



# ASX: **CXO** ANNOUNCEMENT

10 December 2018

## Placement Raises \$3 Million to Accelerate Resource Expansion and Expanded DFS at Finniss Lithium Project

### HIGHLIGHTS

- Placement raises \$3 million to accelerate resource expansion and expanded scope of the DFS
- Includes \$1.5 million cornerstone commitments from Yahua and Ruifu
- Expanded DFS now targeting for delivery in late Q1 2019
- Timetable unchanged for Finniss Lithium Project construction targeting mid-2019

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Emerging Australian lithium developer, Core Lithium Ltd (ASX:CXO) (“**Core**” or the “**Company**”), is pleased to announce that it has received commitments to place approximately 60 million new shares at an issue price of A\$0.05 per share to raise approximately \$3 million, excluding costs (“**Placement**”).

The Placement was led by the strong support from Core’s binding offtake partner Yahua and non-binding offtake partner Ruifu, being two of China’s largest lithium producers, who have committed to \$1.5M of new equity to accelerate resource drilling programs of the recently discovered prospects and delivery of the expanded scope of the Definitive Feasibility Study (“**Cornerstone Commitments**”).

The balance of the Placement was strongly supported by a number of sophisticated and professional investors, as well as a number of existing shareholders.



Funds Received from the Placement will be used to progress Core's Finnis Lithium Project towards development, including completion of the Definitive Feasibility Study (**DFS**), an accelerated programme of Resource drilling at the Carlton, Hang Gong and Lees-Booth Link prospects, and for working capital.

The funds committed by parties associated with Ruifu ("**Ruifu**") in this Placement are unrelated to the \$3 million commitment previously provided by Ruifu under the non-binding Term Sheet in respect of the US\$35m pre-payment and concentrate offtake and associated placement for approximately \$3 million announced on 30 July 2018. Both Ruifu and Core continue to work diligently towards execution of binding agreements, with the expectation of completion in Q1 2019.

Of the \$500,000 commitment from Yahua to the Placement, \$250,000 will settle without any approvals required, however Yahua will require Chinese regulatory approvals to settle on the balance of their commitment. This regulatory approval is anticipated to be received by around 15 January 2019.

As a result, Core expects to be closing \$1.25 million of the Cornerstone Commitments on or around Friday, 14 December 2018 ("**Unconditional Cornerstone Commitment**") and is expecting to settle the balance of the Placement on or about Wednesday, 19 December 2018.

Settlement of the balance of Placement is conditional on the Unconditional Cornerstone Commitment settling by Tuesday, 18 December 2018.

The approximately 60.0 million shares to be issued in connection with the Placement will be issued under Core's existing Listing Rule 7.1 capacity and may be issued under Core's Listing Rule 7.1A capacity (up to 63,386,665 shares) if the pricing conditions at the time of issue are such that this capacity can be utilised.

Core's Managing Director, Stephen Biggins, commented:

*"We are pleased to have such strong support for this capital raising, particularly by experienced players in the lithium space, Yahua and Ruifu, which is a significant demonstration in their belief in the Finnis Lithium Project.*

*"I would also like to welcome our new shareholders and thank our existing shareholders that participated in the placement.*

*"We look forward to delivering on our expanded DFS and creating value for our existing and new shareholders as we march towards development in 2019."*



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