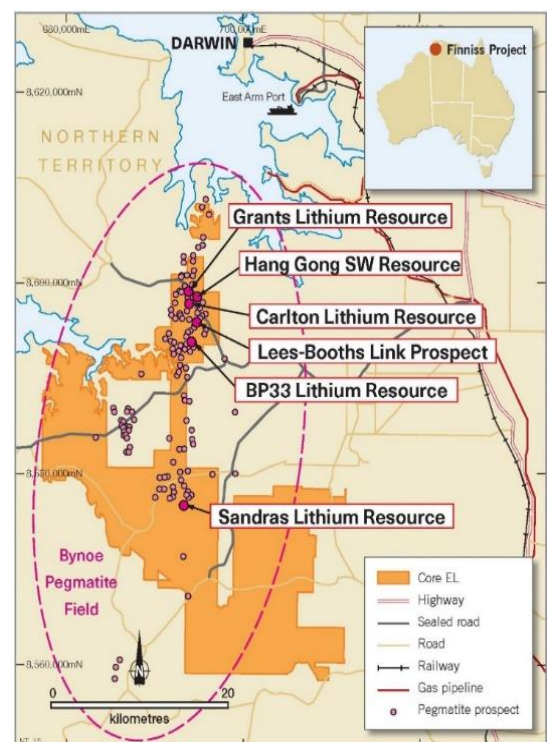


Figure 4: Lithium Resources and pegmatite prospects, Finnis Lithium Project, NT

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 Finnis Project's modest capex requirements and the Company into production.



Figure 5: Drilling on the Finnis Lithium Project July 2019.

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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.