

# ASX: **CXO** Announcement

30 October 2020

Centralised Company Announcements Platform  
Australian Securities Exchange  
10th Floor, 20 Bond Street  
SYDNEY NSW 2000

## QUARTERLY ACTIVITIES AND CASHFLOW REPORT 30 SEPTEMBER 2020

Please find attached the Quarterly Activities and Appendix 5B Quarterly Cashflow reports for the quarter ended 30 September 2020.

Yours faithfully,



Stephen Biggins  
Managing Director

# ASX Release

## Quarterly Activities Report for Three Months Ended 30 September 2020

30 October 2020

CORE LITHIUM LTD  
 Level 1, 366 King William Street  
 Adelaide SA 5000  
 +61 8 8317 1700

### Contact:

Stephen Biggins | Managing Director  
 Jarek Kopias | Company Secretary  
 Email | [info@corelithium.com.au](mailto:info@corelithium.com.au)  
 Website | [www.corelithium.com.au](http://www.corelithium.com.au)

### Directors:

Greg English | Non-Executive Chairman  
 Stephen Biggins | Managing Director  
 Heath Hellewell | Non-Executive Director  
 Malcolm McComas | Non-Executive Director

### Issued Capital:

- 994,330,321 Ordinary Shares
- 42,273,810 Unquoted Options
- 21,966,666 Unquoted Performance Rights

## Highlights

The Board of Core Lithium Ltd (“Core” or “Company”) is pleased to present its Quarterly Activities Report for the period ended 30 September 2020.

During the September quarter, Core was focused on a number of initiatives aimed at further enhancing the value and potential of its wholly owned Finnis Lithium Project, located near Darwin in the Northern Territory.

During the reporting period, Core:

- Received an Environmental Impact Assessment extension at Grants to match a seven-year operation;
- Recommended Mineral Resource expansion drilling at Finnis;
- Identified exciting gold results and new prospects at the Adelaide River Gold Project;
- Identified new gold prospects at the Bynoe Gold Project; and
- The NT EPA progressed an environmental impact assessment of Core’s proposed BP33 Underground Mine.

**ASX: CXO**

For personal use only

# Finniss Lithium Project, NT

Core is positioned to be Australia's next lithium producer through the development of its flagship Finniss Lithium Project (Finniss, Project), one of Australia's most capital efficient and lowest cost lithium projects, located close to Darwin Port, Australia's closest port to Asia.

Core's 2019 Definitive Feasibility Study (DFS) on Finniss highlighted production of 175,000tpa of high-quality lithium concentrate at competitive operating costs and low capex through simple DMS (gravity) processing of some of Australia's highest-grade lithium resources (ASX:CXO 17/4/19 "Finniss Definitive Feasibility Study and Maiden Ore Reserve").

The low capital cost is primarily a function of the coarse-grained pegmatites, which only require DMS processing, rather than the more expensive flotation circuits required by West Australian lithium producers.

Core has reported substantial increases to Mineral Resources, Ore Reserves and mine-life ahead of project construction and lithium production, subject to financing and regulatory approvals.

The Finniss Lithium Project has arguably the best supporting infrastructure and logistics chain to Asia of any Australian lithium project. The Finniss Lithium 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.

Core has already established binding and non-binding offtake agreements and is in the process of negotiating further agreements within the lithium battery supply chain and electric vehicle industry.

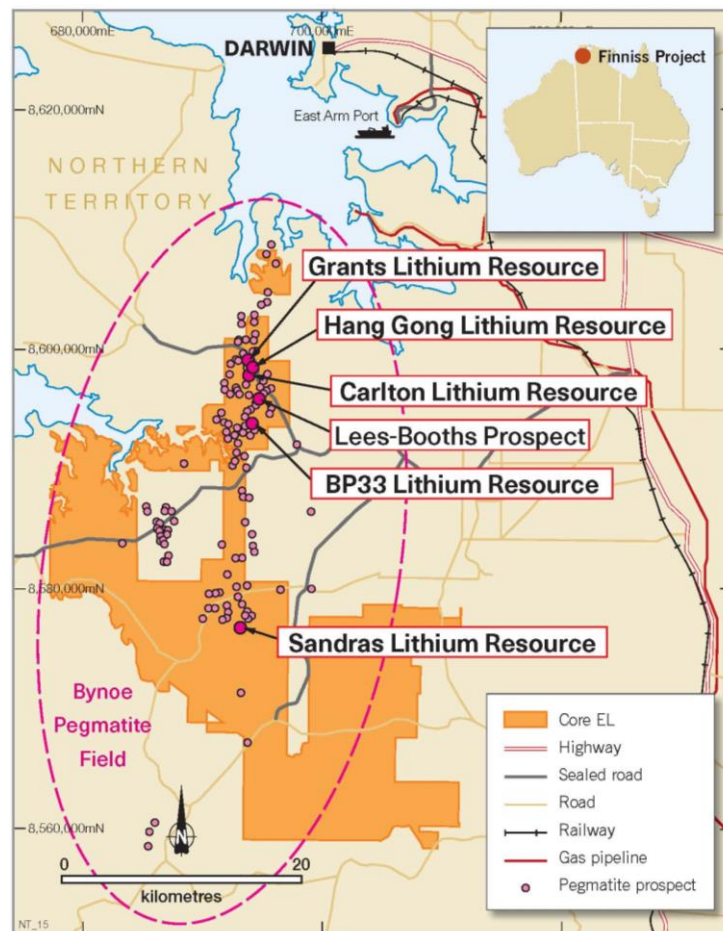


Figure 1. Lithium resources within Core's 100%-owned Finniss Lithium Project.

For personal use only

# September Quarter Activities

## Environmental Impact Assessment at Grants extended to match 7-year operation

During the reporting period, the Northern Territory Environmental Protection Authority (NT EPA) considered Core's notification of alteration to extend the operation of the Grants open pit mine and the proposed 1Mtpa DMS process plant to 7 years, and determined that the environmental significance of the altered proposal was unchanged.

The NT EPA decided, in accordance with the Environmental Assessment Act 1982, that the Grants Lithium Project has been altered in such a manner that it adequately addresses the potentially significant environmental impacts and therefore a Public Environmental Report or Environmental Impact Statement is not required.

Core applied for the extension to enable subsequent processing of spodumene pegmatite from the nearby BP33 and Carlton deposits at the proposed processing facility at Grants.

The extension was assessed against the NT EPA's environmental factors and objectives to reconsider the environmental significance of the altered proposal.

## Mineral Resource expansion drilling recommences at Finniss

Towards the end of the September quarter, Core announced that resource estimation drilling had recommenced at the Finniss Lithium Project.

Recent mine planning and resource assessment studies highlighted valuable opportunities to further extend Mineral Resources and Ore Reserves at the Grants and BP33 deposits, particularly in light of efficient underground mining methods verified in the Pre-Feasibility Study (PFS).

Notably, the last holes drilled at BP33 showcased an outstanding lithium intersection of 107m @ 1.70% Li<sub>2</sub>O that is open along strike in both directions and at depth. The orebody at Grants is open below the intersection of 48m @ 1.59% Li<sub>2</sub>O from 224m. The 4,000m-5,000m resource expansion drilling program has commenced and is expected to be completed in November (ASX:CXO 16/1/20 "World-class High-Grade Lithium Intersection at Finniss" and 22/10/18 "Grants Lithium Resource Increased by 42% ahead of DFS").

Core's mining engineering team is working to optimise the depth of the Grants open pit to complement an extended underground mining operation to exploit the deeper extents of the Grants orebody, which has the potential to reduce the stripping ratio and capture more of the Grants orebody.

For personal use only

## BP33 lithium mine approvals progress

During the reporting period, Core received notification that the NT EPA was progressing an environmental impact assessment of its proposed BP33 Underground Mine under the *Environment Protection Act 2019*.

Following the thorough and extensive Environmental Impact Statement (EIS) at Core's proposed Grants Lithium Mine and Processing Facility, the NT EPA's method for assessing the environmental impact of BP33 Mine is by way of Supplementary Environmental Report (SER).

An SER is the second of four methods of assessment in the Northern Territory's environmental impact assessment system. The SER process of environmental impact assessment may be selected if the NT EPA is satisfied that the proposed action has the potential to have a significant impact on the environment, however the scale, extent or complexity of potential impacts are not so great that assessment by an EIS process is required.

Although falling under the new *Environmental Protection Regulation 2020*, the SER will take into account prior submissions Core made and received for the Grants deposit, and the Company anticipates its proposed BP33 Underground mine will meet the strict environmental requirements and guidelines set out by the NT EPA.

Core looks forward to preparing the SER in relation to the proposed BP33 Underground Mine and submitting the SER to the NT EPA.

## Project readiness - optimising Feasibility and project value ahead of FID

During the quarter, Core announced that in order to maximise the value of the Finniss Project to shareholders, the Company is now targeting FID in mid-2021 to enable a production start date in H2 2022, timed to take advantage of forecast higher lithium demand and prices.

The revised timing of the optimised Feasibility Study update in Q1 2021 has been carefully considered, with the aim of maximising the best possible outcome for the Finniss Project without delaying Core's capability to achieve target FID by mid-2021.

Core has approvals in place to build and operate the Finniss Project, which means the Project can be ready to capture the recovery in market conditions if the world economy recovers sooner than expected.

The Local Jobs Fund (LJF) commitment by the NT Government (see Corporate section of this Quarterly Report or ASX announcement dated 5 August 2020) is a strong endorsement of the Finniss Project and expected to contribute to the lower start-up capex needs. The concessional interest rate is expected to reduce the overall cost of finance.

Core has achieved significant milestones at the Finniss Project in 2020. The planned upside opportunities being delivered later this year are expected to provide even more value to Finniss when the updated Feasibility Study is released in early 2021.

For personal use only

## Multiple rock chips assay above 100g/t Au at Adelaide River

In July, Core announced exciting gold results from a detailed review of historic data for the Company's Adelaide River Gold Project, located in the Pine Creek Orogen of the Northern Territory.

The Adelaide River Gold Project, comprising exploration licence application EL31886, is located 25km south east of Core's flagship Finniss Lithium Project.

Rock chip gold grades of up to 170g/t Au (including 128g/t Au) at the Possum prospect have only been scantily followed up by previous explorers (ASX:CXO 8/7/20 "Multiple rock chips above 100g/t Gold at Adelaide River").

Also, gold grades of 16.4g/t Au, 10.5g/t Au, 6.4g/t Au and 5.0g/Au at the Happy Valley Prospect were identified in rock chip sampling of altered and sheared conglomerate during short periods of gold-focussed exploration in the late 1980's and early 2010's (ASX:CXO 20/7/20 "Additional gold prospects identified at Adelaide River"). Happy Valley is located along an anticlinal hinge zone of bedded conglomerate that hosts a ~200m stockwork zone, containing gold-bearing quartz-sulphide veins.

Similarly, widespread elevated gold, with values including 11.3g/t Au, 8.3g/t Au, 7g/t Au, 5.3g/t Au, 3.7g/t Au, 2.9g/t Au, 2.6g/t Au, 1.9g/t Au and 1.7g/t Au were identified at the Croc Pate Prospect in sulphide and gold-bearing quartz and quartz stockwork veins within a north-south anomaly extending over 1km strike length.

The Adelaide River Mine Prospect also contains significant gold assays in rock chips and drill core. Rock chip gold values are 56.2g/t Au, 3.1g/t Au, 2.7g/t Au, 1.9g/t Au and 1.2g/t.

During short periods of gold-focussed exploration in the late 1980's and early 2010's, exploration programs encountered numerous gold vein systems similar to those at the nearby Cosmo gold mine, operated by Kirkland Lake Resources (NYSE: KL, TSX: KL, ASX: KLA).

Kirkland Lake, which recently completed a A\$5 billion takeover of Detour Gold (TSX: DGC), also announced drill results from the nearby Lantern Deposit at Cosmo grading of 578g/t Au over 1.8 m and 67.6g/t Au over 3.1 m (ASX: KLA 18/12/2019).

Kirkland Lake has estimated a total gold NT Mineral Resource of 2,680,000oz @ 2.5g/t, including 1,410,000oz @ 2.5g/t Measured and Indicated and Inferred Resource of 1,270,000oz @ 2.6g/t gold (ASX: KLA 19/2/2020).

This highly prospective gold region in the NT has potential for long-term, profitable mining operations in a historic mining district with over 4.5 million ounces of gold produced over the past four decades.

Core's new tenement area hosts extensive laminated quartz veins that locally contain fine visible gold and sulphide-hosted gold, not unlike many of the other gold deposits of the Pine Creek and Cosmo Howley Mineral Fields.

The Adelaide River prospects have received limited exploration to date. Previous geochemical and geophysical surveys of the broader tenement area were limited to small programs over localised areas and individual prospects.

Core sees a significant opportunity to take a more consolidated and systematic approach to exploration over this highly prospective area.

### New gold prospects identified at Bynoe Gold Project

In September, Core revealed assays from the gold re-assay program on the Bynoe Gold Project had resulted in new targets and prospects emerging and existing gold targets being affirmed.

An impressive result of 828ppb Au in a conventional soil sample originally collected for lithium was received from a new prospect named Pickled Parrot. This prospect was immediately geological mapped by Core and found to be the focus of a series of quartz veins in an area of least 300m in length and 50m wide (Figure 3) (ASX: CXO 16/9/20 "New Gold Prospects Identified at Bynoe Gold Project").

Re-assay of Core's previous soil samples over the most advanced prospect at Golden Boulder also expanded the anomalous geochemical halo and the mapped quartz vein system has been substantially revised to extend over at least 400m long and 100m wide.

Re-assay of Core's lithium-soils from Ringwood Prospects MT07 and Quartz Wall (up to 229ppb) has firmed up the distribution of gold in those and adjacent areas.

The re-assay results have also generated a number of new targets, including Far East (up to 150ppb Au in soils), Piper North (up to 151ppb Au in soils) and Westwood (up to 96ppb Au in soils). These prospects are currently being investigated and sampled, and further archived pulps will be assayed for gold.

The re-assay program has also identified a broad dispersion of low-grade gold in the Burrell Creek Formation at BP32, 300m south of the BP33 Deposit (up to 194ppb in bottom-hole RAB). Other re-assay results to hand lend support to the validity of various gold targets and prospects at Finniss.

Regional mapping and reconnaissance rock chip sampling have led to the discovery of a number of exciting gold prospects, including Covidicus West, where ubiquitous gold bearing sulphide occurs along the flank of a large quartz vein system (Figure 4). One rock chip assayed over 100g/t Au and numerous others are above 10g/t. The presence of gold has also been confirmed via visible gold grains in arsenopyrite at the prospect.



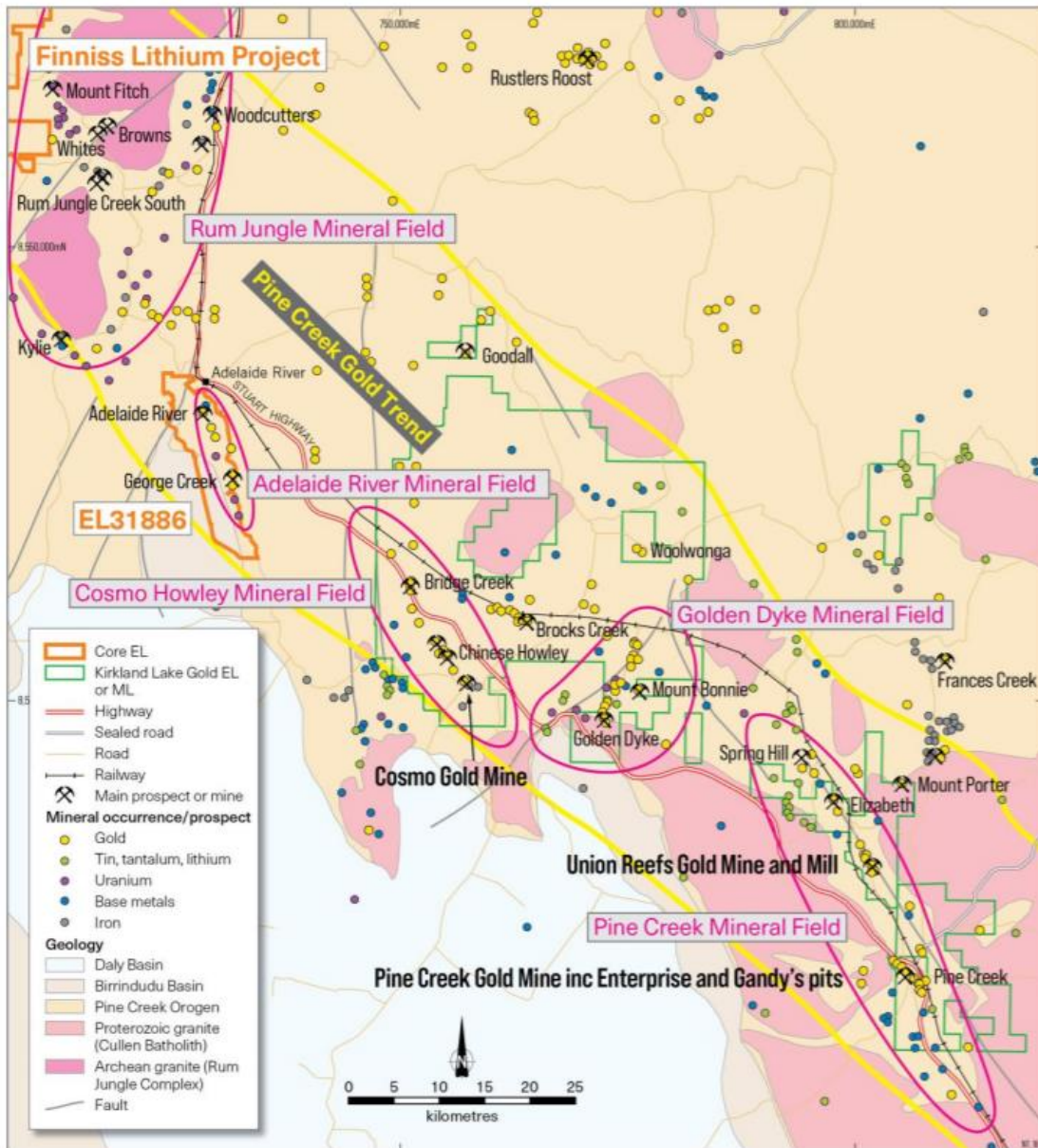


Figure 2. Location of Adelaide River Project (EL31886) in relation to mineral occurrences in the Pine Creek Orogen.

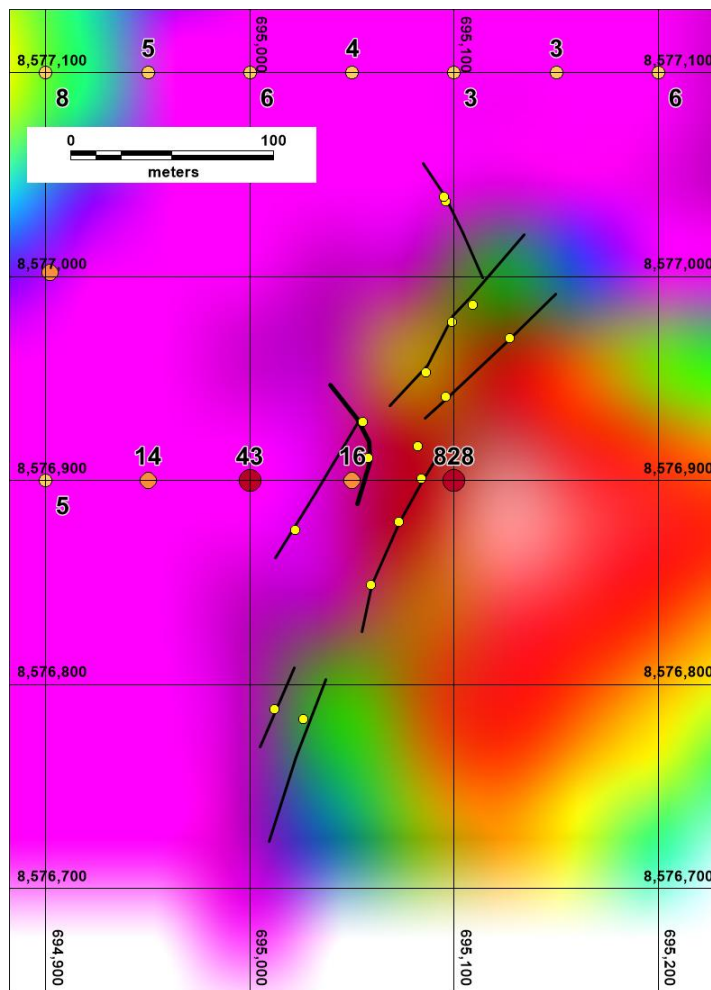


Figure 3. Preliminary map of the quartz vein array at Pickled Parrot Prospect, showing newly received gold-in-soil pulp re-assays (in ppb – divide by 1000 to convert to g/t). Base is a grid of indicator element bismuth-in-soils, illustrating why these pulps were chosen for re-assay. New rock chips shown.

Covidicus West has no previous exploration data and no evidence of historic workings, despite obvious weathered sulphide at the site. The discovery is fortuitously the result of the geology team following up airborne imagery features located adjacent to the Covidicus Prospect. Core believes the potential of this new area, tentatively named the “BBF Gold Field”, has barely been assessed.

The most impressive result is 106.5g/t (ppm) Au in a first-pass rock chip sample that is described as blue-grey quartz with large globular limonitic inclusions or “blebs”, with a gossanous appearance. Successive repeat assays on the pulp indicate excellent correlation, being 85g/t and 101g/t. The next best of the 14 first-pass samples are 20.2g/t, 12.1g/t and 2.3g/t. Repeats are similarly excellent (ASX:CXO 28/9/20 “Gold grades over 100gt Au and visible gold - Bynoe Project”).

Although Core is taking advantage of the vast library of lithium exploration samples collected by Core over the past 5 years from the Finnis Lithium Project tenements, gold mineralisation is located separately from the spodumene pegmatites, as the gold is not related and is typically associated with quartz veins.

Based on the early success of the re-assay program, it is likely that a plethora of further targets exist, where documented quartz vein systems have not been assessed for gold, but gold-indicator elements such as As, Sb and Bi are anomalous – and many quartz vein systems in the Bynoe Field have not been tested at all.

Numerous gold targets have now been generated and Core believes it is well positioned in terms of tenure, easy access, local expertise and gold prospectivity to progress the gold exploration potential at both the Bynoe and nearby Adelaide River Gold projects.

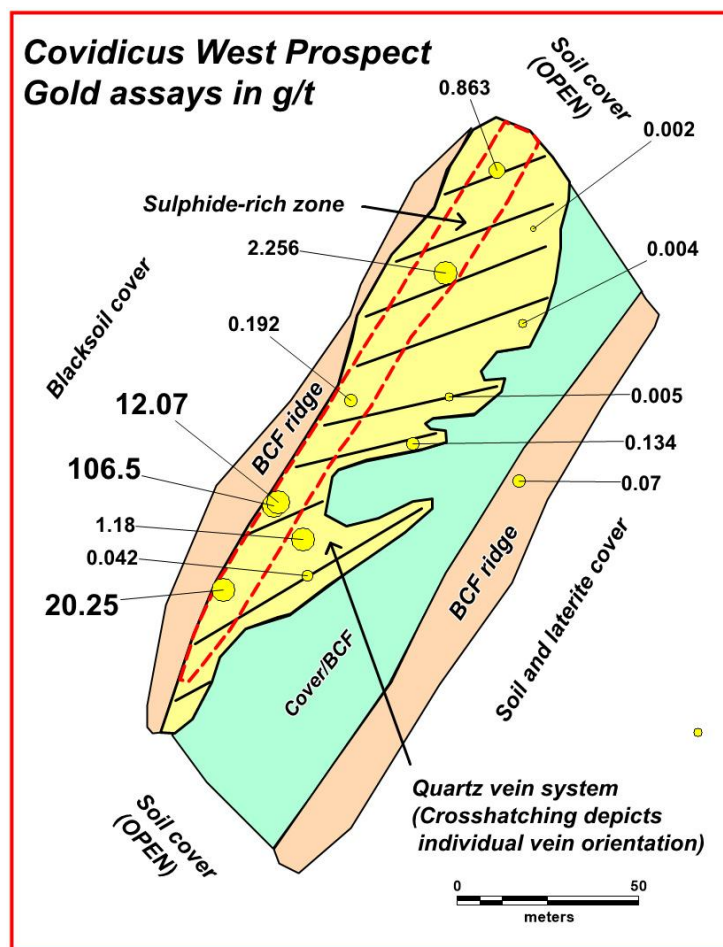


Figure 4. Preliminary map of the quartz vein array at Covidicus West Prospect, showing newly received reconnaissance rock chip gold assays (in ppm or g/t). The prospect is open to the north and south where it is thinly covered. (BCF = Burrell Creek Formation).

For personal use only

## Core Lithium considers sale of non-core silver assets

Core announced during the quarter that it had received a number of Expressions of Interest in relation to the Company's wholly owned Blueys Silver Project, located near Alice Springs, Northern Territory.

The Company 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 (ASX:CXO 10/9/13 "Highest ever Silver Grades at Blueys Prospect" and 4/12/13 "IP Drill Targets Found at Blueys NT").

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) (ASX:CXO 21/10/14 "Additional Silver Lead Mineralisation Discovered at Inkheart" and 3/11/14 "New Intersections Extend Mineralisation at Inkheart, NT").

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.

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

# Subsequent Activities

## Second rig underway on Mineral Resource expansion drilling

In October, Core deployed a second diamond rig to the Finniss Project for resource drilling.

Recent mine planning and resource assessment studies have highlighted valuable opportunities to further extend Mineral Resources and Ore Reserves at the Grants and BP33 deposits.

The 4,000m-5,000m resource expansion drilling program has commenced and is expected to be completed in November.

## Visible gold at Pickled Parrot Prospect

Subsequent to the end of the reporting period, Core announced early reconnaissance exploration work discovered visible gold at surface at the new Pickled Parrot Prospect, within the Bynoe Gold Project.

Visible gold was found at surface in one of the first geological mapping campaigns at the new prospect. Pickled Parrot was initially identified at the eastern end of a regional soil line originally sampled for lithium in 2019. Based only on moderately elevated Arsenic and Bismuth, re-assay of conventional soil samples collected by Core resulted in an impressive 828ppb Au anomaly (ASX:CXO 9/10/20 "Visible Gold at Pickled Parrot").

Further soil sampling over recent weeks has improved the prospectivity of the area with the gold in soil anomaly now peaking at close to 2g/t gold.

Pickled Parrot has also been geological mapped by Core over recent weeks and found to be the focus of a series of quartz veins in an area of least 300m in length and 100m wide.

These veins vary between 1 cm and 10m wide and individually up to 100m long. Many veins are arranged in an en echelon geometry and many of the smaller veins occur in dense anastomosing clusters, which when sampled along with the enclosing graphiticpyritic schist host have anomalous gold values (maximum 339ppb Au). The quartz veins locally contain inclusions of shale and box-works of iron oxide and locally arsenopyrite, which are intimately associated with the gold mineralisation.

Gold occurs as blebs up to 1mm in diameter and dispersed as microscopic grains in the arsenopyrite matrix. The observed mineralogy has been confirmed by Niton hand-held XRF.

Complimentary multi-element geochemical results to assist with further target definition are expected imminently. Visible gold was discovered on the eastern side of the prospect, following up higher soil anomalies from the results released herein. Additional samples relating to that area have been submitted to the laboratory for assay and will be reported in due course.

For personal use only

A new set of quartz veins have also been mapped and sampled immediately to the southeast where there is currently no baseline geochemical data.

Pickled Parrot lies within what Core believes is a fertile zone at the northern periphery of the Ringwood Intrusive (Figure 5).

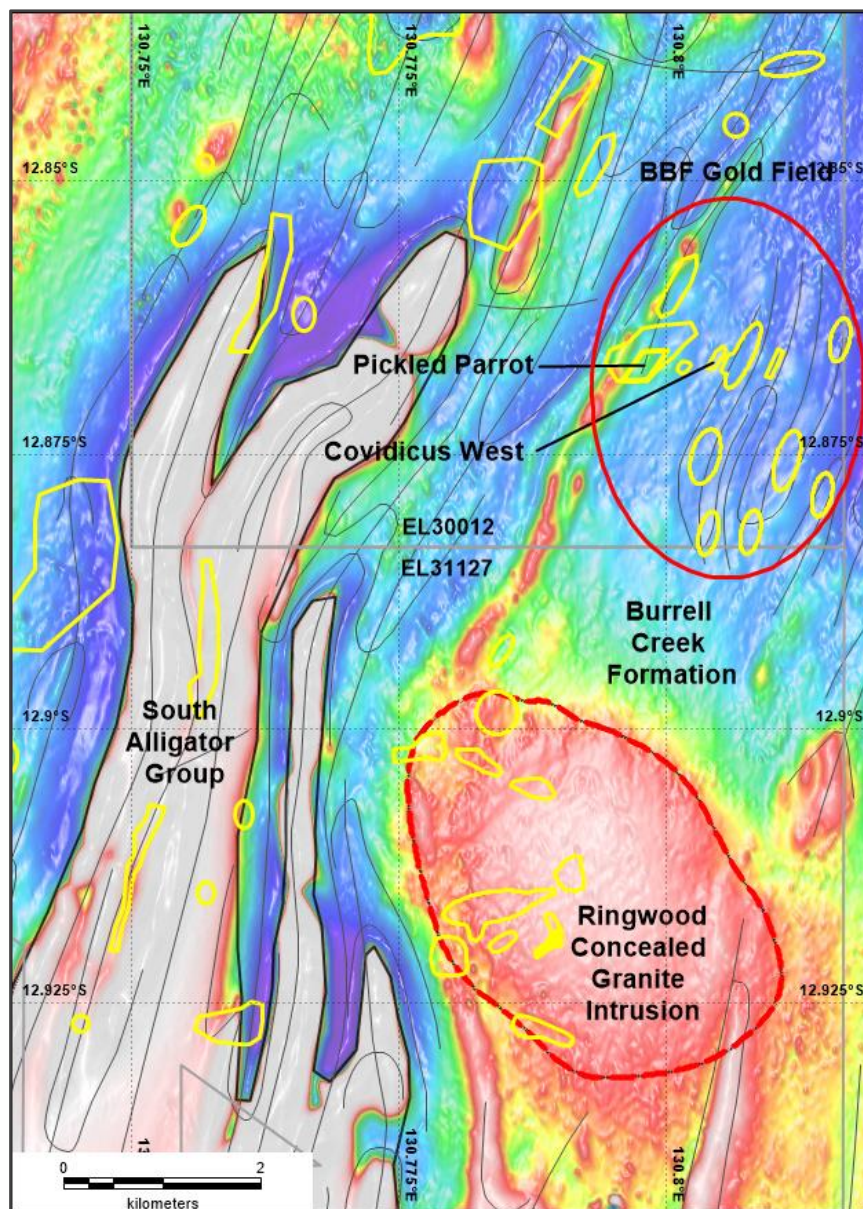


Figure 5. Magnetic image for the southern Bynoe Gold Project showing the location of the BBF Gold Field including the Pickled Parrot and Covidicus West Prospects.

For personal use only

## Corporate

### Final payment to LTR of \$1.5m cash for Bynoe acquisition

One of the terms under the agreement for Core to purchase the Bynoe Project from Liontown Resources (ASX: LTR) in September 2017 required Core to pay Liontown \$1.5 million (in cash or shares, at Core's election) within 30 days of Core declaring a Mineral Resource estimate of 5 million tonnes (whether Inferred, Indicated or Measured) in relation to the tenements sold under the Agreement.

This milestone was met by the Company in June and, as a result, Core made a \$1.5 million cash payment to Liontown in early July.

Core is very pleased with the value realised from the Bynoe Acquisition to date, leading to the Company's recent announcements of Project Resources of 15Mt @ 1.3% Li<sub>2</sub>O and Ore Reserves supporting a 7-year LOM. Mineral Resources defined by Core on the Bynoe Project subsequent to Bynoe Acquisition have included BP33, Carlton, Hang Gong, Booths, Lees and Sandras (ASX:CXO 30/6/20 "Increased Ore Reserve Significantly Extends Finniss").

In addition to these Mineral Resources, the Bynoe Acquisition has also provided Core access to the large process water dam established by Greenbushes in the 1980's – key to Core's plans to develop and potentially expand production from its flagship Finniss Lithium Project in the future.

### Core joins European Battery Alliance

During the reporting period, the Company became a member of the European Battery Alliance (EBA250), an organisation committed to driving a competitive and sustainable battery industry in Europe by 2025.

The EBA250 is an inclusive ecosystem for interested stakeholders across the European Union's battery value chain and comprises parties that strive to collaborate on initiatives to promote sector growth.

It brings together more than 440 major players from the European Commission, interested EU countries, investment institutions and key industrial, innovation and academia stakeholders and is facilitated by EIT InnoEnergy; the innovation engine for sustainable energy supported by the European Institute of Innovation and Technology.

The EBA250's ultimate goal is to create a competitive and sustainable battery industry in Europe within the next five years, to capitalise on opportunities and capture a new market that the Alliance anticipates will one day grow to be worth about €250 billion (~A\$400 billion) per year.

### NT Government offers \$5m concessional Finance Facility

In late July, Core announced that discussions and negotiations with the Northern Territory Government resulted in the signing of a non-binding indicative term sheet with the Local Jobs Fund for a \$5 million concessional Finance Facility.

The signing of the Finance Facility term sheet followed an assessment process by the LJF investment committee and was a recognition of the significant employment opportunities, socio-economic benefits and enterprise opportunities in the Northern Territory, and provides further confidence of the robust long-term financial returns to be generated from the Finniss Lithium Project.

The Finance Facility is expected to contribute to the lower start-up capital funding needs and the concessional interest rate is expected to reduce the overall cost of finance.

Core is continuing to engage with debt and equity capital markets in finalising the balance of the Finniss Lithium Project's funding requirement.

### New offtake agreement and at-market Placement

During the September quarter, Core announced that discussions and negotiations with a potential new offtake partner, Xinfeng, had culminated in the signing of a non-binding memorandum of understanding (MOU) for the supply of 20,000-30,000 tonnes per annum of spodumene concentrate for three years from the Company's Finniss Lithium Project.

This new offtake agreement supplements Core's existing binding offtake agreement with Yahua for 75,000tpa and the Company's non-binding MOU with Transamine Trading for 50,000tpa. These offtake agreements now represent approximately 85% of Core's current production capacity of 175,000tpa.

The term sheet with Xinfeng paves the way for a binding offtake agreement and also holds the potential for project finance, subject to due diligence by Xinfeng and FID for Finniss by Core.

The successful signing of the term sheet with Xinfeng is the result of engagement by Core with several potential offtake parties and project financiers, accelerated since the Company received the necessary regulatory approvals for mining and production (see ASX announcement dated 3 April 2020) and the recent \$5M Finance Facility offer from the NT Government (see ASX announcement dated 5 August 2020).

The Xinfeng offtake term sheet reinforces the lithium market's confidence in Finniss and the long-term demand fundamentals of lithium beyond the challenges brought about by the COVID-19 pandemic.

Core is receiving increased interest from new lithium parties and is close to completing additional binding offtake and customer project finance agreements.



## COVID-19 and the global lithium market

Demand for electric vehicles is expected to surge in coming years, spurred by government mandates, rising concern about climate change and other factors.

The COVID-19 pandemic has temporarily held up that trend, causing a short-term oversupply of lithium that has pushed down lithium prices further this year and forced existing producers to cut production and halt expansion projects.

Forecast growth in lithium demand will require significant additional mined and refined production, and lithium prices must increase in order to spur investment and prevent future supply crunches of the battery metal.

Recent lithium prices forecast by Roskill, Benchmark and other industry analysts predict that lithium prices will recover in 2022 and prices will accelerate upwards from 2023, reflecting anticipated supply shortages before reaching a balance after 2025.

Core continues to work positively with its offtake partners and other strategic partners as the Company looks to add additional offtake and sources of strategic finance for the Finnis Project. Core's strategic partners remain committed to their own long-term views and strategic positions with respect to lithium-ion battery demand originating in Europe and North America.

## Junior Mineral Exploration Incentive credits

In October, the Company distributed \$780,810 Junior Mineral Exploration Incentive (JMEI) credits to eligible shareholders who participated in capital raising activities during the 2019/20 financial year.

## Appendix 5B expenditure disclosure

Core's Appendix 5B includes amounts in item 6.1 and 6.2. The amounts in item 6.1 represent director fees paid to entities nominated by relevant directors. The amounts in item 6.2 represent managing director costs capitalised for exploration activity undertaken.

During the quarter Core expended \$738k on exploration activities. This expenditure primarily represents exploration and development activities at Core's Finnis Lithium Project. An additional \$1.5 million was paid to Liontown Resources as part of consideration for the Bynoe tenement acquisitions in September 2017.

## Share capital changes – Ordinary Shares, Options and Performance Rights

During the quarter, the following changes were made to Core's capital structure:

- Issue of 21,739,130 shares under a placement announced on 19 August 2020 to Tangshan Xinfeng Lithium Industry Co Ltd.
- Issue of 1,448,400 shares to director Malcolm McComas under the placement announced on 27 May 2020 and approved by shareholders on 10 July 2020.
- Exercise of 1,450,000 unquoted performance rights where performance hurdles were met.
- Lapse of 1,500,000 unquoted options where performance hurdles were not met.
- Lapse of 4,133,334 unquoted performance rights where performance hurdles were not met.

A summary of movements and balances of equity securities between 1 July 2020 and this report are listed below:

	Ordinary shares	Unquoted Options	Unquoted performance rights
<b>On issue at start of the Quarter</b>	<b>969,692,791</b>	<b>43,773,810</b>	<b>27,550,000</b>
Share placement – Xinfeng	21,739,130	-	-
Share placement – M McComas	1,448,400	-	-
Performance rights – exercised	1,450,000	-	(1,450,000)
Performance rights – lapsed	-	-	(4,133,334)
Options – lapsed	-	(1,500,000)	-
<b>Total securities on issue at the date of this report</b>	<b>994,330,321</b>	<b>42,273,810</b>	<b>21,966,666</b>

For personal use only

## About Core

Core is well positioned to be Australia's next lithium producer, developing one of Australia's most capital efficient and lowest cost spodumene lithium projects located in close proximity to Darwin Port.

Core's 2019 DFS highlights production of 175,000tpa of high-quality lithium concentrate at competitive operating costs and low Capex through simple and efficient DMS (gravity) processing of some of Australia's highest-grade lithium Mineral Resources.

The Finniss Lithium Project has arguably the best supporting logistics chain to markets in Asia of any Australian lithium project. The Project lies within 25km 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.

Core has already established binding and non-binding offtake agreements and is in the process of negotiating further agreements within the lithium battery supply chain and electric vehicle industry.

Authorised for release by the Board of Core Lithium Ltd.

**For further information please contact:**

Stephen Biggins  
Managing Director  
Core Lithium Ltd  
+61 8 8317 1700  
[info@corelithium.com.au](mailto:info@corelithium.com.au)

**For Media and Broker queries:**

Warrick Hazeldine  
Managing Director  
Cannings Purple  
+61 417 944 616  
[whazeldine@canningspurple.com.au](mailto:whazeldine@canningspurple.com.au)

Fraser Beattie  
Senior Consultant  
Cannings Purple  
+61 421 505 557  
[fbeattie@canningspurple.com.au](mailto:fbeattie@canningspurple.com.au)

## Mineral Resources and Ore Reserves

MINERAL RESOURCES					
Deposit	Classification	Tonnes (Mt)	Li <sub>2</sub> O %	Li <sub>2</sub> O (t)	LiCO <sub>3</sub> (t)
Grants	Measured	1.09	1.48	16,100	39,815
	Indicated	0.82	1.54	12,600	31,160
	Inferred	0.98	1.43	14,000	34,622
	<b>Total</b>	<b>2.89</b>	<b>1.48</b>	<b>42,700</b>	<b>105,597</b>
BP33	Measured	1.50	1.52	23,000	56,879
	Indicated	1.19	1.50	17,000	42,041
	Inferred	0.55	1.54	8,000	19,784
	<b>Total</b>	<b>3.24</b>	<b>1.51</b>	<b>48,000</b>	<b>118,704</b>
Sandras	Inferred	1.30	1.0	13,000	32,149
	<b>Total</b>	<b>1.30</b>	<b>1.0</b>	<b>13,000</b>	<b>32,149</b>
Carlton	Measured	0.63	1.31	8,000	19,784
	Indicated	1.20	1.21	15,000	37,095
	Inferred	1.19	1.33	16,000	39,568
	<b>Total</b>	<b>3.02</b>	<b>1.28</b>	<b>39,000</b>	<b>96,447</b>
Hang Gong	Indicated	1.19	1.3	15,300	37,837
	Inferred	0.83	1.19	9,900	24,483
	<b>Total</b>	<b>2.02</b>	<b>1.2</b>	<b>25,200</b>	<b>62,320</b>
Booths & Lees	Inferred (Lees)	0.43	1.3	5,400	13,354
	Inferred (Lees South)	0.35	1.2	4,300	10,634
	Inferred (Booths Link)	1.47	1.06	15,700	38,826
	<b>Total</b>	<b>2.25</b>	<b>1.13</b>	<b>25,400</b>	<b>62,814</b>
Finniss Project	Measured	3.22	1.47	47,100	116,478
	Indicated	4.40	1.37	59,900	148,133
	Inferred	7.10	1.22	86,300	213,420
Finniss Project	<b>Total</b>	<b>14.72</b>	<b>1.32</b>	<b>193,300</b>	<b>478,031</b>

For personal use only

## ORE RESERVES

Deposit /Resource	Classification	Tonnes (Mt)	Grade (Li <sub>2</sub> O%)	Contained Metal (kt)
<b>Open pit</b>				
	Proved	1.0	1.4	14.9
Grants	Probable	0.8	1.5	11.6
	<b>Total</b>	<b>1.8</b>	<b>1.5</b>	<b>26.5</b>
<b>Underground</b>				
	Proved	1.3	1.4	18.4
BP33	Probable	1.0	1.4	13.2
	<b>Total</b>	<b>2.3</b>	<b>1.4</b>	<b>31.5</b>
	Proved	0.6	1.2	7.1
Carlton	Probable	1.0	1.0	10.6
	<b>Total</b>	<b>1.6</b>	<b>1.1</b>	<b>17.8</b>
	Proved	1.9	1.3	25.5
Total underground	Probable	2.0	1.2	23.8
	<b>Total</b>	<b>3.9</b>	<b>1.3</b>	<b>49.3</b>
	<b>Proved</b>	<b>2.9</b>	<b>1.4</b>	<b>40.4</b>
<b>Total all mining methods</b>	<b>Probable</b>	<b>2.8</b>	<b>1.3</b>	<b>35.4</b>
	<b>Total</b>	<b>5.7</b>	<b>1.3</b>	<b>75.8</b>

For personal use only

## Tenement Table

Tenement number	Tenement name	Interest at the end of Quarter	Changes during Quarter
<b>South Australia</b>			
EL 5731	Fitton	100%	None
EL 6038	Mt Freeling	100%	None
EL 6111	Yerelina	100%	None
EL 6445	Wyatt Bore	100%	None
<b>Northern Territory</b>			
EL 26848	Walanbanba	100%	None
EL 28029	White Range East	100%	None
EL 28136	Blueys	100%	None
EL 29347	Yambla	100%	None
EL 29389	Mt George	100%	None
EL 29580	Jervois East	100%	None
EL 29581	Jervois West	100%	None
EL 29689	Riddoch	0%	Surrendered at anniversary
EL 29698	Finniss	100%	None
EL 29699	Bynoe	100%	None
EL 30012	Bynoe	100%	None
EL 30015	Bynoe	100%	None
EL 30669	Ross River	100%	None
EL 30793	McLeish	100%	None
EL 31058	Barrow Creek	100%	None
EL 31126	Zola	100%	None
EL 31127	Ringwood	100%	None
EL 31139	Anningie West	100%	None
EL 31140	Anningie South	100%	None
EL 31145	Barrow Creek North	100%	None
EL 31146	Barrow Creek South	100%	None
EL 31271	Bynoe	100%	None
EL 31279	Sand Palms	100%	None
EL 31449	Napperby	100%	None
EL 32205	Finniss Range	100%	New tenement application granted
MLN16	Bynoe	100%	None
ML 31726	Grants Mineral Lease	100%	None
ML 32074	Observation Hill Ancillary Lease	100%	None

For personal use only

## Competent Person Statement

*The information in this report that relates to Exploration Results and Mineral Resources 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 this information in the form and context in which it appears.*

*The information in this release that relates to the Estimation and Reporting of Ore Reserves is based on, and fairly represents, information and supporting documents compiled by Mr Blair Duncan. 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 and Ore Reserve estimates in the announcements "Grants Lithium Resource Increased by 42% ahead of DFS" dated 22 October 2018, "Maiden Sandras Mineral Resource Grows Finniss to 6.3Mt" dated 29 November 2018, "Finniss Feasibility Study and Maiden Ore Reserve" dated 17 April 2019, "Initial Resource for Lees Drives Finniss Mineral Resource" dated 6 May 2019, "Finniss Lithium Resource increased by over 50%" dated 15 June 2020, "Increased Ore Reserve Significantly Extends Finniss" dated 30 June 2020 and "Napperby Uranium Resource Update and Increase" dated 12 October 2018 continue to apply and have not materially changed. Core confirms that it is not aware of any new information or data that materially affects the results included in this announcement as cross referenced in the body of this announcement.*

*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 product target announced on 30 April 2019 and 30 June 2020 continue to apply and have not materially changed.*

For personal use only

## Appendix 5B

Mining exploration entity or oil and gas exploration entity  
quarterly cash flow report

Name of entity

Core Lithium Ltd

ABN

80 146 287 809

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(9)	(9)
(b) development	-	-
(c) production		
(d) staff costs	(378)	(378)
(e) administration and corporate costs	(250)	(250)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	210	210
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(413)</b>	<b>(413)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(1,500)	(1,500)
(c) property, plant and equipment	(4)	(4)
(d) exploration & evaluation	(738)	(738)
(e) investments	-	-
(f) other non-current assets	-	-

For personal use only



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Net proceeds / (payments) for Security bond)	(109)	(109)
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(2,351)</b>	<b>(2,351)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,062	1,062
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(78)	(78)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Lease repayments)	(28)	(28)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>956</b>	<b>956</b>

For personal use only

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	8,710	8,710
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(413)	(413)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,351)	(2,351)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	956	956
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,902</b>	<b>6,902</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</b>	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,872	8,680
5.2	Call deposits	30	30
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,902</b>	<b>8,710</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	127
6.2	Aggregate amount of payments to related parties and their associates included in item 2	57

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

For personal use only

For personal use only

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(713)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(738)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,151)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6,902
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	6,902
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	6.0
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

For personal use only

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020

Authorised by the Board of the Company

(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.