

ASX: CXO Announcement

26 October 2021

Construction Commences on Australia's Newest Lithium Project

Highlights

- Core has started construction of the Finniss Lithium Project in the Northern Territory
- Finniss is the newest lithium mine in Australia and the only new Australian company forecast to initiate lithium production in 2022
- A renewable energy resource that provides jobs for the regions
- Construction follows Final Investment Decision (FID) last month
- Project development is fully funded with \$150m financing completed last week including a \$34m Placement to Ganfeng
- Site construction and establishment works are now underway in preparation for commencement of mining activity later this year
- Commissioning of the DMS plant and first production of lithium concentrate scheduled for Q4 2022
- 250 jobs to be created during construction and operations
- Core uniquely placed on the ASX, as Australia's next lithium producer, to take advantage of high lithium prices

Australia's next lithium producer, Core Lithium Ltd (ASX: CXO) (Core or Company), is pleased to announce construction has today started on the 100%-owned Finniss Lithium Project ('Finniss' or 'Project'), located near Darwin in the Northern Territory.

Commencement of construction at Finniss follows the announcement of a Final Investment Decision (FID) on 30 September 2021 and award of the Finniss mining

services contract to Lucas Total Contract Solutions and the process plant EPC contract to Primero Group last month.

Site construction and establishment works are now underway following heritage and vegetation management. Road access works, site establishment and construction of communications, fuel and water supply infrastructure has commenced.

Project early works on site at Grants have started in preparation for the commencement of mining activity later this year, followed by Dense Media Separation (DMS) process plant construction by Primero commencing in March 2022.

Commissioning of the DMS plant and the first production of lithium concentrate from Finniss are scheduled for Q4 2022.

Core is committed to safely delivering one of the most capital efficient and cost competitive lithium projects in Australia. The Finniss Project lies within 25 km of port, power station, gas, rail and one hour by sealed road to workforce accommodated in Darwin and, importantly, to Darwin Port - Australia's nearest port to Asia.

The Project has gained all NT government and environmental approvals and is fully funded following the successful raising of \$150 million from institutional investors and shareholders - including \$34 placement to Ganfeng alongside a 4 year offtake agreement.

Approximately 80% of Finniss' initial output is covered under 4-year offtake agreements with Ganfeng, one of the world's largest lithium producers by production capacity, and Yahua, a key lithium supplier to Tesla.

The modest project capex and strong cash flows as outlined in the recent Project DFS enable a rapid payback from the sale of the first concentrate and confirms Finniss as Australia's lowest capital intensity lithium project.

High-grade Lithium Reserves and Resources at Finniss combined with exceptional spodumene metallurgy, will enable Core to produce high quality, coarse concentrate using gravity only DMS processing.

The construction of a simple 1Mtpa DMS processing plant will enable Core to produce high-quality concentrate over its life. Core is also investing in plans to further extend and expand production from the Project.

Core Lithium Managing Director Stephen Biggins said:

"At a time when Australia is firmly focused on both the generation of renewable resources and future job prospects for the regions, Core is incredibly proud of this milestone we've reached in the Northern Territory today."

"It has been a long journey for Core and its various partners, stakeholders and shareholders, and I would like to take this opportunity to thank everyone who has been a part of the Core journey to date."

“This next phase of the Company will be transformational, and we are excited to see construction milestones met at Finniss over the coming 12 months, ahead of first production before the end of 2022.

“We also look forward to engaging the local workforce in the NT, with more than 84 per cent of available jobs at Finniss already appointed to locals.

“We’re excited to see the Northern Territory play an important role in meeting the ever-rising demand of renewable energy sources.”

Northern Territory Chief Minister Michael Gunner said:

“The Territory is entering a wave of new mining and this is another exciting milestone for Australia’s comeback capital.

“Construction has officially begun on the Finniss Lithium Project, and we will see mining activity begin by the end of the year, with exports to start from 2022.

“This project will provide hundreds of world-class mining jobs for residents in Darwin, Palmerston and the Rural Area, which will also support local business and create new opportunities for Territorians.”

This announcement has been approved for release by the Core Lithium Board.

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About the Finniss Lithium Project

Core Lithium’s Finniss Project is under-construction as Australia’s most advanced new lithium project on the ASX and places Core Lithium at the front of the line of new global lithium production.

Finniss has been awarded Australian Federal Government Major Project Status and is also one of the most capital efficient lithium projects and has arguably the best logistics chain to markets of any Australian lithium project.

The Finniss Project boasts world-class, high-grade and high-quality lithium suitable for lithium batteries used to power electric vehicles and renewable energy storage.