

ASX: CXO Announcement

22 July 2021

\$6m Modern Manufacturing Initiative Grant from Australian Federal Government

Highlights

- Core awarded \$6 million Modern Manufacturing Initiative (MMI) Grant by the Australian Federal Government, with support from the Northern Territory Government
- With co-funding from the MMI Grant, Core will be assessing the potential feasibility of building a lithium hydroxide plant in Darwin
- Core is on track to commence construction of Australia's next lithium mine at Finniss near Darwin before the end of this year

Emerging Australian lithium developer Core Lithium Ltd (ASX: CXO) ("Core" or "Company") is pleased to announce it has been successful in its application for a \$6 million grant under the Federal Government's Modern Manufacturing Initiative ("Grant").

The Australian Federal Government has awarded the Grant in recognition of the future commercial potential for Core to produce battery-grade lithium hydroxide ("LiOH") near the Finniss Lithium Project ("Finniss Project").

This is a highly encouraging early step in Core's path to assessing the longer-term potential of the Finniss Project, through local downstream processing of Finniss lithium concentrate.

Core's immediate goal is to export spodumene concentrate from the Finniss Project, located 25km from Darwin Port, and is on track to commence construction before the end of this year, with first production by the end of next year (subject to financing).

Core is completing a Scoping Study that examines the potential to capture more of the lithium value chain through downstream processing of this concentrate to produce LiOH. This Scoping Study will be followed up with the undertaking of Feasibility Studies which are being supported by the Grant.

Core notes that these studies are being carried out in parallel with the Company's primary focus of developing the Finniss Project in line with its production timeframe.

The opportunity of downstream lithium processing at the Middle Arm Industrial Precinct, ideally located between Finniss and export facilities at the Darwin Port, has strong alignment with the Australian Federal Government's Modern Manufacturing Strategy, which is focused on increasing the capabilities of Australia's onshore refinement of critical minerals.

The MMI Grant follows the receipt of Major Project Status for the Finniss Project by the Federal Government earlier this year.

A media statement issued by the Federal government this morning, stated that in the Northern Territory, Core Lithium will use its \$6 million in funding to help build a pilot processing facility for the production of battery-grade lithium hydroxide at Darwin Harbour's Middle Arm Industrial Precinct.

Minister for Industry, Science and Technology, Christian Porter, said Australia was well placed to capitalise on growing global demand for battery systems and the critical minerals associated with their production, with the energy storage market expected to be worth almost US\$20 billion by 2027.

"Australia's resource sector is world-class. Through our \$1.3 billion Modern Manufacturing Initiative we are helping to unlock this enormous potential by providing targeted support for projects that will deliver big rewards for our local economy in terms of export earnings and new job opportunities," Minister Porter said.

"Whether it's building large-scale battery systems, adding value to critical minerals exports through new refining techniques, or driving the adoption of battery power in mining vehicles, these projects will increase Australia's international competitiveness and help position us a future leader in this crucial sector."

As part of the MMI application process, Core received a letter of support from the **Hon Michael Gunner, Chief Minister of the Northern Territory**.

"The Territory Labor Government is proud to back in this shovel-ready project, which is creating hundreds of jobs for Territorians.

"This is a big-tick from the Commonwealth and for Australia's comeback capital – we both know the resources sector is playing a massive role in driving our economic recovery from the coronavirus crisis, so this is really good news."

Core Lithium's Managing Director, Stephen Biggins, said Core has identified a unique opportunity to assist Australia in capturing an increased portion of the lithium value-chain.

"We're thrilled to have received this \$6 million grant and we thank the Federal Government and the Territory Government for their continued support of Core and our Finniss Project, which is firmly on track to become Australia's next lithium mine.

"Core believes that it has a key role to play in meeting the future lithium supply gap, which is expected to grow at a rapid rate as the demand for electric vehicles and renewable energy ramps up over the next decade."

"With this grant secured, we look forward to potentially realising the long-term value of developing a lithium hydroxide plant in the Northern Territory."

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

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About the Finniss Lithium Project

The Finniss Lithium Project is Australia's most advanced new lithium projects on the ASX and places Core Lithium at the front of the line of new global lithium production.

Finniss has Federal Government Major Project Status and is also one of the most capital efficient lithium projects in Australia and has arguably the best logistics chain to markets 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.

Lithium is the core element in batteries used to power electric vehicles, and the Finniss Project boasts world-class, high-grade and high-quality lithium suitable for this use and other renewable energy sources.