ASX: **CXO** Announcement

2 March 2022

Core Lithium and Tesla enter into binding Term Sheet for the supply of lithium

Highlights

- Core Lithium and Tesla execute legally binding Term Sheet for the supply of lithium spodumene concentrate from Core's Finniss Lithium Project
- Core to supply up to 110kt of spodumene concentrate to Tesla over 4 years, with pricing referenced to market price for spodumene concentrate
- Tesla to support Core with planned development of lithium chemical processing capacity
- Term Sheet subject to execution of a definitive agreement

Australia's next lithium producer, Core Lithium Ltd (**ASX: CXO**) (**Core** or **Company**), is pleased to announce that it has entered into a legally binding Term Sheet with Tesla, Inc. (**Tesla**) for the supply of up to 110,000 tonnes of Li_2O spodumene concentrate from the Finniss Lithium Project over a term of 4 years, with pricing referenced to the market price for spodumene concentrate, subject to a price floor and ceiling (**Term Sheet**).

This follows the Company's recent announcement (see ASX announcement dated 30 September 2021) that the Board has taken a Final Investment Decision to commence development of the Company's wholly owned Finniss Project, located near Darwin in the Northern Territory. The Company is fully funded to deliver the Finniss Project, which has started construction, through to first lithium concentrate production scheduled for Q4 2022.

The Term Sheet is subject to the parties completing negotiations and execution of a definitive product purchase agreement by 27 August 2022, which is to provide for a supply commencement date before 31 July 2023 (subject to extension by mutual agreement).

Core Lithium Managing Director Stephen Biggins said:

"The Term Sheet with Tesla is for the supply and delivery of up to 110,000 dry metric tonnes of spodumene concentrate over a term of 4 years. This adds to the previously announced binding offtake agreements with existing customers over 4 years.

"Subject to execution of a definitive agreement, Core's supply to Tesla is scheduled to commence in 2H 2023 and will cease on the date that is 4 years after commencement of supply or until a total of up to 110,000 dry metric tonnes has been delivered.

"Core Lithium is thrilled to have reached this agreement with Tesla and look forward to further growing this relationship in the years to come. Tesla is a world-leader in electric vehicles and its investment in offtake and interest in our expansion plans for downstream processing are very encouraging."

Stage 3 Expansion

Core's strategy for Finniss currently includes a potential Stage 3 expansion. Stage 3 is based on a longer-term plan for the development of downstream lithium chemical processing in the Northern Territory.

Tesla has agreed, subject to execution of a definitive agreement, to provide additional support to Core to assist with the successful completion of its Stage 3 Expansion and the incorporation of Core's lithium chemical product into Tesla's supply chain.

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

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About Core Lithium

Core Lithium is building Australia's newest and most advanced lithium project on the ASX, the Finniss Project in the Northern Territory. With first production on schedule for delivery by the end of 2022, the Finniss Project places Core Lithium at the front of the line of new global lithium production.

Finniss has been awarded Major Project Status by the Australian Federal Government, is 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 will provide the globe with high-grade and high-quality lithium suitable for lithium batteries used to power electric vehicles and renewable energy storage.