

## Interim Consolidated Financial Statements

for the half-year ended 31 December 2022



# Contents

|  |    |
|--|----|
| Directors' Report  | 3  |
| Auditor's Independence Declaration                         | 7  |
| Financial Report   |    |
| Statement of Profit or Loss and Other Comprehensive Income | 8  |
| Statement of Financial Position                            | 9  |
| Statement of Changes in Equity                             | 10 |
| Statement of Cash Flows                                    | 11 |
| Notes to the Consolidated Financial Statements             | 12 |
| Directors' Declaration                                     | 25 |
| Independent Auditor's Review Report                        | 26 |

These Financial Statements cover Core Lithium Ltd ("Core" or the "Company") as a Group consisting of Core Lithium Ltd and its subsidiaries, collectively referred to as the "Group". The financial report is presented in Australian currency.

Core is a company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business is:

Core Lithium Ltd  
ACN 146 287 809  
Level 5, 149 Flinders Street  
ADELAIDE South Australia 5000

# Directors' Report

Your directors present their report together with the financial statements of the consolidated entity being Core Lithium Ltd ("Core" or "the Company") and its controlled entities ("the Group") for the half year ended 31 December 2022 and the Independent Auditor's Review Report thereon.

## DIRECTORS

The Directors of the Company who held office during the half-year and up to the date of this report are stated below. Directors were in office for this entire period unless otherwise stated.

|                 |  |
|-----------------|--|
| Greg English    | Non-Executive Chairman                       |
| Heath Hellewell | Non-Executive Director                       |
| Malcolm McComas | Non-Executive Director                       |
| Stephen Biggins | Managing Director (resigned 16 October 2022) |

## REVIEW OF OPERATIONS AND FINANCIAL RESULTS

### Operations

Core Lithium Ltd (ASX: CXO) is an Australian hard-rock lithium mining company that owns and operates the Finnis Lithium Operation on the Cox Peninsula, south-west and 88km by sealed road from the Darwin Port, Northern Territory. Core's vision is to generate sustained value for shareholders from critical minerals exploration and mining projects underpinned by strong environmental, safety and social standards.

The half-year to 31 December 2022 was underpinned by significant operational and corporate activity as the Company transitioned from mine developer to lithium mine operator and producer.

During the reporting period and, early into the 2023 year, Core commenced the final construction milestone – commissioning of the dense media separation plant (DMS) to produce first spodumene concentrate.

#### Key milestones:

- Commenced mining of lithium ore at the Grants Pit
- Commissioned the crushing and screening plant
- Awarded a five-year operations and maintenance contract for the DMS plant to Primero
- Completed construction of the DMS plant, and advanced commissioning to a point where concentrate production has commenced (subsequent to period end)
- Upgraded Finnis' Mineral Resource Estimate (MRE) by 28% and Ore Reserve Estimate (ORE) by 43%, and extended Finnis' life of mine to a minimum of 12 years (ASX announcement 12 July 2022)
- Concluded 2022 drilling campaign targeting

Resource and Reserve upgrades to further extend Finnis' life of mine

- Successfully completed a \$100 million equity raise to fund an extensive drilling campaign in 2023, pursue growth opportunities and provide additional working capital
- Significant additions to leadership including appointment of CEO Gareth Manderson, COO Mike Stone and subsequent to the half year, CFO Doug Warden.
- Announced corporate head office relocation to Perth, Western Australia (subsequent to the period end)

### Sustainability

A series of engagements with the local communities were completed to support safe transport of the first shipment of DSO from the Finnis mine to the Darwin Port. A business wide sustainability assessment was undertaken, and the findings and recommendations will form the basis of the ESG framework.

### Early mining

In mid-September 2022, Core uncovered first lithium ore at the Grants pit and commenced mining. In the December quarter, following the commissioning of the crushing and screening plant, sufficient ore was mined to produce a one-off Direct Shipping Ore (DSO) shipment. The DSO shipment was trucked to Darwin Port in December and shipped to customers in China in early January 2023.

The Northern Territory, and much of northern Australia, saw significantly higher than average rainfalls in the month of December. At the end of reporting period, this led to the accumulation of a significant volume of water in the base of the stage one portion of the Grants pit. Impacts of the wet



season on mining volumes are being assessed and strategies implemented to manage this impact in the March quarter.

### Construction to operations

The crushing and screening plant was commissioned in November and successfully crushed first ore from Finniss to be shipped as a DSO cargo.

The DSO shipment allowed Core to commission all logistics processes and procedures between the Finniss Operation and Darwin Port.

In the September quarter, Core implemented a double shift to accelerate construction of the DMS plant ahead of commissioning activities.

Subsequent to the reporting period, Core completed construction of the DMS plant and advanced commissioning to a point where concentrate production has commenced. Commissioning of the DMS plant represents the final construction milestone for the Finniss Lithium Operation.

### Sales and marketing

Core used a digital exchange platform to successfully tender a shipment of 15,000 dry metric tonnes (dmt) of spodumene DSO, with an average grade of 1.4% Li<sub>2</sub>O. The tender was offered on a CIF basis to several pre-screened participants active in the lithium-ion battery supply chain and sold for US\$951/dmt.

Trucking to the Darwin Port commenced in November and loading of the shipment onto the Rossana commenced in late December. The ship departed Darwin Port on 4 January 2023 for Fangcheng, China.

In October 2022, Core concluded discussions with Tesla regarding a definitive product purchase agreement without an agreement being reached.

The Company continues to receive strong inbound interest in lithium spodumene concentrate from Finniss and is well-positioned to capitalise on high demand for available battery grade lithium concentrate to complement existing binding offtake arrangements with Ganfeng Lithium and Yahua.

### Exploration

In mid-July 2022, Core reported a Mineral Resource Estimate (MRE) and Ore Reserve Estimate (ORE) update based on results from drilling undertaken in the 2021 drilling season.

Importantly, the updated MRE and ORE supported a minimum 12-year mine plan for Finniss – representing a 50% year-on-year life of mine increase (12 July 2022 announcement).

- The Finniss MRE increased by 28% to 18.9Mt @ 1.32% Li<sub>2</sub>O.
- Measured and Indicated Resource categories increased by 61% to 13.3Mt @ 1.40% Li<sub>2</sub>O.
- About 70% of the MRE is now in the higher confidence Measured and Indicated categories, with excellent conversion of Inferred to Indicated.
- The Ore Reserve Estimate for Finniss has increased by 43% to 10.6Mt @ 1.3% Li<sub>2</sub>O.

As part of Core's continuous work to grow the Finniss Mineral Resource, the Company undertook extensive drilling in the reporting period.

In September 2022, Core completed a 12-hole deep diamond drilling program at BP33 – the second proposed mine at Finniss. The program was largest undertaken by the Company to date.

Drilling intersected the main BP33 mineralisation at depths of up to 470 metres below surface, and a further five holes intersected variable thicknesses of mineralised pegmatite associated with the southern BP33 body at depths below any previous drilling, and up to 420 metres below surface.

Importantly, new spodumene intersections were reported more than 400m outside of the current Mineral Resource, which is expected to deliver substantial ore body extensions.

In mid-December 2022, Core received assay results confirming that deep diamond holes NMRD035, NMRD038 and NMRD039 all intersected variable thicknesses of spodumene mineralised pegmatite at depths below any previous drilling, and up to 830m below surface (5 October 2022 announcement).

Significant intersections included:

- 72.74m @ 1.56% Li<sub>2</sub>O in NMRD038 including 14m @ 2.00% Li<sub>2</sub>O
- 22.0m @ 1.60% Li<sub>2</sub>O in NMRD039 including 6m @ 2.16% Li<sub>2</sub>O

In addition to drilling at BP33, Core conducted reverse circulation and diamond drilling at the Hang Gong deposit, and the Far West and Bilatos prospects that focused on confirming additional open pit deposits.

Far West and Hang Gong are adjacent to the DMS plant and Bilatos is within trucking distance, 22km south.

Several encouraging assay results were received at Far West, Hang Gong and Bilatos including (16 December 2022 announcement):

- Bilatos: 61m @ 0.87% Li<sub>2</sub>O in SRC094 (from 48m) including 8m @ 1.57% Li<sub>2</sub>O (from 83m) and 8m @ 2.01% Li<sub>2</sub>O in SRC087 (from 50m)
- Far West: 12m @ 1.66% Li<sub>2</sub>O in FRC300 (Far West Central) from 124m and 8m @ 1.56% Li<sub>2</sub>O in FRC299 (Far West North) from 137m; and
- Hang Gong: 11m @ 1.36% Li<sub>2</sub>O in FRC345 (from 179m), 7m @ 1.86 Li<sub>2</sub>O in FRC346 (from 157m) and 10m @ 1.35% Li<sub>2</sub>O in FRC351 (from 182m).

Drilling for the calendar year concluded in mid-December.

### Corporate

On 3 October 2022, Core completed a fully-underwritten institutional placement to raise \$100 million.

The raising strengthened Core's balance sheet and provided flexibility to pursue growth options, accelerate resource growth, advance development of the BP33 underground mine and provide working capital in the ramp up to completion of construction at Finniss.

The placement was well supported by new and existing high-quality domestic and global institutional investors.

Core issued 97.1 million shares at \$1.03 per share, representing a 6.8% discount to the 29 September 2022 closing price of \$1.105 and a 13% discount to the five-day volume weighted average price of \$1.184.

In August 2022, Core announced the appointment of Gareth Manderson as Chief Executive Officer.

Mr Manderson is a well-credentialed mining executive with 28 years' experience in the mining and minerals sector and joined Core after having served in various leadership and technical roles within mining giant Rio Tinto for more than 22 years. Mr Manderson commenced his role on 8 August 2022.

Core further built its organisational capability with the appointment of senior executives:

- Samantha Rees - Executive General Manager, People and Culture
- Mike Stone - Chief Operating Officer
- Melissa Winks - Executive General Manager, Sustainability
- Andrew Forman - Interim CFO with Doug Warden to commence as CFO – effective 17 April 2023

The evolution of Core's leadership team aligns with the Company's decision, announced subsequent to the period, to relocate its head office to Perth - the corporate centre of Australia's lithium industry.

### Liquidity

At 31 December 2022 the Company had a cash and cash equivalents balance of \$125.3 million (30 June 2022: \$135.2 million).

Significant cash inflows and outflows during the half-year included:

- receipt of \$96.2 million (net of fees) from capital raising activity in the period;
- receipt of \$1.7 million from exercise of options;
- payment of \$84.2 million for construction activities;
- payment of \$10.0 million for exploration activities; and
- \$13.4 million for corporate and other expenses.

## Forward Looking Statements

Certain statements made in the Directors' Report contain or comprise forward-looking statements regarding Core's Mineral Resources and Ore Reserves, exploration and project development operations, production rates, life of mine, sales price forecasts and projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Core believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements and no assurance can be given that such expectations will prove to have been correct. Those inherent risks and uncertainties include, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in commodity prices and exchange rates, business and operational risk management and the impacts of the COVID-19 pandemic.

Except for statutory liability which cannot be excluded, each of Core, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in these forward-looking statements and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in forward-looking statements or any error or omission. Core undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly, you should not place undue reliance on any forward looking statement.

## Competent Person Statement

Core confirms that it is not aware of any new information or data that materially affects the information included in this report. The company confirms that all material assumptions and technical parameters underpinning the Mineral Resource Estimate and Ore Reserve Estimate, and forecast financial information derived from these estimates, in this report, continue to apply and have not materially changed.

## Events Subsequent to Reporting Date

In January 2023, the Group recorded its maiden DSO sale. The proceeds from the sale were USD \$14.0 million (AUD \$20.1 million) and were received on 17 January 2023.

Drilling completed as part of the ongoing Finniss Lithium Operation exploration program has led to a more than doubling of the Mineral Resource Estimate at BP33 from 4.37Mt @ 1.53% Li<sub>2</sub>O to 10.1Mt @ 1.48% Li<sub>2</sub>O (ASX announcement 6 March 2023).

Except for the above items, no matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent period.

## Significant Changes

There have been no changes in the state of affairs of the Group that occurred during the half year under review not otherwise disclosed in this report.

## Auditor independence

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 (Cth) is included on page 7 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



**Greg English**  
Chairman  
9 March 2023  
Adelaide, South Australia

# Auditor's Independence Declaration



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## Auditor's Independence Declaration

To the Directors of Core Lithium Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Core Lithium Ltd for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

A stylized blue ink signature of the firm Grant Thornton.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A blue ink signature of J L Humphrey.

J L Humphrey  
Partner – Audit & Assurance  
Adelaide, 9 March 2023

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# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2022

|  | Notes | 31 December<br>2022<br>\$ | 31 December<br>2021<br>\$ |
|--|-------|---------------------------|---------------------------|
| Interest income  |       | 1,004,240                 | 153,700                   |
| Employee benefits expense  |       | (1,749,111)               | (1,049,375)               |
| Site contractors expense   |       | (3,238,273)               | -                         |
| Depreciation   |       | (84,510)                  | (39,802)                  |
| Share based payment expense  |       | (99,011)                  | (124,414)                 |
| Impairment expense   | 8     | (1,048,826)               | (849)                     |
| Interest on leases   |       | (328,609)                 | (1,737)                   |
| Consultants and advisors expense   |       | (1,074,353)               | (350,948)                 |
| Legal and insurance expense  |       | (690,711)                 | (238,089)                 |
| Other expenses   | 3     | (1,923,453)               | (1,637,153)               |
| <b>Loss before tax</b>   |       | (9,232,617)               | (3,288,667)               |
| Income tax benefit / (loss)  |       | -                         | -                         |
| <b>Loss from continuing operations attributable to owners of the group</b> |       | (9,232,617)               | (3,288,667)               |
| Other comprehensive income attributable to owners of the group             |       | -                         | -                         |
| <b>Total comprehensive loss attributable to owners of the group</b>        |       | (9,232,617)               | (3,288,667)               |
| Earnings per share from continuing operations                              |       |                           |                           |
| Loss per share – basic and diluted (cents)                                 | 4     | (0.52)                    | (0.22)                    |

*This statement should be read in conjunction with the notes to the financial statements.*



# STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

|   | Notes | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|---|-------|---------------------------|-----------------------|
| <b>ASSETS</b>                           |       |                           |                       |
| <b>Current assets</b>                   |       |                           |                       |
| Cash and cash equivalents               |       | 125,339,447               | 135,197,639           |
| Trade and other receivables             | 5     | 6,718,813                 | 2,554,674             |
| Inventory                               | 6     | 8,956,865                 | 176,557               |
| Other financial assets                  |       | 190,069                   | 190,069               |
| Other assets                            | 7     | 3,321,966                 | 538,328               |
| <b>Total current assets</b>             |       | <b>144,527,160</b>        | <b>138,657,267</b>    |
| <b>Non-current assets</b>               |       |                           |                       |
| Other assets                            | 7     | 4,513,666                 | 12,513,666            |
| Exploration and evaluation expenditure  | 8     | 48,493,041                | 40,153,774            |
| Plant, equipment and development assets | 9     | 184,853,299               | 70,528,508            |
| <b>Total non-current assets</b>         |       | <b>237,860,006</b>        | <b>123,195,948</b>    |
| <b>TOTAL ASSETS</b>                     |       | <b>382,387,166</b>        | <b>261,853,215</b>    |
| <b>LIABILITIES</b>                      |       |                           |                       |
| <b>Current liabilities</b>              |       |                           |                       |
| Trade and other payables                | 10    | 22,929,395                | 14,038,732            |
| Contract liability                      | 11    | 2,368,263                 | 2,368,263             |
| Lease liabilities                       | 12    | 3,050,697                 | 1,189,422             |
| Provisions                              | 13    | 703,450                   | 530,916               |
| <b>Total current liabilities</b>        |       | <b>29,051,805</b>         | <b>18,127,333</b>     |
| <b>Non-current liabilities</b>          |       |                           |                       |
| Lease liabilities                       | 12    | 18,423,873                | 896,834               |
| Provisions                              | 13    | 7,681,940                 | 4,104,293             |
| <b>Total non-current liabilities</b>    |       | <b>26,105,813</b>         | <b>5,001,127</b>      |
| <b>TOTAL LIABILITIES</b>                |       | <b>55,157,618</b>         | <b>23,128,460</b>     |
| <b>NET ASSETS</b>                       |       | <b>327,229,548</b>        | <b>238,724,755</b>    |
| <b>EQUITY</b>                           |       |                           |                       |
| Issued capital                          | 14    | 363,509,612               | 265,668,360           |
| Reserves                                | 15    | 312,452                   | 453,890               |
| Accumulated losses                      |       | (36,592,516)              | (27,397,495)          |
| <b>TOTAL EQUITY</b>                     |       | <b>327,229,548</b>        | <b>238,724,755</b>    |

This statement should be read in conjunction with the notes to the financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2022

| 2022  | SHARE<br>CAPITAL<br>\$ | RESERVES<br>\$ | ACCUMULATED<br>LOSSES<br>\$ | TOTAL<br>EQUITY<br>\$ |
|---|------------------------|----------------|-----------------------------|-----------------------|
| Balance at 1 July 2022  | 265,668,360            | 453,890        | (27,397,495)                | 238,724,755           |
| Issue of shares - Share placement   | 100,000,000            | -              | -                           | 100,000,000           |
| Share Issue transaction costs   | (3,780,792)            | -              | -                           | (3,780,792)           |
| Performance rights and options issued to officers and employees at fair value | -                      | 99,011         | -                           | 99,011                |
| Fair value of performance rights and options lapsed                           | -                      | (37,596)       | 37,596                      | -                     |
| Exercise of options   | 1,487,389              | (68,198)       | -                           | 1,419,191             |
| Exercise of performance rights at fair value                                  | 134,655                | (134,655)      | -                           | -                     |
| Transactions with owners  | 97,841,252             | (141,438)      | 37,596                      | 97,737,410            |
| <b>Comprehensive income:</b>  |                        |                |                             |                       |
| Total loss  | -                      | -              | (9,232,617)                 | (9,232,617)           |
| Total other comprehensive income  | -                      | -              | -                           | -                     |
| <b>Balance 31 December 2022</b>   | <b>363,509,612</b>     | <b>312,452</b> | <b>(36,592,516)</b>         | <b>327,229,548</b>    |

| 2021  | SHARE<br>CAPITAL<br>\$ | RESERVES<br>\$ | ACCUMULATED<br>LOSSES<br>\$ | TOTAL<br>EQUITY<br>\$ |
|---|------------------------|----------------|-----------------------------|-----------------------|
| Balance at 1 July 2021  | 90,606,910             | 652,522        | (19,944,971)                | 71,314,461            |
| Issue of shares - Share placement   | 124,875,464            | -              | -                           | 124,875,464           |
| Issue of shares - Share purchase plan   | 25,000,003             | -              | -                           | 25,000,003            |
| Share Issue transaction costs   | (6,721,975)            | -              | -                           | (6,721,975)           |
| Performance rights and options issued to officers and employees at fair value | -                      | 137,547        | -                           | 137,547               |
| Fair value of performance rights and options lapsed                           | -                      | (26,284)       | 13,150                      | (13,134)              |
| Exercise of options   | 9,234,221              | (27,279)       | -                           | 9,206,942             |
| Exercise of performance rights at fair value                                  | 131,000                | (131,000)      | -                           | -                     |
| Transactions with owners  | 152,518,713            | (47,016)       | 13,150                      | 152,484,847           |
| <b>Comprehensive income:</b>  |                        |                |                             |                       |
| Total loss  | -                      | -              | (3,288,667)                 | (3,288,667)           |
| Total other comprehensive income  | -                      | -              | -                           | -                     |
| <b>Balance 31 December 2021</b>   | <b>243,125,623</b>     | <b>605,506</b> | <b>(23,220,488)</b>         | <b>220,510,641</b>    |

*This statement should be read in conjunction with the notes to the financial statements.*

# STATEMENT OF CASH FLOWS

For the half year ended 31 December 2022

|   | 31 December<br>2022<br>\$ | 31 December<br>2021<br>\$ |
|---|---------------------------|---------------------------|
| <b>Operating activities</b>                               |                           |                           |
| Interest received   | 1,004,240                 | 153,700                   |
| Payments to suppliers and employees                       | (13,408,090)              | (4,318,482)               |
| <b>Net cash used in operating activities</b>              | <b>(12,403,850)</b>       | <b>(4,164,782)</b>        |
| <b>Investing activities</b>                               |                           |                           |
| Payments for plant, equipment, and development assets     | (84,180,728)              | (19,522,087)              |
| Payments for capitalised exploration expenditure          | (9,951,477)               | (8,254,139)               |
| Government co-funding grants received                     | 86,222                    | 2,425,081                 |
| Payments for financial assets                             | -                         | (109,819)                 |
| Net payments for security bond                            | -                         | (3,720,639)               |
| <b>Net cash used in investing activities</b>              | <b>(94,045,983)</b>       | <b>(29,181,603)</b>       |
| <b>Financing activities</b>                               |                           |                           |
| Proceeds from issue of share capital                      | 100,000,000               | 149,875,467               |
| Proceeds from exercise of options                         | 1,737,192                 | 9,206,942                 |
| Payment of share issue transaction costs                  | (3,780,968)               | (6,713,728)               |
| Payments of lease liabilities                             | (1,364,583)               | (53,375)                  |
| <b>Net cash from financing activities</b>                 | <b>96,591,641</b>         | <b>152,315,306</b>        |
| <b>Net change in cash and cash equivalents</b>            | <b>(9,858,192)</b>        | <b>118,968,921</b>        |
| Cash and cash equivalents at the beginning of the period  | 135,197,639               | 38,107,642                |
| <b>Cash and cash equivalents at the end of the period</b> | <b>125,339,447</b>        | <b>157,076,563</b>        |

*This statement should be read in conjunction with the notes to the financial statements.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Reporting entity

Core Lithium Ltd (the "Company") is a listed public company registered and domiciled in Australia. These consolidated interim financial statements ("interim financial statements") as at and for the 6 months ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is an Australian hard-rock lithium mining company that owns and operates the Finniss Lithium Operation on the Cox Peninsula, south-west and 88km by sealed road from the Darwin Port, Northern Territory.

### b) General information and basis of preparation

The interim financial statements of the Group are for the six months ended 31 December 2022 and are presented in Australian dollars (\$), which is the functional currency of the Group. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) and *AASB 134 - Interim Financial Reporting*. They do not include all the information required in annual financial statements in accordance with AIFRS and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2022 and any public announcements made by the Group during the half-year in accordance with the continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001* (Cth). The Company is a for profit entity for the purposes of preparing its financial statements.

The interim financial statements have been approved and authorised for issue by the board of directors on 9 March 2023.

### c) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends of economic data, obtained both externally and within the Group.

### d) Significant accounting policies

The accounting policies applied by the Group in the consolidated interim report are the same as those applied by the Group in its consolidated financial report as at year ended 30 June 2022 except for the new policies detailed in Note 6 – Inventory, in relation to product inventory and Note 9 Plant, Equipment and Development Assets, in relation to Deferred Mining Expenditure – Surface Mining Costs.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

### e) Adoption of the new and revised accounting standards

There are no new and revised accounting standards issued or issued but not yet effective which are expected to have a material impact on the financial statements. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## 2 OPERATING SEGMENTS

Management has determined the operating segments based on internal reports about components of the Group that are regularly reviewed by the CEO as Chief Operating Decision Maker (CODM), to make strategic decisions.

The Group has identified two reportable segments of its business:

- Finniss Lithium Project mining, crushing and processing operations.
- Exploration: exploration and evaluation of primarily Lithium mineralisation.

The CODM monitors performance in these areas separately. Unless stated otherwise, all amounts reported to the CODM are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group. Operating segment performance details for the 6 month periods ended December 2022 and December 2021 are set out below:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 2. OPERATING SEGMENTS (CONT.)

### Segment results

| December 2022 Segment results | Notes | Finniss Lithium Project - operations<br>\$ | Exploration<br>\$ | Total<br>\$        |
|-------------------------------|-------|--|-------------------|--------------------|
| Segment revenue               |       | -  | -                 | -                  |
| Site contractors              | a     | (3,238,273)                                | -                 | (3,238,273)        |
| Impairment                    |       | -  | (1,048,826)       | (1,048,826)        |
| Segment result                |       | (3,238,273)                                | (1,048,826)       | (4,287,099)        |
| Interest income               |       | -  | -                 | 1,004,240          |
| Finance costs                 |       | -  | -                 | (328,609)          |
| Other expenses                |       | -  | -                 | (5,621,149)        |
| <b>Loss before tax</b>        |       |  |                   | <b>(9,232,617)</b> |

a. This amount excludes Finniss site costs capitalised to mine development and inventory.

| December 2021 Segment results | Finniss Lithium Project - operations<br>\$ | Exploration<br>\$ | Total<br>\$        |
|-------------------------------|--|-------------------|--------------------|
| Segment revenue               | -  | -                 | -                  |
| Site Contractors              | -  | -                 | -                  |
| Impairment                    | (551,285)                                  | (1,599)           | (552,884)          |
| Segment result                | (551,285)                                  | (1,599)           | (552,884)          |
| Interest income               |  |                   | 153,700            |
| Finance costs                 |  |                   | (1,737)            |
| Other expenses                |  |                   | (2,887,746)        |
| <b>Loss before tax</b>        |  |                   | <b>(3,288,667)</b> |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 2. OPERATING SEGMENTS (CONT.)

Operating segment assets are reconciled to total assets as follows:

|                                      | Dec 2022<br>\$     | June 2022<br>\$    |
|--------------------------------------|--------------------|--------------------|
| <b>Segment assets</b>                |                    |                    |
| Finniss Lithium Project - operations | 205,496,174        | 84,533,395         |
| Exploration                          | 49,304,858         | 41,078,175         |
| Total                                | 254,801,032        | 125,611,570        |
| <i>Unallocated assets:</i>           |                    |                    |
| Cash and cash equivalents            | 125,339,447        | 135,197,639        |
| Other receivables                    | 286,532            | 20,655             |
| Other financial assets               | 190,069            | 190,069            |
| Other assets                         | 1,044,163          | 220,258            |
| Plant and equipment assets           | 725,923            | 613,024            |
| <b>Total assets</b>                  | <b>382,387,166</b> | <b>261,853,215</b> |

Operating segment liabilities are reconciled to total liabilities as follows:

|                                      | Dec 2022<br>\$    | June 2022<br>\$   |
|--------------------------------------|-------------------|-------------------|
| <b>Segment liabilities</b>           |                   |                   |
| Finniss Lithium Project - operations | 50,325,169        | 17,196,124        |
| Exploration                          | 2,821,654         | 3,380,386         |
| Total                                | 53,146,823        | 20,576,510        |
| <i>Unallocated liabilities:</i>      |                   |                   |
| Trade and other payables             | 1,147,762         | 1,653,087         |
| Lease liabilities                    | 356,926           | 403,265           |
| Provisions                           | 506,107           | 495,598           |
| <b>Total liabilities</b>             | <b>55,157,618</b> | <b>23,128,460</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 3 OTHER EXPENSES

|   | 31 December<br>2022<br>\$ | 31 December<br>2021<br>\$ |
|---|---------------------------|---------------------------|
| Statutory and compliance expenses             | 618,960                   | 514,002                   |
| Office expenses                               | 675,459                   | 232,643                   |
| Public road improvements – Northern Territory | -                         | 551,285                   |
| Public and investor relations expense         | 420,548                   | 166,097                   |
| Other expenses                                | 208,486                   | 173,126                   |
|   | 1,923,453                 | 1,637,153                 |

## 4 EARNINGS PER SHARE

The weighted average number of shares for the purpose of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

|  | 6 Months to<br>December<br>2022 | 6 Months to<br>December<br>2021 |
|--|---------------------------------|---------------------------------|
| Weighted average number of shares used in basic earnings per share       | 1,782,788,669                   | 1,487,620,237                   |
| Weighted average number of securities used in diluted earnings per share | 1,782,788,669                   | 1,487,620,237                   |
| Loss per share – basic and diluted (cents)                               | (0.52)                          | (0.22)                          |

There were 17,104,632 Options (2021: 82,810,262) and 8,671,105 (2021: 19,238,332) Performance Rights outstanding at the end of the period that have not been taken into account in calculating diluted EPS due to their effect being anti-dilutive.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 5 TRADE AND OTHER RECEIVABLES

|                   | Notes | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|-------------------|-------|---------------------------|-----------------------|
| GST receivable    |       | 6,057,057                 | 2,306,164             |
| Other receivables |       | 661,756                   | 248,510               |
|                   |       | <u>6,718,813</u>          | <u>2,554,674</u>      |

## 6 INVENTORY

|                                      | Notes | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|--------------------------------------|-------|---------------------------|-----------------------|
| Product inventory – Work in progress |       | 5,289,963                 | -                     |
| Product inventory – Finished goods   |       | 3,425,386                 | -                     |
| Consumables - Fuel                   |       | 241,516                   | 176,557               |
|                                      |       | <u>8,956,865</u>          | <u>176,557</u>        |

Recognition and measurement of inventories including ore stockpiles, lithium in circuit and spodumene concentrate are physically measured, or estimated, and valued at the lower of cost and net realisable value. Cost represents the weighted average cost which includes direct costs and an appropriate allocation of fixed and variable production overhead costs, including depreciation and amortisation.

Consumables and stores are valued at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting any applicable rebates and discounts. A periodic review is undertaken to establish the extent of any surplus or obsolete items and where necessary a provision is made. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion of sale.

Ore stockpiles represents stockpiled ore that has been mined or otherwise acquired and is available for further processing. If there is significant uncertainty as to whether the stockpiled ore will be processed, it is expensed. Where future processing of ore can be predicted with confidence, it is valued at the lower of cost and net realisable value. If ore is not expected to be processed within twelve months after reporting date, it is classified as a non-current asset. Core Lithium deems processing ore stockpiles have a future economic benefit to the Group and accordingly ore is valued at lower of cost and net realisable value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 7 OTHER ASSETS

|   | Notes | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|---|-------|---------------------------|-----------------------|
| Prepayments   |       | 2,394,219                 | 533,428               |
| Customer fulfillment costs                            |       | 920,847                   | -                     |
| Other bonds and deposits                              |       | 6,900                     | 4,900                 |
| Total current other assets                            |       | 3,321,966                 | 538,328               |
| Prepayments - EPC contract                            |       | -                         | 8,000,000             |
| Environmental exploration and mining bonds receivable |       | 4,513,666                 | 4,513,666             |
| Total non-current other assets                        |       | 4,513,666                 | 12,513,666            |

Environmental bonds receivable represents funds held by the Northern Territory Department of Primary Industry and Resources as security for rehabilitation for exploration and mining activities in the Northern Territory as per the Group's Mine Management Plans (MMP) for various project areas pursuant to the Mining Management Act 2001. This includes \$3.7 million for the Grants MMP associated with construction and mining activities at the Finnis Lithium Project.

## 8 EXPLORATION AND EVALUATION EXPENDITURE

|                                | Notes | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|--------------------------------|-------|---------------------------|-----------------------|
| Opening balance                |       | 40,153,774                | 33,718,808            |
| Expenditure during the period  | a     | 9,388,093                 | 11,800,603            |
| Acquisition costs              |       | -                         | 5,880,273             |
| Transfer to development assets |       | -                         | (11,245,061)          |
| Impairment expense             | b     | (1,048,826)               | (849)                 |
| Closing balance                |       | 48,493,041                | 40,153,774            |

a During the current period, the Group's exploration activity was primarily focused on extension lithium drilling programs to further define and grow Mineral Resources and project mine life as well as further exploration on other lithium prospects in and around the Finnis Lithium Project.

b Given the Groups focus is on the production of lithium concentrate rather than more advanced processing options, it was considered appropriate to impair the carrying value of evaluation expenditure related to this initiative at 31 December 2022.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 9 PLANT, EQUIPMENT AND DEVELOPMENT ASSETS

|   | PLANT & EQUIPMENT - OTHER<br>\$ | RIGHT OF USE ASSETS - BUILDINGS<br>\$ | ASSETS UNDER CONSTRUCTION - FINNISS<br>\$ | MINE DEVELOPMENT - FINNISS<br>\$ | TOTAL<br>\$        |
|---|---------------------------------|---------------------------------------|---|----------------------------------|--------------------|
| Gross carrying amount                   |                                 |                                       |   |                                  |                    |
| Opening balance                         | 746,221                         | 3,390,810                             | 27,133,123                                | 40,610,239                       | 71,880,393         |
| Additions                               | 464,629                         | 24,317,528                            | 35,723,489                                | 56,414,237                       | 116,919,883        |
| Transfer from exploration assets        | -                               | -                                     | -   | -                                | -                  |
| Disposals                               | -                               | -                                     | -   | -                                | -                  |
| Balance 31 December 2022                | 1,210,850                       | 27,708,338                            | 62,856,612                                | 97,024,476                       | 188,800,276        |
| Accumulated Depreciation                |                                 |                                       |   |                                  |                    |
| Opening balance                         | (236,832)                       | (1,115,053)                           | -   | -                                | (1,351,885)        |
| Depreciation <sup>1</sup>               | (78,511)                        | (1,307,610)                           | -   | (1,208,971)                      | (2,595,092)        |
| Disposals                               | -                               | -                                     | -   | -                                | -                  |
| Balance 31 December 2022                | (315,343)                       | (2,422,663)                           | -   | (1,208,971)                      | (3,946,977)        |
| <b>Carrying amount 31 December 2022</b> | <b>895,507</b>                  | <b>25,285,675</b>                     | <b>62,856,612</b>                         | <b>95,815,505</b>                | <b>184,853,299</b> |

|                                     | PLANT & EQUIPMENT - OTHER<br>\$ | RIGHT OF USE ASSETS - BUILDINGS<br>\$ | ASSETS UNDER CONSTRUCTION - FINNISS<br>\$ | MINE DEVELOPMENT - FINNISS<br>\$ | TOTAL<br>\$       |
|-------------------------------------|---------------------------------|---------------------------------------|---|----------------------------------|-------------------|
| Gross carrying amount               |                                 |                                       |   |                                  |                   |
| Opening balance 1 July 2021         | 375,113                         | 324,406                               | -   | -                                | 699,519           |
| Additions                           | 399,913                         | 3,066,404                             | 27,133,123                                | 29,365,178                       | 59,964,618        |
| Transfer from exploration assets    | -                               | -                                     | -   | 11,245,061                       | 11,245,061        |
| Disposals                           | (28,805)                        | -                                     | -   | -                                | (28,805)          |
| Balance 30 June 2022                | 746,221                         | 3,390,810                             | 27,133,123                                | 40,610,239                       | 71,880,393        |
| Accumulated Depreciation            |                                 |                                       |   |                                  |                   |
| Opening balance 1 July 2021         | (171,172)                       | (222,376)                             | -   | -                                | (393,548)         |
| Depreciation <sup>1</sup>           | (85,143)                        | (892,677)                             | -   | -                                | (977,820)         |
| Disposals                           | 19,483                          | -                                     | -   | -                                | 19,483            |
| Balance 30 June 2022                | (236,832)                       | (1,115,053)                           | -   | -                                | (1,351,885)       |
| <b>Carrying amount 30 June 2022</b> | <b>509,389</b>                  | <b>2,275,757</b>                      | <b>27,133,123</b>                         | <b>40,610,239</b>                | <b>70,528,508</b> |

- <sup>1</sup> Depreciation of plant and equipment and right of use assets which are used for exploration or mine development activities is charged to exploration and evaluation and mine development assets in the Statement of Financial Position. Depreciation of plant and equipment used in mining and processing ore is included in the cost of inventory as detailed in Note 6.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 9 PLANT, EQUIPMENT AND DEVELOPMENT ASSETS (continued)

Mine Development – Finniss includes deferred mining expenditure in relation to the production stage of operations. The accounting policy for such expenditure is set out below:

### Deferred Mining Expenditure - Surface Mining Costs

Mining costs incurred during the production stage of operations are deferred, to recognise the future economic benefit associated with accessing the identified Ore Reserves. This is generally the case where there are fluctuations in deferred mining costs over the life of the mine, and the effect is material. The amount of mining costs deferred is based on the ratio obtained by dividing the volume of waste material moved by the volume of ore mined. Mining costs incurred in the period are deferred to the extent that the current period waste to ore ratio exceeds the expectation being the life of mine waste to ore (life of mine) ratio. The life of mine ratio is based on economically recoverable reserves of the operation.

## 10 TRADE AND OTHER PAYABLES

|                                     | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|-------------------------------------|---------------------------|-----------------------|
| Trade payables and accrued expenses | 22,232,730                | 12,704,839            |
| Other payables                      | 696,665                   | 1,333,893             |
|                                     | <u>22,929,395</u>         | <u>14,038,732</u>     |

## 11 OTHER LIABILITIES

|                                   | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|-----------------------------------|---------------------------|-----------------------|
| Grant funding received in advance | 2,368,263                 | 2,368,263             |

The Group was awarded Australian Federal Government funding totaling \$6 million for the Modern Manufacturing Initiative (MMI) Grant to co-fund the assessment of the potential feasibility of building a lithium chemical plant in Darwin. Upon signing the grant agreement Core received \$2.37 million in up front funding to help fund studies and other related activity during the 3-year grant term.

This is recognised as a liability by the Group in accordance with the performance obligations set out in the grant agreement.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 12 LEASE LIABILITIES

|                          | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|--------------------------|---------------------------|-----------------------|
| Current                  |                           |                       |
| <b>Lease liabilities</b> | <b>3,050,697</b>          | <b>1,189,422</b>      |
| Non-Current              |                           |                       |
| <b>Lease liabilities</b> | <b>18,423,873</b>         | <b>896,834</b>        |

The increase in lease liabilities from 30 June 2022 is primarily due to the commencement of the operations and maintenance contract related to crushing activities.

## 13 PROVISIONS

|                                       | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|---------------------------------------|---------------------------|-----------------------|
| Current Provisions                    |                           |                       |
| Employee benefits                     | 703,450                   | 530,916               |
| <b>Total Current Provisions</b>       | <b>703,450</b>            | <b>530,916</b>        |
| Non-Current Provisions                |                           |                       |
| Employee benefits                     | 20,827                    | 72,097                |
| Mine rehabilitation                   | 7,127,806                 | 3,867,687             |
| Demobilisation of right of use assets | 533,307                   | 164,509               |
| <b>Total Non-Current Provisions</b>   | <b>7,681,940</b>          | <b>4,104,293</b>      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 14 ISSUED CAPITAL

| 31 December 2022                        | Number of Shares | \$          |
|---|------------------|-------------|
| a) Issued and paid-up capital           |                  |             |
| Fully paid ordinary shares              | 1,841,844,522    | 363,509,612 |
|   | 1,841,844,522    | 363,509,612 |
| b) Movements in fully paid shares       |                  |             |
| Opening balance as at 1 July 2022       | 1,732,611,716    | 265,668,360 |
| Share placements                        | 97,087,379       | 100,000,000 |
| Exercise of unquoted options            | 7,487,094        | 1,487,389   |
| Exercise of unquoted performance rights | 4,658,333        | 134,655     |
| Issue costs                             | -                | (3,780,792) |
| Balance as at 31 December 2022          | 1,841,844,522    | 363,509,612 |
| 30 June 2022                            | Number of Shares | \$          |
| a) Issued and paid-up capital           |                  |             |
| Fully paid ordinary shares              | 1,732,611,716    | 265,668,360 |
|   | 1,732,611,716    | 265,668,360 |
| b) Movements in fully paid shares       |                  |             |
| Opening balance as at 1 July 2021       | 1,174,117,254    | 90,606,910  |
| Share placements                        | 393,738,374      | 124,875,464 |
| Share purchase plan                     | 80,646,015       | 25,000,003  |
| Exercise of unquoted options            | 76,411,741       | 31,750,761  |
| Exercise of unquoted performance rights | 7,698,332        | 249,033     |
| Issue costs                             | -                | (6,813,811) |
| Balance as at 30 June 2022              | 1,732,611,716    | 265,668,360 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 15 RESERVES

| Reserves                   | Dollars (\$)                       |                               |
|----------------------------|------------------------------------|-------------------------------|
|                            | 6 Months to<br>31 December<br>2022 | Year Ended<br>30 June<br>2022 |
| Options Reserve            | 109,117                            | 214,911                       |
| Performance Rights Reserve | 203,335                            | 238,979                       |
| Balance at end of period   | 312,452                            | 453,890                       |

### Nature and purpose of reserves

The share option reserve and performance rights reserve are used to recognise the fair value of all options and performance rights.

### Movements in the period

Share based payments are in line with the Group's remuneration policy, details of which are outlined in the 30 June 2022 Annual Report. Movements in the share option reserve and performance rights reserve are illustrated below:

| Option Reserve                         | Number of Options                  |                               | Dollars (\$)                       |                               |
|--|------------------------------------|-------------------------------|------------------------------------|-------------------------------|
|  | 6 Months to<br>31 December<br>2022 | Year Ended<br>30 June<br>2022 | 6 Months to<br>31 December<br>2022 | Year Ended<br>30 June<br>2022 |
| Opening balance at beginning of period | 28,591,726                         | 105,003,467                   | 214,911                            | 310,388                       |
| Issued                                 | -                                  | -                             | -                                  | -                             |
| Exercised                              | (7,487,094)                        | (76,411,741)                  | (68,198)                           | (95,477)                      |
| Lapsed                                 | (4,000,000)                        | -                             | (37,596)                           | -                             |
| Balance at end of period               | 17,104,632                         | 28,591,726                    | 109,117                            | 214,911                       |

The amount expensed includes options issued in previous financial periods with the expense recognised evenly over the vesting period and current assessment of likelihood of achieving vesting conditions attached to these existing options.

During the six months to 31 December 2022 the Group did not issue any unquoted options. There were 2,487,094 unquoted options with an exercise price of 45 cents exercised during the period which were issued as attaching in conjunction with a share placement undertaken in February 2021 and 5,000,000 unquoted options exercised by directors which were exercisable for 6 cents. There were 4,000,000 unquoted options with an exercise price of 8 cents that lapsed during the period.

During the year ended 30 June 2022 there were 69,411,741 unquoted options with an exercise price of 45 cents exercised during the period which were issued as attaching in conjunction with a share placement undertaken in February 2021 and 7,000,000 unquoted options exercised by directors which were exercisable for 6 cents.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 15 RESERVES (continued)

Movements in the period (continued)

| Performance Rights Reserve                        | Number of Rights                   |                               | Dollars (\$)                       |                               |
|---|------------------------------------|-------------------------------|------------------------------------|-------------------------------|
|   | 6 Months to<br>31 December<br>2022 | Year Ended<br>30 June<br>2022 | 6 Months to<br>31 December<br>2022 | Year Ended<br>30 June<br>2022 |
| Opening balance at beginning of period            | 14,329,438                         | 22,791,666                    | 238,979                            | 342,133                       |
| Issued to directors and employees as remuneration | -                                  | 1,879,438                     | 99,011                             | 172,162                       |
| Exercised   | (3,958,333)                        | (7,698,332)                   | (134,655)                          | (249,033)                     |
| Lapsed  | (1,000,000)                        | (2,643,334)                   | -                                  | (26,283)                      |
| Balance at end of period                          | 9,371,105                          | 14,329,438                    | 203,335                            | 238,979                       |

The amount expensed includes performance rights issued in previous financial periods with the expense recognised evenly over the vesting period and current assessment of likelihood of achieving vesting conditions attached to these existing performance rights.

During the six months to 31 December 2022, 3,958,333 performance rights issued to employees were exercised upon KPI performance conditions being met and 1,000,000 performance rights issued to employees lapsed as KPI conditions were not met.

During the year ended 30 June 2022, the Group issued 1,129,438 performance rights to employees as remuneration. The performance rights have no exercise price and range in fair value from 27.5 cents to 114 cents with various KPI based performance conditions. There were also 750,000 performance rights issued to the Managing Director as remuneration which have no exercise price and a fair value of 54 cents with a non-market KPI based performance condition. During the prior period 7,698,332 performance rights issued to employees and contractors were exercised upon KPI performance conditions being met and 2,643,334 performance rights issued to the Managing Director, employees and contractors lapsed as KPI conditions were not met.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

## 16 EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

In January 2023, the Group recorded its maiden DSO sale. The proceeds from the sale were USD \$14.0 million (AUD \$20.1 million) and were received on 17 January 2023.

Drilling completed as part of the ongoing Finnis Lithium Operation exploration program has led to a more than doubling of the Mineral Resource Estimate at BP33 from 4.37Mt @ 1.53% Li<sub>2</sub>O to 10.1Mt @ 1.48% Li<sub>2</sub>O (ASX announcement 6 March 2023).

Except for the above items, no matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent period.

## 17 CAPITAL COMMITMENTS

As at 31 December 2022 the group has outstanding contractual capital commitments of \$6,786,501 (30 June 2022: \$18,519,930).



*First DSO Stockpile*

# Directors' Declaration

In the opinion of the Directors of Core Lithium Ltd:

- a) the consolidated financial statements and notes of Core Lithium Ltd are in accordance with the Corporations Act 2001 (Cth), including:
  - i) giving a true and fair view of its financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
  - ii) complying with Australian Accounting Standard 134 Interim Financial Reporting; and
- b) there are reasonable grounds to believe that Core Lithium Ltd will be able to pay its debts when they become due and payable.

Signed in accordance with a resolution of the Directors:



**Greg English**  
Chairman  
9 March 2023  
Adelaide, South Australia

# Independent Auditor's Review Report



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## Independent Auditor's Review Report

To the Members of Core Lithium Ltd

Report on the half year financial report

### Conclusion

We have reviewed the accompanying half-year financial report of Core Lithium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Core Lithium Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Core Lithium Limited's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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#### Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

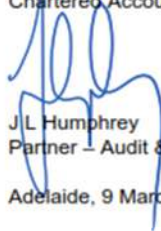
#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 9 March 2023

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