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ASX: CXO Announcement

9 August 2021

Transformational Equity Raise of up to A\$140m to Fully Fund Finniss Stage 1 Development

Highlights

- Core to undertake a fully underwritten placement to raise A\$91 million at an offer price of A\$0.310 per share, representing a 2.4% discount to the 5-day VWAP of A\$0.318
- Binding offtake agreement executed with Ganfeng for 75ktpa over 4 years and A\$34 million equity investment at a price of A\$0.338 per share
- Stage 1 project development of the Finniss Lithium Project now fully funded, with Core on track for first production in late 2022
- Equity raise represents a proactive initiative which provides certainty of funding and enables Core to meet previously stated timeline of construction commencement in 2H 2021
- Provides significant financial flexibility, enabling Core to aggressively explore the Finniss region and assess a range of options for future growth initiatives
- Non-underwritten Share Purchase Plan to be offered to eligible investors to raise up to a further A\$15 million

Advanced Northern Territory lithium developer, Core Lithium Ltd (ASX: CXO) (Core or Company), is pleased to announce:

- the launch of a fully underwritten institutional placement of 293 million new fully paid ordinary shares (**New Shares**) to raise A\$91 million (**Placement**);
- the execution of a binding offtake agreement with Ganfeng for 75ktpa over 4 years which includes a A\$34 million equity investment at a 10% premium to the 10-day VWAP, which equates to an issue price of A\$0.338 per share (see ASX announcement released 9 August 2021); plus
- a non-underwritten share purchase plan (**SPP**) to existing eligible shareholders to raise up to A\$15 million

(together, the **Equity Raising**).

Following the recent release of the Company's robust Definitive Feasibility Study and associated scoping studies, the Equity Raising is a proactive initiative that provides certainty of funding to meet the previously stated timeline of construction commencement at the Finniss Lithium Project (**Finniss or the Project**) in 2H 2021.

The Equity Raising also provides Core with significant financial flexibility, enabling the Company to aggressively explore the Finniss region and assess a range of options for future growth initiatives. Importantly, the Equity Raising enhances Core's balance sheet at a critical juncture, as the Company transforms from developer to producer.

Funds raised from the Equity Raising will be principally used for:

- Upfront capital costs at Finniss, including plant construction costs, Grants open pit pre-strip costs and other mine establishment costs;
- Environmental bond payments to the NT Government;
- Drilling to accelerate Reserve and Resource Growth; and
- Working capital.

Core's Managing Director, Mr Stephen Biggins, commented:

"The Equity Raising, including the offtake and equity investment by Ganfeng, represents a transformational moment for Core. We now have immediate certainty over Finniss Project funding and we remain on-track to commence construction activities within the 2021 calendar year, ahead of anticipated first production in late 2022."

Placement

The Placement of A\$91 million will take place under ASX Listing Rule 7.1 (175,765,546 New Shares) and Listing Rule 7.1A (117,381,113 New Shares). The Ganfeng investment is subject to Core shareholder approval and Chinese regulatory approvals, both anticipated to be received before 31 October 2021.

The Placement will comprise the issue of approximately 293 million New Shares and will be conducted at an offer price of A\$0.310 per New Share (**Placement Price**), which represents:

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- A 13.9% discount to the last close price on 6 August 2021 of A\$0.36;
- A 2.4% discount to the 5-day volume weighted average price of A\$0.318; and
- A 1.0% premium to the 10-day volume weighted average price of A\$0.307

Each New Share issued under the Placement will rank pari passu with existing shares on issue.

Canaccord Genuity (Australia) Limited and Merrill Lynch Equities (Australia) Limited are acting as Joint Lead Managers and Underwriters to the Placement. Jett Capital Partners are acting as Co-Manager to the Placement. Core's financial adviser on this transaction is Azure Capital, and its legal adviser is Allens.

Settlement of the New Shares issued under the Placement is expected to occur on Monday, 16 August 2021, with allotment scheduled for Tuesday, 17 August 2021.

Further details of the Equity Raising are set out in the Company's investor presentation lodged with ASX today. The investor presentation contains important information including key risks of investing in Core and foreign selling restrictions with respect to the Placement.

Share Purchase Plan

Existing eligible shareholders, being those shareholders that are residents in Australia or New Zealand that held Core shares as at 7:00pm (AEST) on Friday, 6 August 2021, will be invited to participate in the SPP at the same issue price as the Placement (A\$0.310 per share). The SPP will provide eligible shareholders the opportunity to increase their holding by up to A\$30,000 without incurring any brokerage or transaction costs.

The SPP is targeted to raise up to A\$15 million and is not underwritten. Core may increase or decrease the size of the SPP and/or scale back applications under the SPP at its discretion. Any scale-back will be applied to the extent and in the manner, Core sees fit, which may include taking into account a number of factors such as the size of an applicant's shareholding at the record date for the SPP, the extent to which the applicant has sold or purchased shares since the record date, whether the applicant may have multiple registered holdings, the date on which the application was made, and the total applications received from eligible shareholders.

Further information regarding the SPP (including terms and conditions of the SPP) will be provided to eligible shareholders in the SPP offer booklet, which will be made available to eligible shareholders shortly. Eligible shareholders wishing to participate in the SPP will need to apply in accordance with the instructions in the SPP offer booklet. Participation in the SPP is optional.

Equity Raising Timetable

Event	Time (AEST) / Date
Record Date for Share Purchase Plan	7:00pm Friday, 6 August 2021
Trading Halt and Bookbuild	Monday, 9 August 2021
Announcement of Completion of Placement	Wednesday, 11 August 2021
Trading Halt Lifted – Trading Resumes on ASX	Wednesday, 11 August 2021
Share Purchase Plan opens	Friday, 13 August 2021
Settlement of New Shares issued under the Placement	Monday, 16 August 2021
Allotment and commencement of trading of New Shares issued under the Placement	Tuesday, 17 August 2021
Share Purchase Plan closes	Thursday, 2 September 2021
Allotment of New Shares issued under the Share Purchase Plan	Thursday, 9 September 2021
Commencement of trading of New Shares issued under the Share Purchase Plan	Friday, 10 September 2021

The above timetable is indicative only and subject to change. All times are in Sydney time (AEST).

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

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About the Finnis Lithium Project

The Finnis Lithium Project is 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 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 Finnis Project boasts world-class, high-grade and high-quality lithium suitable for this use and other renewable energy sources.

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