

28 February 2024

ASX: CXO Announcement

Termination of mining services contract

Summary

- The Finniss mining services agreement with Lucas Total Contract Solutions has been terminated by mutual agreement.
- Termination of the agreement will not adversely affect current Finniss operations. Processing of existing stockpiles is planned to continue until mid CY 2024.
- A cost reduction program as part of the strategic review is ongoing.
- Core will work to identify alternative mining solutions for deployment should a decision to recommence mining be made in the future.

Core Lithium (ASX: CXO) (Core or the Company) announced on 5 January 2024 that in light of weak lithium market conditions, the Company was continuing to process ore stockpiles to produce spodumene concentrate, was suspending mining in the Grants open pit and would suspend the BP33 early works project. Further to this announcement, mining contractor, Lucas Total Contract Solutions and Core have mutually agreed to terminate the Finniss mining services agreement.

The settlement deed provides for a cash payment from Core to Lucas of \$10M. This is comprised of demobilisation costs, a settlement of claims, consumables and contractual charges incurred during suspension. The deed releases each party from further claims. The mining services contract was executed in September 2021. The settlement amount will be paid in the coming days and the amount will be accrued in the H1 FY24 accounts.

Core will now look to identify alternative mining solutions for the open pit should it restart in the future.

Core continues to process ore stockpiles to produce spodumene concentrate for sale to customers. While the BP33 early works have been suspended, the feasibility study is ongoing, including work to optimise the mine design and reduce costs. As announced in the recent Quarterly Report, FID for BP33 has been deferred until market conditions improve. Across the business more broadly, work to preserve cash and the value of the Finniss project are the Company's current priority. Updates will be provided as the strategic review continues.

Core's CEO, Gareth Manderson, said, "We have reached an amicable agreement with our mining partner Lucas to terminate the mining agreement. In these difficult market conditions, this gives Lucas and its employees more certainty. Core will now look at alternatives for potential mining recommencement.

"We sincerely thank Managing Director Ben Lucas and his workforce for their hard work as part of the team at Core. We have worked together to bring on the Northern Territory's first lithium mining operation in a short period of time. I wish Lucas well for its future projects."

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 producer 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.