

5 January 2024

CXO:ASX Announcement

Strategic Review Update

Summary

- The strategic review to preserve business value in light of weak market conditions is continuing.
- Processing operations will continue from existing stockpiles and mining in the Grants open pit will be temporarily suspended.
- The BP33 mine study will continue and early works will remain paused until market conditions improve.
- Discretionary spending including studies, exploration and corporate costs will be reduced.

As previously announced, Core Lithium (**ASX: CXO**) (**Core** or the **Company**) is completing a review of its business activities in the light of the significant decline in spodumene concentrate pricing.

The price of spodumene concentrate has declined more than 85% in the last 12 months, including by 50% since the end of October 2023.

The strategic review¹ has examined how the Company is best able to reduce costs and schedule growth projects to preserve business value and optionality. The review has identified a range of actions which will commence immediately. The Company will continue to closely monitor market conditions to ensure mining can recommence should market conditions improve.

Finniss Operations

Core has decided to continue processing of established ore stockpiles and temporarily suspend mining operations in the Grants Open Pit. This approach reduces the cash cost of Finniss operations, generates revenue from stockpiles and provides an opportunity to recommence mining as market conditions improve. By suspending operations, rather than preferentially mining ore over waste, the current mine plan will be preserved resulting in improved economics of future mining activities.

The Grants pit will be maintained to allow an orderly ramp up when market conditions improve. At 31 December 2023, approximately 280,000t of ore stockpiles were available for processing allowing for sufficient stocks to feed the concentrator until mid-2024 without any further mining. The final concentrate cargo for 2023 sailed successfully in December. Revised operating costs, exploration, studies and capital expenditure guidance for FY2024 will be provided in the December quarterly report when it is released in January 2024. Core advises that it is likely to record an impairment of the carrying value of the Finniss operation in the Company's 31 December 2023 half year results.

¹ See ASX Release dated 22 December 2023 "Strategic Review of Operations Underway"



Grants open pit December 2023



Crushed stockpiles (foreground) and ROM stockpiles (background) December 2023

BP33 Project and other studies

As announced earlier in December, the BP33 early works construction project was suspended at the onset of the wet season to preserve cash and limit any additional costs associated with construction in the wet season. Good progress has been made on the BP33 project with the box cut excavation complete and the commencement of installation of the tunnel arch footings.

Cement stabilisation of the portal face at the end of the box cut had commenced and work on water management facilities has progressed well. The site will be placed in care and maintenance and all construction and infrastructure material delivered to site will be secured until a decision is made to recommence the early works at BP33. Work continues on the BP33 updated feasibility study and the Carlton scoping study.



BP33 box cut December 2023

Exploration

The 2023 exploration drilling season is now complete. The program initially focussed on mineral resource delineation and definition drilling for the BP33 and Carlton ore bodies. Exploration drilling then shifted to test targets identified through Ambient Noise Tomography (ANT), and geochemical and geophysical survey programs. Results from the ANT survey work has led to a more targeted program for Finniss in the December quarter, with the revised RC drilling program completed in December. The resultant assay and analysis work will be completed and announced in the coming months.

CEO Gareth Manderson said:

“The team has moved at pace to ensure Core’s value is preserved in these tough market conditions.

“While suspending mining operations is a difficult decision, processing of ore stockpiles will continue to generate revenue and we will focus on managing our cash reserves prudently. We are working to put the business in the best position possible to recommence mining and proceed with BP33 when market conditions improve.

“The Northern Territory government has been a supportive partner, and we remain committed to finding a path forward for the Finniss operation and the Territory community.

“We understand that this decision is difficult for employees, contractors and some local businesses.

“There is significant prospectivity in the NT both in the Finniss district and in our broader regional tenement holding. We will continue to take a longer-term view and explore for new lithium resources.”

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

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Core Lithium Ltd (**ASX: CXO**) (**Core** or **Company**) is an Australian hard-rock lithium mining company that owns and operates the Finiss 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.

Important Information

This announcement may reference forecasts, estimates, assumptions and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it cannot assure that they will be achieved. They may be affected by various variables and changes in underlying assumptions subject to risk factors associated with the nature of the business, which could cause results to differ materially from those expressed in this announcement. The Company cautions against reliance on any forward-looking statements in this announcement.

All references to dollars (\$) and cents in this announcement are to Australian dollars, unless otherwise stated.