

ASX: CXO Announcement

23 September 2021

Mining Services Contract signed for Fully Financed Finniss Lithium Project

Highlights

- Core Lithium and Lucas TCS have executed a Mining Services Agreement for the Finniss Lithium Project
- Award of the mining contract will enable Core to achieve the major milestone of commencing construction at the Finniss Lithium Project before the end of 2021
- Another key step toward Final Investment Decision in coming weeks

Construction-ready lithium developer Core Lithium Ltd (ASX: CXO) ('Core' or the 'Company') is pleased to announce it has signed a Mining Services Agreement ('Mining Contract') with Lucas Total Contract Solutions ('Lucas') for the provision of open pit mining and associated services at the Company's wholly owned Finniss Lithium Project ('Finniss Project'), located near Darwin in the Northern Territory.

The Mining Contract represents another major step on Core's path towards commencing construction at the Finniss Project in 2021.

Lucas is engaged for the 3-year open pit mining services agreement for the Grants open pit. The Grants open pit is the first mine that will be developed at the Finniss Lithium Project, with first lithium production expected in late 2022.

The scope of work covers the construction and mining of the Grants Open Pit Mine including clear and grub, topsoil management, pads, roads, dumps, dams, bunds and water controls and open pit mining (load and haul plus drill and blast).

The execution of the Mining Contract closely follows the completion of a \$91 million institutional placement and a \$25 million share purchase plan, in conjunction with a \$34 million equity investment subject to Chinese Government approvals and an offtake agreement with a subsidiary of Jiangxi Ganfeng Lithium Co., Ltd (Ganfeng),

one of the world's largest lithium producers by production capacity, for 75,000 tonnes per annum of spodumene concentrate from the Finniss Project over 4 years.

Core is fully financed, has construction and operation approvals already in place and on-track to commence construction at the Finniss Project before the end of 2021, with a Final Investment Decision (FID) expected in the coming weeks.

Core expects to ramp-up construction at the Finniss Project over the course of 2022, with first spodumene production anticipated in late 2022.

Core Lithium's Managing Director Stephen Biggins said:

"We are pleased to progress Lucas from preferred contractor status to our inaugural mining contractor, representing a major step forward for Core as it moves towards first construction at the Finniss Lithium Project this year."

"With recent spodumene spot sales above US\$2,000/t, Core is the only Australia-focused, ASX-listed company forecast to join the ranks of new spodumene producers between now and the end of 2022 in a position to take advantage of these high prices."

"Advanced discussions with such a high-calibre and respected team such as Lucas with proven lithium mining experience has facilitated this step and we are looking forward to partnering with this key services provider to deliver Australia's next significant new lithium mine."



Photo. Core Lithium Managing Director, Stephen Biggins, and Lucas Executive Director, Ben Lucas, at Lucas' National Head Office in Adelaide.

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 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 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.

About Lucas Total Contract Solutions

Lucas has undertaken and built significant mining, energy and civil construction projects throughout Australia since 1969, with current contract mining operations and civil projects in Queensland, Western Australia, New South Wales and South Australia. Lucas is currently providing contract open-pit mining services of lithium pegmatites to an established spodumene producer in Western Australia, bringing with them proven experience for the Finniss Lithium Project.