

ASX: CXO Announcement

24 July 2023

Quarterly Activities Report for the Three Months Ended 30 June 2023

Australian lithium miner Core Lithium Limited (**ASX: CXO**) (**Core or the Company**) is pleased to present its Quarterly Activities Report for the quarter ended 30 June 2023.

Quarterly Highlights

- No significant safety incidents.
- Quarterly spodumene production of 14,685t (FY23: 18,274t) at a C1 unit cost of \$902/t (FY23: \$1,230/t).
- Spodumene concentrate between 5.35% and 5.6% (on specification). Lithia recoveries ~49% with work underway on improvement initiatives.
- Maiden 5,500t spodumene concentrate shipment in April and second 13,100t shipment in early July.
- \$45-\$50 million approved for BP33 underground mine early works.
- Revised BP33 feasibility study underway including incorporation of the increased resource.
- Total Finnis Mineral Resource increased 62% to 30.6Mt @1.31% Li₂O.
- \$25 million exploration program underway.
- Cash balance as at 30 June 2023 of \$152.7 million and no debt.
- Andrea Hall appointed as Non-Executive Director and executive team complete following the appointments of Pierre Malan as EGM, Development and Exploration and Paul Benjamin as EGM, Commercial and Marketing (announced subsequent to the quarter).

Production and cost guidance

This report includes Core's maiden production and cost guidance following 14 weeks of plant operations on a campaign basis. Core's guidance for FY24 is for spodumene sales of 90,000 to 100,000 tonnes and spodumene production of 80,000 to 90,000 tonnes (this is lower than study estimates due mainly to lower recoveries, mine plan adjustments and mining rates), at a C1 cost of \$1,165 to \$1,250 per tonne.

With respect to the outlook for FY25, Core expects monthly mining and processing rates to be above FY24 levels whilst the Company continues mining in the Grants open pit. However, overall production in FY25 is expected to be below FY24 due to a currently anticipated three-month gap in ore supply from the mine and processing plant capacity constraints result in a ROM pad stockpile building at the conclusion of FY25. More detail is provided on page 4.

Commenting on the quarter, Core Chief Executive Officer Gareth Manderson said:

“This quarter marks an important new phase in the life of our emerging operating and development company. We have now been through our first quarter with periods of integrated mining and processing operations and have successfully produced, transported, and sold our first cargoes of spodumene concentrate. Since joining Core in August 2022, the team has successfully brought the Finniss operation into production on time and within two years of commencing construction. In parallel, we have continued to explore and grow our mineral resources as we work to determine the true potential of the Finniss mineralised district.

Our operation remains in its start-up phase. In aggregate the team has achieved a combined 14 weeks of plant operations on a campaign basis since first concentrate was produced and access to the pit, uninterrupted by rain events, was achieved in mid-April. Using this early operating experience, we have undertaken a thorough budgeting and forecasting process and provided production and cost guidance for FY2024 and an early view of the 2025 production outlook. Production forecasts are lower than what was anticipated in the July 2021 Definitive Feasibility Study and cost expectations are higher. Following this review, we are working through a suite of improvement projects to drive Finniss operating performance to deliver higher mining rates, improve lithia recoveries and commercialise the fines products.

As is common during the project start-up phase, we are continuing to better understand the Finniss ore processing characteristics and mine performance with several key learnings being implemented. Grants remains the starter operation which is delivering near-term cash flow to fund our growth. BP33 is the next mine to be developed and the more significant operation which underpins the business.

The revised feasibility study for BP33 is being advanced by the management team and this project remains on track for a Final Investment Decision in 1Q 2024 to capitalise on strong lithium markets, with early works approved to ensure the overall timeline can be maintained. Additionally, we have expanded our FY24 exploration budget to A\$25 million given our track record of resource growth and due to the broad range of exciting greenfield and brownfield prospects identified in the mineralised district.

We welcomed experienced company director Andrea Hall to the Board in May 2023 and completed recruitment of an experienced executive leadership team. With the team now in place, we are well positioned to deliver improved operational performance and sound commercial outcomes. Core’s lithium remains in strong demand as the world continues to decarbonise and we have the right team to deliver sustainable value for shareholders.”

Safety and Sustainability

There was one recordable injury during the quarter, a minor hand laceration and no other significant safety incidents. Core implemented the Critical Risk Management (CRM) program which has been adopted widely across industry in recent years. The program prioritises the identification of fatality risk and implementing and verifying critical prevention controls. CRM was also rolled out to our contractors. An occupational health monitoring program has been established and will inform our control processes for potential health exposure hazards including dust, noise and silica. An agreement for medical evacuation services was entered into with Care Flight.

Recipients of the inaugural Community Grants Program were chosen and 12 community groups from across the greater Darwin region were awarded funds. These included sporting, educational and other community initiatives. Engagement with the local Kenbi Rangers in management activities including prescribed burns for fuel reduction is ongoing. The emergency response team undertook training as part of these burns.

Finniss Operations

Mining

Mining commenced at the Grants open pit in September 2022 and the first parcel of Direct Shipping Ore (DSO) was produced in December 2022. As previously announced, this was followed by a period of three months where mining ceased due to wet season conditions and water filling the pit. As previously announced, safe access to the pit was achieved in late March, with mining activity commencing shortly afterwards.

Mining performance remained below expected levels during the quarter due in part to further inclement weather in April. Upgraded dewatering equipment installed in the pit ahead of the rainfall events in April, albeit less severe, enabled the successful discharge of water and allowed mining to continue during the month.

Mining through weathered material continued during the quarter with harder host rock expected to be encountered in the coming months. Mining conditions in this weathered material has led to adjustments being made to the mine design and plan, including shallower angled walls in the pit. Wall stability monitoring continues with the addition of drilling horizontal bores to depressurise walls and contribute to wall stability. Work continues to focus on improving mining rates as ramp-up continues. Access to ore at the base of the pit has improved now that the wet season has ended.

A review of the recent wet season has resulted in \$11 million in capital invested to date to improve water management infrastructure.

Processing

The plant had its second quarter in operation following construction completion and first concentrate produced in February 2023. The operation remains in the ramp up phase. Given reduced ore availability following the mining interruption in Q3 FY23, the plant was run largely on a campaign basis when ore was available. The plant has run for a collective total of just 14 weeks, but this has provided the first opportunity to performance test and trial processing parameters.

Spodumene concentrate produced was on specification and ranged in grade between 5.35% and 5.6%. However, as is not uncommon during the start-up phase, recoveries have been lower than the original test work predicted, averaging 49% for the quarter. Work is underway to better understand the lower than expected recoveries which appear to be as a result of a greater proportion of fines than anticipated. Core is working on several project improvement initiatives discussed further below.

As at 30 June there was 7,598 tonnes of stockpile on the ROM pad.

Improvement projects and fines sales

A range of trials and improvement projects to increase lithia recoveries and plant utilisation have been developed with some commencing during the quarter.

To help address the lower recoveries in the near-term, the potential for lithium fines to become a saleable by-product has been identified. This material is generated during ore crushing and the processing of ore by the DMS plant. An initial parcel of the fines material is to be transported to the Port of Darwin for anticipated sale in Q1 FY24 (see also guidance section below).

Other near-term projects designed to minimise fines and increase recoveries include: adjusting screen sizing before the crusher (underway), reagent (FeSi) volume and timing adjustments, further metallurgical test-

work to inform optimal ore size distribution created in the crushing process and the commissioning of a mica classifier.

Longer lead-time improvement options may include the installation of fines processing circuit. This may include options such as a filter press or belt press to recover fines before deposition in the storage facility and/or the installation of a floatation plant. These options will be evaluated in FY24.

Table 1. Quarterly Operating Performance

		Q3 FY23	Q4 FY23
Production			
Spodumene concentrate produced	Tonnes	3,589	14,685
Recovery	%	47.4	48.6
Sales			
DSO Shipments	Tonnes	14,774	-
Spodumene Concentrate Shipments	Tonnes	-	5,423
Concentrate grade shipped	%	n/a	5.35%
Cost of production			
C1 Cost	A\$/t FOB	2,188	902
C1 cost plus royalties	A\$/t FOB	2,323	1,416
Deferred stripping costs (non-cash)	A\$/t	(5,594)	(1,176)

FY23 unit costs

The Q4 C1 unit costs of \$902/t reflect the continuing ramp up phase of the Finniss project and a significant non-cash deferral of waste stripping costs (\$1,176/t) associated with the Grants open pit. These non-cash costs will be depreciated over the remaining life of Grants. The unit costs for the six months ended 30 June 2023 were \$1,230/t.

Table 2. FY24 Guidance

	FY2024
Production (subject to weather conditions)	
Production (tonnes)	80,000-90,000
Sales (tonnes)	90,000-100,000
Sale of fines (tonnes)*	85,000-95,000
Costs and Capital expenditure	
C1 costs (A\$/t)**	A\$1,165-1,250
Site sustaining capital	\$20-\$25m
Deferred Stripping	\$45-\$50m
Growth expenditure	
BP33 Early Works***	\$45-\$50m
Exploration and study expenditure****	\$35-\$40m

*Treated as a by-product credit to C1 costs.

**Unit operating costs (FOB Darwin excluding royalties) include mining, processing, transport, port charges, and site based general and administration costs and are net of fines margin by-product credit. It is calculated on an accruals basis and includes inventory movements, and credits for capitalised deferred mine waste stripping.

***If the BP33 project is approved in Q1 FY24 there will also be additional project execution expenditure in FY24.

****Includes Finniss District and greenfields expenditure and study costs

FY24 production and cost guidance

Core's production guidance for the 12 months ending 30 June 2024 (FY24) is between 80,000 tonnes and 90,000 tonnes (FY23: 18,274 tonnes) of spodumene concentrate at a C1 cost of between \$1,165-\$1,250 per tonne (FY23:\$1,230/t). This assumes reduced ore mining in the wet season months between December and March.

The main drivers of the lower production compared to the 2021 DFS estimates are lower lithia recoveries, a revised mine plan which has seen the layback of the pit walls (discussed in the operations section above) and more conservative mining assumptions, following the Company's experience in the recent wet season. The Company also intends to recover and sell fines material, see (Fines Material) section below.

FY25 production outlook

Whilst at this stage definitive guidance for FY25 cannot be provided, Core expects monthly mining and processing rates to be above FY24 levels whilst the Company continues mining in the Grants open pit. However, overall production in FY25 is expected to be below FY24, due to a three-month gap in ore feedstock supply from the mine and processing plant capacity constraints, which result in a ROM pad stockpile building at the conclusion of FY25.

Core is evaluating options to optimise its production outlook which includes increasing the ROM pad stockpile over time such that the processing plant can have more reliable ore feedstock after considering mine scheduling and the wet season, increasing the DMS plant throughput and/or DSO sales to bring forward revenue into FY25.

The FY25 production outlook currently assumes no ore from BP33 in 2025. Core is currently in advanced stages of preparing a revised BP33 Feasibility Study which is due in 1Q 2025, this study work includes additional study work on how to optimise the transition between Grants open pit and BP33 underground, including the assessment of the potential to recover ore currently not in the Grants mine plan.

Non-cash adjustments

In FY24, the Grants open pit strip ratio remains high at 23:1. This will allow access to ore in FY25 at a lower stripping ratio of 9:1. Consequently, a significant portion of the costs associated with this stripping activity will not be recognised as an expense in FY24 (non-cash deferred stripping costs of \$45-50m). Instead, they will be recorded as non-cash expenses when the ore is extracted in subsequent years. Mining cash costs are expected to be lower in FY25.

Royalties

Not included in the cost guidance above are the cash outflows for the Northern Territory (NT) royalty. Under the NT royalty regime, Core must pay royalties to the government based on the net value of resources extracted. Core pays a royalty to the NT Government each financial year based on a non-IFRS profit-based formula. The royalty payable is calculated as 20% of the net value from production in the year. The net value is calculated by subtracting from revenue certain operating costs, applicable capital cost deductions, eligible exploration expenditure and accumulated losses from prior years. It is expected that in FY24 the effective royalty rate resulting from this calculation will be between 8-10% of gross revenue. The Northern Territory government has commenced a consultation process with industry, to evaluate the merits of an Ad Valorem based royalty system.

There is also a 2.5% (of gross revenue) royalty payable to Lithium Royalty Corp (LRC).

Fines material

The Company expects FY24 to include the potential to produce and sell approximately 85,000-95,000t of fines at a grade of approximately 1% Li₂O. The Company does not expect to incur any incremental mining or processing costs associated with the fines production. Additional operating costs for material movement, storage, haulage to port, ship loading and shipping will be incurred. NT and LRC Royalties are also payable on Fines sales. The Company is in the advanced stages of negotiating the sale of an initial parcel of fines for shipment in Q1 of this financial year with pricing linked to the battery grade lithium carbonate price adjusted for grade and value-in-use.

Based on current market prices, the margin from the forecast Fines sales for FY24, is expected to reduce C1 operating costs by approximately A\$180-220/t of spodumene concentrate as a credit.

Exploration and Studies

The majority of the exploration expenditure will be allocated to further definition and extension of existing Mineral Resources. The remaining funds will be directed towards identifying and testing new targets via a combination of geochemistry, geophysics and drilling at Finniss and Shoobridge, and geochemistry and geophysics at Anningie-Barrow Creek. There will also be expenditure to advance studies for BP33, Carlton, Lees Booth and Hang Gong.

Capital Expenditure

Finniss sustaining capital is forecast to be \$20-25 million. This includes water management civil work, port storage building upgrade, ROM extension and haul roads.

Sales and marketing

Late in the March quarter, Core announced it had entered into additional agreements with Yahua for the sale of a 3,500-tonne parcel and a 15,000-tonne parcel of Finniss lithium concentrate for approximately 18,500 tonnes¹ in addition to the long-term offtake agreement for 300,000 tonnes of concentrate over four years².

In mid-May, the ship, St Andrew, was loaded with the first spodumene concentrate produced from the Grants open pit. A cargo of approximately 5,500 tonnes of on-specification 5.6% Li₂O spodumene concentrate was sold to long-term customer Yahua³. This included the 3,500 tonnes along with an additional ~2,000 tonnes which was part of the 15,000t parcel Yahua elected to have delivered early.

Subsequent to the end of the quarter a second shipment was loaded for export to Zhangjiagang in China. This shipment of approximately 13,100 tonnes of spodumene concentrate was the balance of the 18,500 tonnes of commissioning and first production tonnes sold to Sichuan Yahua (Yahua) under 'additional sales agreements' announced in March 2023⁴.

¹ See ASX announcement dated 23 March 2023

² See ASX announcement dated 1 April 2019

³ See ASX announcement dated 5 May 2023

⁴ See ASX announcement dated 11 July 2023

Exploration and Development

BP33

On 11 May 2023, Core reported that the Northern Territory Government had approved the Mine Management Plan (MMP) for the BP33 underground project⁵ – the second proposed mine at the Finniss Lithium Operation.

BP33 is located within trucking distance of the Grants open pit, crusher and DMS plant (approximately 5km away) and has a current Mineral Resource of 10.1Mt @ 1.48% Li₂O⁶. The Grants open pit has provided an attractive near-term entry point to lithium production, with the BP33 underground mine being the more substantial mining operation and likely cornerstone of the business.

Core has commenced preparations for early works activities. The Company has also submitted the required management plans and associated detailed designs required under the conditions of Mining Authorisation and the Environmental Approval and are working with the Northern Territory Government to secure their acceptance and allow commencement of the excavation of the box-cut.

On 19 May 2023, the Core Board approved an updated early works budget of \$45-\$50 million⁷. The program includes the development of a covered box-cut, improved access works and associated surface works for water management. This approach allows a detailed feasibility study to be completed in parallel and enable mine decline development to begin soon after a positive FID.

Subject to potential early wet season, modelled geotechnical and groundwater impacts, the early works activities are expected to be complete by end of Q1 CY24. The contract for the early works civil construction was awarded to Northern Australian Civil (NAC), a Darwin-based contractor with prior box-cut development experience.

This early works project will facilitate the next phase of capital works, including decline development, early stope development, ventilation infrastructure, water management and power infrastructure to commence immediately on receipt of a positive FID and board approval.

Core will provide further detail on the capital estimate for BP33 alongside its revised Feasibility Study which is due in 1Q 2024. The updated study work captures the impact of the significantly larger BP33 Resource, which has more than doubled since March 2023 to 10.1Mt @ 1.48% Li₂O. The study work has had input from a range of mining consultants with experience in both lithium and underground mining. The analysis includes detailed metallurgical test work, geotechnical analysis, mine sequencing options, cost estimates and ground water management analysis.

Other studies

Work has commenced on other studies to review and update mine sequencing in the Finniss district using updated resource modelling. This includes reviews of the Grants underground, Carlton deposit, with concept studies planned for Lees-Booths and alternative Hang Gong options after the current resource drilling campaign.

⁵ See ASX announcement dated 11 May 2023

⁶ See ASX announcement dated 6 March 2023

⁷ See ASX announcement dated 19 May 2023

Exploration and Mineral Resources

On 18 April, Core reported a 62% increase to the total Finniss Mineral Resource Estimate (MRE) to 30.6Mt @ 1.31% Li₂O (Table 3). This updated Mineral Resource incorporated all results from the highly successful 2022 drilling campaign – the largest undertaken in Core’s history⁸.

The Measured and Indicated Resource categories have increased by 46% to 19.4Mt @ 1.37% Li₂O. Approximately 63% of the MRE is in the higher confidence Measured and Indicated categories (Table 3), with excellent conversion of Inferred to Indicated.

Table 3. Finniss Lithium Operation Mineral Resource Estimate summary

Mineral Resource Estimate for the Finniss Lithium Operation April 2023 - 0.5% Li ₂ O cut-off ⁹			
Resource Category	Tonnes (Mt)	Li ₂ O %	Li ₂ O Contained Metal (kt)
Measured	6.98	1.45	101
Indicated	12.4	1.33	165
Inferred	11.3	1.21	137
Total	30.6	1.31	403

Note: Totals within this table are subject to rounding.

Finniss Lithium Operation Mineral Resource Estimate growth

Mineral Resource Estimate for the Finniss Lithium Operation ¹⁰ July 2022 - 0.5% Li ₂ O cut-off			
Resource Category	Tonnes (Mt)	Li ₂ O %	% Change from 2022 to 2023
Measured	5.60	1.46	25%
Indicated	7.69	1.35	61%
Inferred	5.57	1.12	103%
Total	18.9	1.32	62%

Core has now commenced its 2023 drilling campaign targeting near-mine deposits within trucking distance of the plant¹¹. The \$25 million exploration budget is the largest in the Company’s history.

During the quarter there was 9,581m of mine development and exploration drilling undertaken at BP33, Carlton, Hang Gong and Lees and 1,529m testing new prospects. At the end of the quarter there were three diamond drill rigs and one RC rig in operation with two more to be mobilised to site in the current quarter.

A reconnaissance visit was made to the Barrow Creek tenements and stakeholder engagement is ongoing. Field work at the Anningie, Barrow Creek and Shoobridge tenements are planned for the current quarter.

⁸ See ASX announcement dated 18 April 2023

⁹ See ASX announcement dated 18 April 2023

¹⁰ See ASX announcement dated 12 July 2022

¹¹ See ASX announcement dated 18 April 2023

Corporate and Financial

On 18 May 2023, the Core Lithium Board appointed Andrea Hall as a Non-executive Director. Ms Hall is an experienced Non-executive Director and is currently a member of the board of ASX listed Evolution Mining Limited (EVN) and mining services firm Perenti Group Ltd (PRN). Further, she sits on the board of the Fremantle Dockers and the Insurance Commission of Western Australia¹².

Subsequent to the quarter, Core Lithium appointed Pierre Malan as Executive General Manager (EGM), Development and Exploration and Paul Benjamin as EGM, Commercial and Marketing. The appointments of Mr Malan and Mr Benjamin were the final hires in a 10-month process to build an executive team with the internal, commercial and development capabilities necessary for Core to pursue growth initiatives while it transitions from developer to miner and operator. The structure and roles now established in the executive team provide a lens into the strategy and value levers available to Core; sustainability, operational delivery, commercial delivery, and exploration and development.

The evolution of Core Lithium's Board and leadership team also aligns with the Company's decision to relocate its head office to Perth, the corporate centre of Australia's lithium industry. Subsequent to the quarter, Core announced it had secured its new head office at Level 9, 2 Mill Street, Perth¹³.

During the quarter, Core spent \$28.1 million on plant, equipment and mine development activities, and \$3.9 million on exploration. This expenditure primarily represented activities at Finniss and is disclosed in Appendix 5B. As at 30 June 2023, Core had cash and equivalents of \$152.7 million.

In April 2023, Core received a payment of US\$14.1 million (A\$22 million) for 90% of the 3,500-tonne parcel, and a pre-payment of US\$61.4m million (A\$92 million) for 80% of the 15,000-tonne parcel.

Prepayment for 80% of the second parcel of \$15,000t was received in April 2023¹⁴. The balance of the second parcel (3,100t) was shipped in July and will be finally settled and adjusted at the end of the pricing period in August. If the current spodumene price prevails until the end of the pricing period, a repayment to Yahua of approximately US\$15m is expected. This is due to differences in the provisional and final quotational periods for the pricing of the parcel and the decline in the market price for spodumene concentrate over that period.

Core's Appendix 5B includes amounts in item 6.1. The amounts in item 6.1 represent director fees paid to entities nominated by relevant directors and managing director costs.

As at 30 June 2023, Core had the following capital structure:

- 1,858,516,794 ordinary shares; and
- 3,122,451 unquoted performance rights.

Core Lithium confirms that the Company is not aware of any new information or data that materially affects the Mineral Resource Estimates cross referenced in this report and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The BP33 Mineral Resource Estimate is comprised as Measured Mineral Resource 2.85Mt @ 1.46% Li₂O / Indicated Mineral Resource 4.09Mt @ 1.53% Li₂O / Inferred Mineral Resource 3.17MT @ 1.45% Li₂O.

¹² See ASX announcement dated 18 May 2023

¹³ See ASX announcement dated 6 July 2023

¹⁴ See ASX announcement dated 5 April 2023

Table 4. Tenements

Tenement number	Tenement name	Interest at the end of Quarter	Changes during Quarter
South Australia			
EL 6574	Fitton	100%	None
EL 6038	Mt Freeling	100%	None
EL 6111	Yerelina	100%	None
EL 6445	Wyatt Bore	100%	None
Northern Territory			
EL 26848	Walanbanba	100%	None
EL 28029	White Range East	100%	None
EL 28136	Blueys	100%	None
EL 29347	Yambla	100%	None
EL 29389	Mt George	100%	None
EL 29580	Jervis East	100%	None
EL 29581	Jervis West	100%	None
EL 29698	Finniss	100%	None
EL 29699	Bynoe	100%	None
EL 30012	Bynoe	100%	None
EL 30015	Bynoe	100%	None
EL 30669	Ross River	100%	None
EL 30793	McLeish	100%	None
EL 31058	Barrow Creek	100%	None
EL 31126	Zola	100%	None
EL 31127	Ringwood	100%	None
EL 31139	Anningie West	100%	None
EL 31140	Anningie South	100%	None
EL 31145	Barrow Creek North	100%	None
EL 31146	Barrow Creek South	100%	None
EL 31271	Bynoe	100%	None
EL 31279	Sand Palms	100%	None
EL 31407	Shoobridge	100%	None
EL 31449	Napperby	100%	None
EL 31886	Adelaide River	100%	None
EL 32205	Finniss Range	100%	None
EL 32392	Ivy	100%	None
EL 32396	Murray Creek	100%	None
EMP 28651	Observation Hill (Extractive Lease)	100%	None

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Appendix 5B

Mining exploration entity or oil and gas exploration entity

Quarterly cash flow report

Name of entity

Core Lithium Ltd

ABN

80 146 287 809

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	114,063	134,212
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(15,428)	(28,629)
	(d) staff costs	(1,872)	(6,082)
	(e) administration and corporate costs	(2,379)	(10,684)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1,438	3,032
1.5	Interest and other costs of finance paid	(1,085)	(1,085)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	94,737	90,764
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(2,648)	(48,113)
	(d) exploration & evaluation	(3,878)	(15,810)
	(e) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets - mine development	(25,408)	(101,863)
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Net proceeds / (payments) for Security bond)	(7,258)	(7,258)
2.5a	Other (Government grant co-funding received)	86	172
2.6	Net cash from / (used in) investing activities	(39,106)	(172,872)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	100,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	5,464
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(4)	(3,812)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Proceeds from royalty sale)	1,250	1,250
3.10	Other (Payments of lease liabilities)	(1,374)	(3,815)
3.11	Net cash from / (used in) financing activities	(128)	99,087

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	97,802	135,198
4.2	Net cash from / (used in) operating activities (item 1.9 above)	94,737	90,764
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(39,106)	(172,872)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(128)	99,087
4.5	Effect of movement in exchange rates on cash held	(519)	609
4.6	Cash and cash equivalents at end of period	152,782	152,786

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	152,786	97,802
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	152,786	97,802

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	129
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

	7. Financing facilities Note: the term “facility’ includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

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8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	94,737
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,878)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	90,859
8.4	Cash and cash equivalents at quarter end (item 4.6)	152,786
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	152,786
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 July 2023

Authorised by the Board of the Company
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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

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About Core Lithium

Core Lithium Ltd (**ASX: CXO**) (**Core** or **Company**) 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.

For further information about Core and its projects, visit www.corelithium.com.au