

ASX: CXO Announcement

27 October 2022

Offtake update

Australian lithium miner, Core Lithium (**Core or Company**) (ASX: CXO), provides the following update on a definitive product purchase agreement with Tesla under the binding term sheet (announced 29 August 2022). The date for concluding the term sheet passed on 26 October 2022 without the agreement being completed.

With the recent official opening of the Finniss Lithium Mine and the underwritten share placement to fund accelerated resource definition, Core is well positioned to take advantage of strong global demand and constrained lithium supply.

The sale of 15,000 tonnes of direct shipping ore (DSO) shows strong international demand for Finniss lithium. The DSO sale was tendered on a CIF basis to several pre-screened participants active in the lithium-ion battery supply chain. Demand for spodumene DSO material was strong, evidenced by the price achieved.

The DSO is expected to be shipped before the end of the year, in advance of spodumene concentrate production in H1 2023. Agreements in place with Ganfeng, and Yahua bring total concentrate sales under offtake contracts to about 80% of the Finniss Lithium Project production over the first four years of operations.

Global lithium demand is forecast to stay strong for the foreseeable future and Core continues to receive strong inbound interest in lithium spodumene concentrate from the Finniss Lithium Project.

Core CEO Mr Gareth Manderson commented:

"I want to thank Tesla for the time taken to negotiate with Core and look forward to maintaining an open and ongoing dialogue."

"The recent DSO sale, predicted commencement of lithium concentrate sales in H1 2023 and an increasing lithium price environment indicate that Core Lithium is well positioned to capitalise on the high demand and current shortage of available battery grade lithium spodumene concentrate."

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.

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.