

ASX: **CXO** Announcement

30 July 2020

Centralised Company Announcements Platform
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

QUARTERLY ACTIVITIES AND CASHFLOW REPORT 30 JUNE 2020

Please find attached the Quarterly Activities and Appendix 5B Quarterly Cashflow reports for the quarter ended 30 June 2020.

Yours faithfully,



Stephen Biggins
Managing Director

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ASX Release

Quarterly Activities Report for Three Months Ended 30 June 2020

30 July 2020

CORE LITHIUM LTD
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Directors:

Greg English | Non-Executive
Chairman
Stephen Biggins | Managing
Director
Heath Hellewell | Non-Executive
Director
Malcolm McComas | Non-Executive
Director

Issued Capital:

- 972,591,191 Ordinary Shares
- 42,273,810 Unquoted Options
- 21,966,666 Unquoted
Performance Rights

Highlights

The Board of Core Lithium Ltd (“Core” or “Company”) is pleased to present its Quarterly Activities Report for the period ended 30 June 2020.

During the June quarter, Core achieved a number of key project milestones further enhancing the value and de-risking its wholly owned Finniss Lithium Project, located near Darwin in the Northern Territory.

During the reporting period, Core:

- Increased the Finniss lithium Mineral Resource estimate by over 50%;
- Over 150% increase in the Ore Reserves and, as a result, doubling the Life of Mine (LOM) for Finniss;
- Secured its first European offtake partner, Swiss-based Transamine;
- Received approval of its Mine Management Plan from the Northern Territory Government; and
- Identified a number of attractive gold targets and prospects within the Bynoe Gold and Adelaide River Gold Projects.

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Finniss Lithium Project, NT

Core is positioned to be Australia's next lithium producer through the development of its flagship Finniss Lithium Project ("Project"), one of Australia's most capital efficient and lowest cost lithium projects, located close to Darwin Port, Australia's closest port to Asia.

The low capital cost and competitive operating costs leverage two key Project advantages. Firstly, the Project's location adjacent to Australia's closest port to markets in Asia and high-quality lithium ore, which only requires DMS (gravity) processing, rather than the more expensive flotation circuits required by West Australian lithium producers.

As detailed below, along with receiving NT Government approvals during the Quarter, Core has reported substantial increases to Mineral Resources, Ore Reserves and mine-life ahead of project construction and lithium production, subject to financing and regulatory approvals.

The Finniss Lithium Project has arguably the best supporting infrastructure and logistics chain to Asia of any Australian lithium project. The Finniss Lithium Project is within 25km of port, power station, gas, rail and 1 hour by sealed road to workforce accommodated in Darwin and importantly to Darwin Port.

Core has already established binding and non-binding offtake agreements and is in the process of negotiating further agreements within the lithium battery supply chain and electric vehicle industry.

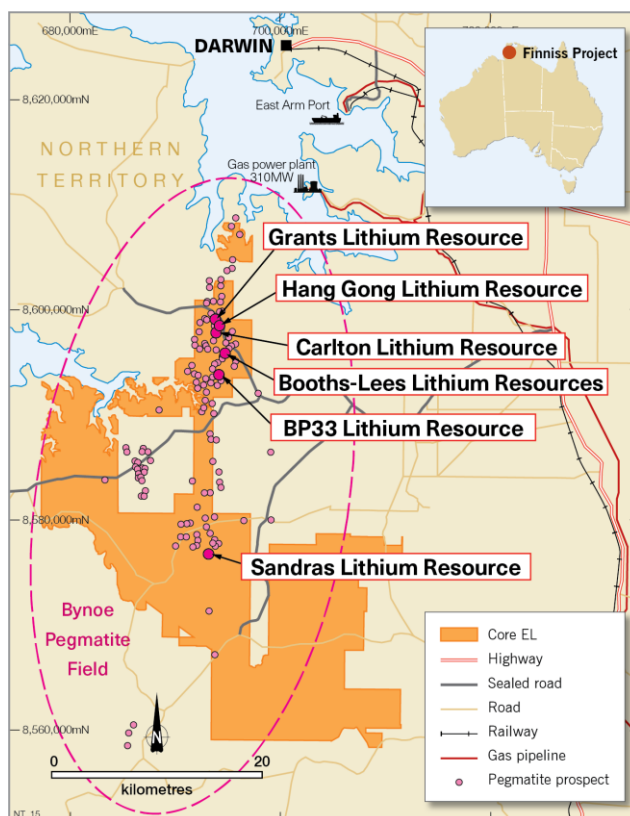


Figure 1. Lithium resources within Core's 100%-owned Finniss Lithium Project.

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June Quarter Activities

Finniss Lithium Resource increased by over 50%

In June, Core announced that the new Mineral Resource Estimate (“MRE”) for the Finniss Lithium Project has been increased by over 50% to 15Mt @ 1.3% Li₂O. (Table 1).

The Measured and Indicated Resource categories have increased by 150% to 7.62Mt @ 1.41% Li₂O. More than half of the MRE is now in the higher confidence Measured and Indicated categories (ASX:CXO 15/6/20 “Finniss Lithium Resource increased by over 50%”).

Table 1. Finniss Project Mineral Resource Estimate summary.

Resource Category	Tonnes	Li ₂ O %
Measured	3,220,000	1.47
Indicated	4,400,000	1.37
Inferred	7,100,000	1.22
Total	14,720,000	1.32

SRK Consulting was commissioned by Core to conduct an independent review of the MRE at BP33 and Carlton. SRK has concluded that the MRE’s are suitable representations of these deposits, and there are no material issues that impact the total tonnes and grades estimated.

All the additional Mineral Resources are located within a 3km radius and will enable transport of the material to an approved central processing facility at Grants.

The Mineral Resource estimation process has also highlighted opportunities to extend and expand the MRE with further resource drilling later in 2020.

New Ore Reserve increase significantly extends Finniss Project life

Shortly following the substantial MRE increase to the Finniss Lithium Project, Core revealed over an 150% increase in the Ore Reserves and, as a result, doubling Life of Mine (LOM) for Finniss.

Total Ore Reserves now stand at 5.7 million tonnes (Mt), which supports a 7-year LOM assuming open pit mining methods at the Grants deposit and underground mining methods at the BP33 and Carlton deposits (ASX:CXO 30/6/20 “Increased Ore Reserve Significantly Extends Finniss”).

An Underground Pre-Feasibility Study (“PFS”) was also extended beyond Measured and Indicated Resources, with a Scoping Study (“SS”) conducted in parallel to assess true project potential and to help direct immediate resource conversion and resource extension drilling efforts.

The PFS and SS (together “the studies”) strengthen the potential for the Finniss Lithium Project to achieve a 9-year Project and potentially beyond. Importantly, on the back of this increase in Reserves, the LOM of the Finniss Project has doubled and can be achieved without substantial increases to the start-up capital for the Finniss Lithium Project.

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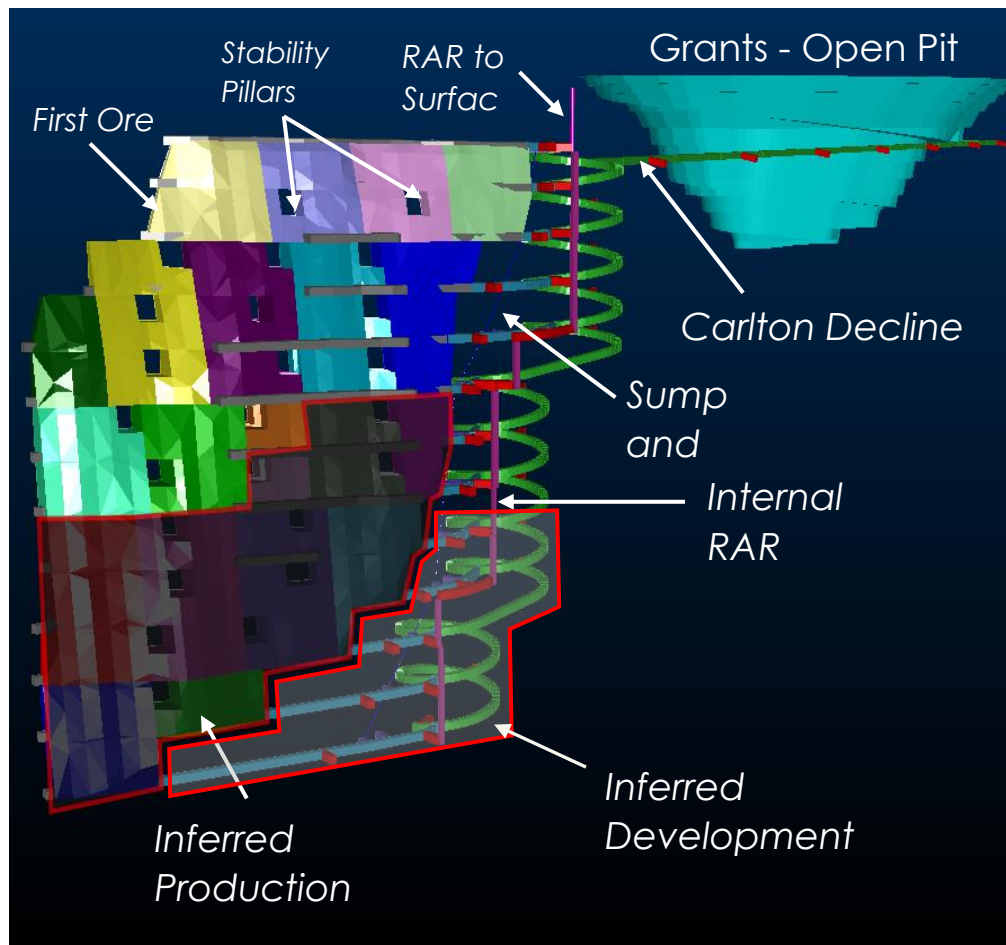


Figure 2. Grants open pit and Carlton underground design.

The Carlton deposit is south east of the planned Grants open pit, access to the Carlton underground deposit is via a portal in the Grants open pit and a 1,100m decline (Shown in Figure 2).

The BP33 deposit is located approximately 6km south of the proposed Grants open pit. Access to the BP33 underground deposit is via a 318m decline from the surface box-cut to a decline connecting the lower levels (Shown in Figure 3).

BP33 is ventilated via dedicated raise bored Return Air Raise (RAR) to surface. An internal drill and blasted RAR network will provide airflow to the production areas.

The mining method selected for the BP33 deposit is sublevel open stope mining - the same as for Carlton. Internal pillars are utilised for overall stability.

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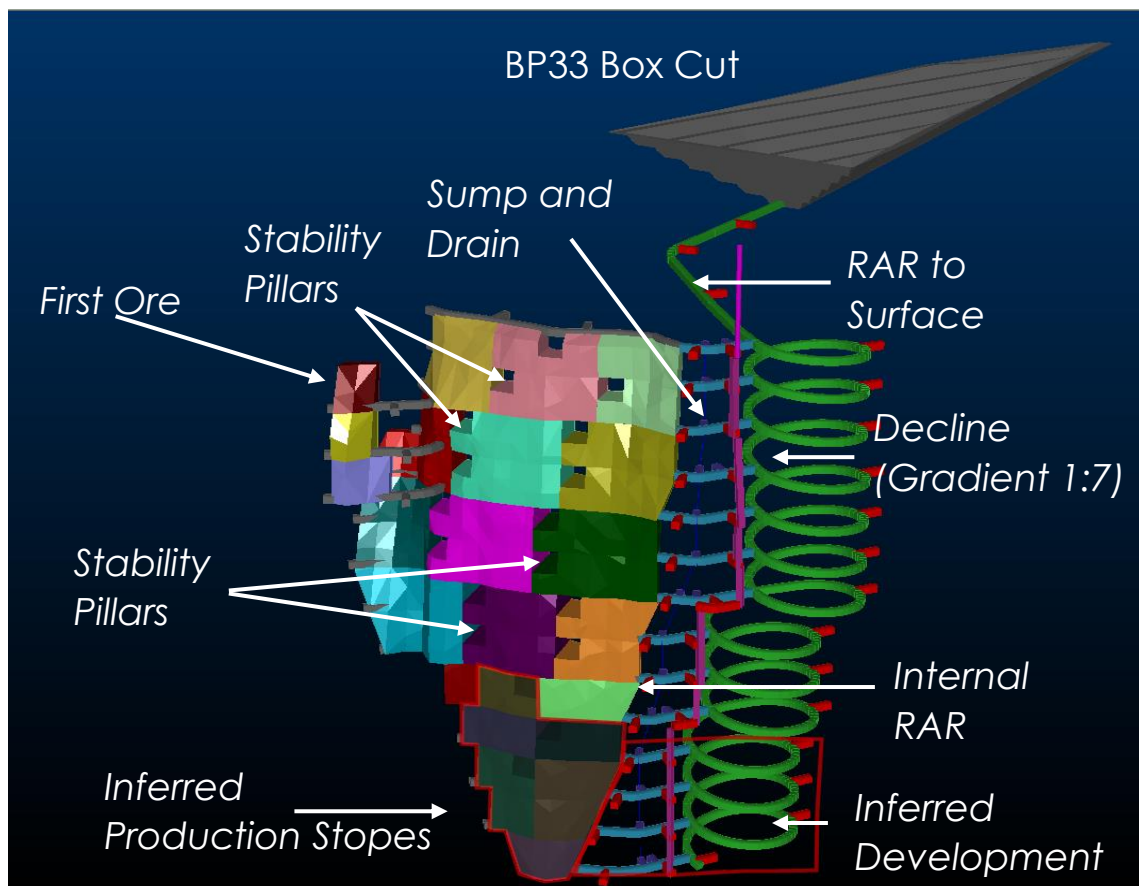


Figure 3. BP33 underground design.

The increased Resources, Reserves and extended mine plan along with other key inputs will be used to update the Feasibility Study for the Finniss Lithium Project as the Company moves toward Financial Investment Decision (“FID”), subject to financial markets recovery and lithium sector demand post-COVID.

Key NT Government approvals received for Finniss

In April, Core was pleased to announce the receipt of approval of its Mine Management Plan (“MMP”) from the Northern Territory Government, marking achievement of another key milestone as the Company plans to build Australia’s first lithium mine and production facility outside of Western Australia.

The MMP was the final regulatory hurdle required to commence site activities and paves the way for Core to commence construction and subsequent operation of the Finniss Lithium Project.

Core is on track to being construction-ready, timed to sync with recovery in global financial and lithium markets.

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DMS testwork produces 6.0% Li₂O concentrate at +70% recovery

During the reporting period, Core announced significantly improved metallurgical performance from the final phase of testwork on the BP33 deposit within the Finniss Lithium Project.

The DMS results showed that a 6.0% Li₂O concentrate can be produced at an overall lithium recovery of 71% at a coarse 6.3mm crush size. Metallurgical testwork was conducted on representative bulk samples of spodumene pegmatite from diamond core drilling at BP33 and, overall, these results have demonstrated the robust metallurgy of the deposit (ASX:CXO 15/4/20 “DMS produces Quality Concentrate at over 70% Recovery”).

The DFS, released in April 2019, was based on the production of a 5.5% Li₂O concentrate at 72% recovery. The updated results indicate an improvement in the concentrate grade of 9% for little decrease in recovery. The 6.0% Li₂O concentrate grade is comparable to that produced by WA lithium producers.

These new results from the high lithium grade and low iron content ore body at BP33 improve on and confirm previous test work results in regard to producing exceptional quality lithium concentrate at better lithium grades, lower iron content, at higher recovery and at a coarse crush size.

Significant gold potential in Bynoe Pegmatite Field

During the June quarter, Core announced that, following a review of lithium-focused exploration and historic tin-tantalum datasets, it had identified a number of attractive gold targets and prospects within the Bynoe Pegmatite Field in the Northern Territory.

The most advanced prospect is Golden Boulder, with up to 15.85g/t Au in rock chips, which was drilled by Greenbushes Ltd (“Greenbushes”) in the late 1990’s intersected 48m @ 0.34g/t Au from surface. Nineteen other gold target zones are defined by sporadic rockchip and/or soil samples up to 11.4g/t Au (ASX:CXO 29/4/20 “Significant Gold Potential in Bynoe Pegmatite Field”).

A plethora of likely targets also exist beyond this, where documented quartz vein systems have not been assessed for gold, although anomalous indicator elements such as As, Sb and Bi were assayed. Many quartz vein systems in the Bynoe Field have not been tested at all.

Most gold prospects are spatially separated from pegmatite bodies; however, a temporal and genetic connection cannot be ruled out. Anecdotally, the gold grade in weathered pegmatite at the Hang Gong tantalum mine was estimated to be only 0.01g/t, but gold regularly appeared in the concentrate tails.

Greenbushes historically reported gold in alluvial concentrates at Booths and Hang Gong drainages. It is possible that this gold was derived from later quartz veins adjacent to or within the pegmatite, which provided a favourable rheology contrast with surrounding metasediments.

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Gold is not visibly apparent in metallurgical concentrates from Grants or BP33, however it has not been assessed geochemically as yet. Numerous gold targets have now been generated and Core believes it is well positioned in terms of tenure, easy access, local expertise and gold prospectivity to consider the gold exploration potential at both the Bynoe and nearby Adelaide River gold projects.

An update on the Adelaide River Gold Project is provided in the “Subsequent Activities” section of this report.

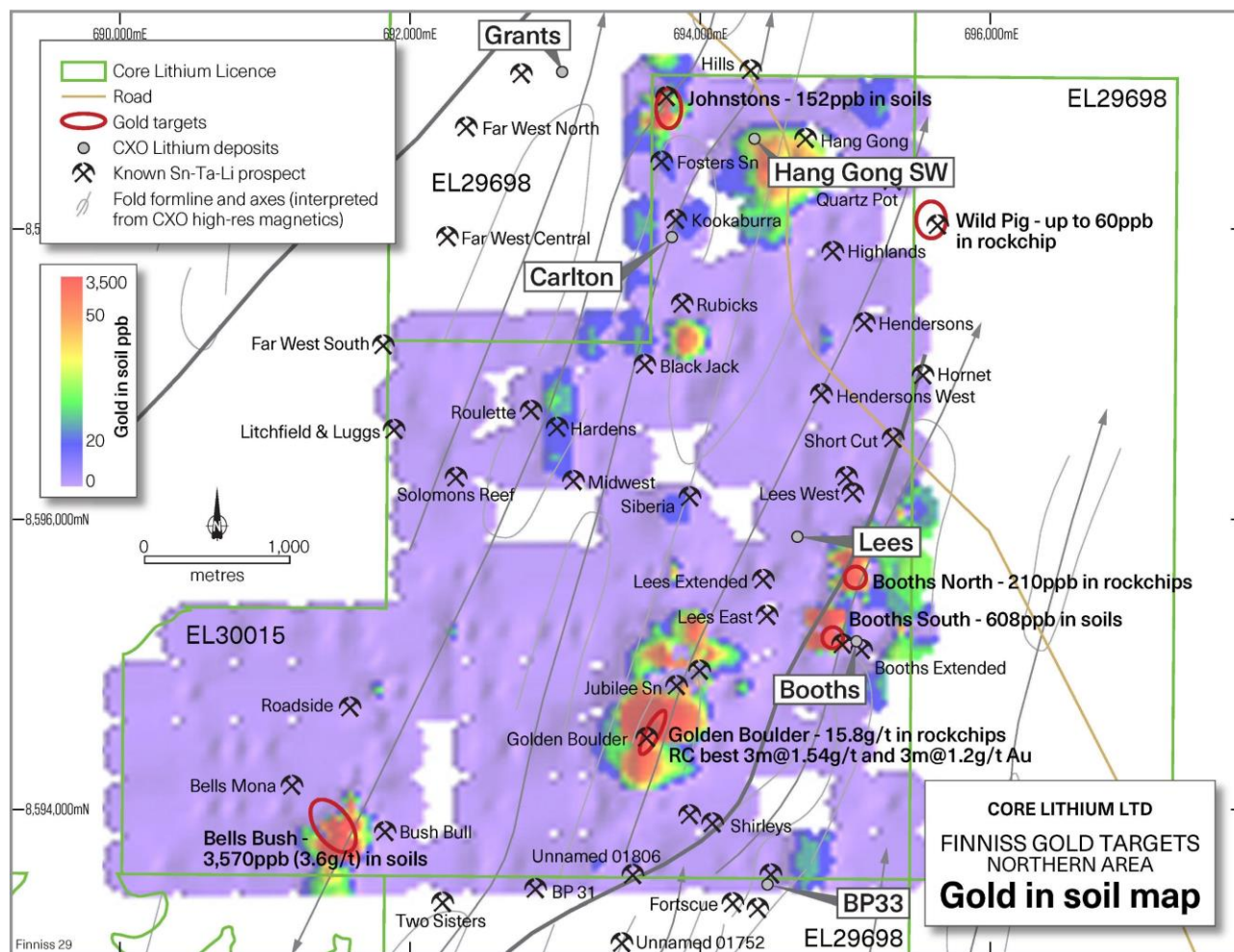


Figure 4. Northern Finnis Lithium Project gold-in-soils grid highlighting existing gold targets and prospects

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First European offtake agreement secured

During the reporting period, Core announced that discussions and negotiations with a potential European offtake partner, Transamine Trading, had culminated in the signing of a non-binding offtake term sheet for the supply of 50,000 tonnes per annum spodumene concentrate from the Finniss Lithium Project.

This offtake comes in addition to Core's existing binding offtake agreement with Yahua for 75,000tpa.

The term sheet paves the way for a binding offtake agreement, which is anticipated later in 2020 and subject to due diligence and a final investment decision (FID) on the Finniss Project by Core.

The initial supply period is for five years, with the option to extend in anticipation of the longer life of mine in the forthcoming revised Feasibility Study on the Finniss Project.

Transamine is a Geneva-based trading company specialising across a range of strategic material functions including sourcing, marketing, logistical support and financial tools.

Transamine has proven lithium offtake experience with various lithium producers and has tied up sound relationship with converters, leveraging their global expertise in non-ferrous metals, complemented by their high standards of conduct, promoting sustainability, social and environmental responsibility.

The successful signing of the term sheet with Transamine is the result of in-depth engagement with several potential offtake parties and project financiers, accelerated since the recent NT Government approval for mining and production from the Finniss Lithium Project.

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Subsequent Activities

Environmental Impact Assessment at Grants extended to match 7-year operation

Subsequent to the end of the June quarter, the Northern Territory Environmental Protection Authority (NTEPA) considered the Company's notification of alteration to extend the operation of the Grants open pit mine and the proposed 1Mtpa DMS process plant to 7 years, and determined that the environmental significance of the altered proposal was unchanged.

The NTEPA decided, in accordance with the Environmental Assessment Act 1982, that the Grants Lithium Project has been altered in such a manner that it adequately addresses the potentially significant environmental impacts and therefore a Public Environmental Report or Environmental Impact Statement is not required.

Core applied for the extension to enable subsequent processing of spodumene pegmatite from the nearby BP33 and Carlton deposits at the proposed processing facility at Grants.

The extension was assessed against the NTEPA's environmental factors and objectives to reconsider the environmental significance of the altered proposal.

Multiple rock-chips assay above 100g/t Au at Adelaide River

In July, Core announced exciting gold results had been identified during a detailed review of historic data for the Company's Adelaide River Project, located in the Pine Creek Orogen of the Northern Territory.

The Adelaide River Gold Project, comprising exploration licence application EL31886, is located 25km south east of Core's flagship Finniss Lithium Project.

Rock-chip gold grades of up to 170g/t Au (including 128g/t Au) at the Possum prospect have only been scantily followed up by previous explorers (ASX: CXO 8/7/20 "Multiple rock-chips above 100g/t Gold at Adelaide River").

During short periods of gold-focussed exploration in the late 1980's and early 2010's, the exploration programs encountered numerous gold vein systems similar to those at the nearby Cosmo gold mine, operated by Kirkland Lake Resources (NYSE: KL, TSX: KL, ASX: KLA).

Kirkland Lake, which recently completed a A\$5 billion takeover of Detour Gold (TSX: DGC), also announced drill results from the nearby Lantern Deposit at Cosmo grading of 578g/t Au over 1.8 m and 67.6g/t Au over 3.1 m (ASX: KLA 18/12/2019).

Kirkland Lake has estimated a total gold NT Mineral Resource of 2,680,000oz @ 2.5g/t, including 1,410,000oz @ 2.5g/t Measured and Indicated and Inferred Resource of 1,270,000oz @ 2.6g/t gold (Kirkland Lake 19/2/2020).

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This highly prospective gold region in the NT has potential for long-term, profitable mining operations in a historic mining district with over 4.5 million ounces of gold produced over the past four decades.

Core's new tenement area hosts extensive laminated quartz veins that locally contain fine visible gold and sulphide-hosted gold, not unlike many of the other gold deposits of the Pine Creek and Cosmo Howley Mineral Fields.

The Adelaide River prospects have received limited exploration to date. Previous geochemical and geophysical surveys of the broader tenement area were limited to small programs over localised areas and individual prospects.

Core sees a significant opportunity to take a more consolidated and systematic approach to exploration over this highly prospective area.

Core plans to undertake further research, assessment and interpretation of the historic datasets and exploration information for the Project over coming months, and expects to update the market as the Company refines its understanding of the Project and progresses plans to commence initial fieldwork on this exciting new gold Project later this year.

Final payment to LTR of \$1.5m cash for Bynoe acquisition

One of the terms under the agreement for Core to purchase the Bynoe Project ("Bynoe Acquisition") from Lontown Resources (ASX: LTR) in September 2017 required Core to pay Lontown \$1.5 million (in cash or shares, at Core's election) within 30 days of Core declaring a Mineral Resource estimate of 5 million tonnes (whether Inferred, Indicated or Measured) in relation to the tenements ("Bynoe Project") sold under the Agreement.

This milestone was met by the Company in June and, as a result, Core made a \$1.5 million cash payment to Lontown in early July.

Core is very pleased with the value realised from the Bynoe Acquisition to date, leading to the Company's recent announcements of Finnis Lithium Project Mineral Resources of 15Mt @ 1.3% Li₂O and Ore Reserves supporting a 7-year LOM. MRE defined by Core on the Bynoe Project subsequent to Bynoe Acquisition have included BP33, Carlton, Hang Gong, Booths, Lees and Sandras.

In addition to these Mineral Resources, the Bynoe Acquisition has also provided Core access to the large process water dam established by Greenbushes in the 1980's – key to Core's plans to develop and potentially expand production from its flagship Finnis Lithium Project in the future.

Core joins European Battery Alliance

Subsequent to the end of the reporting period, Core was pleased to have received notification that it had been accepted as a member of the European Battery Alliance (EBA250), an organisation committed to driving a competitive and sustainable battery industry in Europe by 2025.

The EBA250 is an inclusive ecosystem for interested stakeholders across the European Union's battery value chain and comprises parties that strive to collaborate on initiatives to promote sector growth.

It brings together more than 440 major players from the European Commission, interested EU countries, investment institutions and key industrial, innovation and academia stakeholders and is facilitated by EIT InnoEnergy; the innovation engine for sustainable energy supported by the European Institute of Innovation and Technology.

The EBA250's ultimate goal is to create a competitive and sustainable battery industry in Europe within the next five years, to capitalise on opportunities and capture a new market that the Alliance anticipates will one day grow to be worth about €250 billion (~A\$400 billion) per year.

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Corporate

Placement and SPP raises \$7.6m

In May, Core received firm commitments from institutional and sophisticated investors to complete a Placement of \$5.5 million before costs.

Core also invited shareholders to participate in a \$1.5 million Share Purchase Plan (SPP), in recognition of the continued support of its existing shareholders. The SPP closed early in mid-June with applications exceeding the target, raising \$2.07 million.

The Placement and SPP was priced at \$0.0425 per share.

The proceeds from the capital raising will be used to progress ongoing work at the Finnis Lithium Project.

Appendix 5B – item 6 disclosure

Core's Appendix 5B includes amounts in item 6.1 and 6.2. The amounts in item 6.1 represent director fees paid to entities nominated by relevant directors. The amounts in item 6.2 represent managing director costs capitalised for exploration activity undertaken.

Share capital changes – Ordinary Shares, Options and Performance Rights

During the quarter, the following changes were made to Core's capital structure:

- Issue of 128,360,460 shares under the placement announced on 27 May 2020.
- Issue of 48,807,821 shares under the share purchase plan announced on 27 May 2020.
- Lapse of 500,000 unquoted options that were not exercised prior to their expiry.
- Lapse of 1,000,000 unquoted performance rights where performance hurdles were not met.

Subsequent to the end of the quarter, the following changes were made to Core's capital structure:

- Issue of 1,448,400 shares to director Malcolm McComas under the placement announced on 27 May 2020 and approved by shareholders on 10 July 2020.
- Exercise of 1,450,000 unquoted performance rights where performance hurdles were met.
- Lapse of 1,500,000 unquoted options where performance hurdles were not met.
- Lapse of 4,133,334 unquoted performance rights where performance hurdles were not met.

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A summary of movements and balances of equity securities between 1 April 2020 and this report are listed below (items that occurred subsequent to the end of the quarter are marked*):

	Ordinary shares	Unquoted Options	Unquoted performance rights
On issue at start of the Quarter	792,524,510	44,273,810	28,550,000
Performance rights – lapsed	-	-	(1,000,000)
Options – lapsed	-	(500,000)	-
Share placement	128,360,460	-	-
Share Purchase Plan	48,807,821	-	-
Share placement*	1,448,400	-	-
Performance rights – exercised*	1,450,000	-	(1,450,000)
Performance rights – lapsed*	-	-	(4,133,334)
Options – lapsed*	-	(1,500,000)	-
Total securities on issue at the date of this report	972,591,191	42,273,810	21,966,666

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About Core

Core is well positioned to be Australia's next lithium producer, developing one of Australia's most capital efficient and lowest cost spodumene lithium projects located in close proximity to Darwin Port.

The Finnis Lithium Project has arguably the best supporting logistics chain to markets in Asia of any Australian lithium project. The Project lies within 25km of port, power station, gas, rail and one hour by sealed road to workforce accommodated in Darwin and importantly to Darwin Port - Australia's nearest port to Asia.

Core has already established binding and non-binding offtake agreements and is in the process of negotiating further agreements within the lithium battery supply chain and electric vehicle industry.

Authorised for release by the Board of Core Lithium Ltd.

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Mineral Resources and Ore Reserves

MINERAL RESOURCES					
Deposit	Classification	Tonnes (Mt)	Li ₂ O %	Li ₂ O (t)	LiCO ₃ (t)
Grants	Measured	1.09	1.48	16,100	39,815
	Indicated	0.82	1.54	12,600	31,160
	Inferred	0.98	1.43	14,000	34,622
	Total	2.89	1.48	42,700	105,597
BP33	Measured	1.50	1.52	23,000	56,879
	Indicated	1.19	1.50	17,000	42,041
	Inferred	0.55	1.54	8,000	19,784
	Total	3.24	1.51	48,000	118,704
Sandras	Inferred	1.30	1.0	13,000	32,149
	Total	1.30	1.0	13,000	32,149
Carlton	Measured	0.63	1.31	8,000	19,784
	Indicated	1.20	1.21	15,000	37,095
	Inferred	1.19	1.33	16,000	39,568
	Total	3.02	1.28	39,000	96,447
Hang Gong	Indicated	1.19	1.3	15,300	37,837
	Inferred	0.83	1.19	9,900	24,483
	Total	2.02	1.2	25,200	62,320
Booths & Lees	Inferred (Lees)	0.43	1.3	5,400	13,354
	Inferred (Lees South)	0.35	1.2	4,300	10,634
	Inferred (Booths Link)	1.47	1.06	15,700	38,826
	Total	2.25	1.13	25,400	62,814
Finniss Project	Measured	3.22	1.47	47,100	116,478
	Indicated	4.40	1.37	59,900	148,133
	Inferred	7.10	1.22	86,300	213,420
Finniss Project	Total	14.72	1.32	193,300	478,031

ORE RESERVES

Deposit /Resource	Classification	Tonnes (Mt)	Grade (Li ₂ O%)	Contained Metal (kt)
Open pit				
	Proved	1.0	1.4	14.9
Grants	Probable	0.8	1.5	11.6
	Total	1.8	1.5	26.5
Underground				
	Proved	1.3	1.4	18.4
BP33	Probable	1.0	1.4	13.2
	Total	2.3	1.4	31.5
	Proved	0.6	1.2	7.1
Carlton	Probable	1.0	1.0	10.6
	Total	1.6	1.1	17.8
	Proved	1.9	1.3	25.5
Total underground	Probable	2.0	1.2	23.8
	Total	3.9	1.3	49.3
	Proved	2.9	1.4	40.4
Total all mining methods	Probable	2.8	1.3	35.4
	Total	5.7	1.3	75.8

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Tenement Table

Tenement number	Tenement name	Interest at the end of Quarter	Changes during Quarter
South Australia			
EL 5731	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 27709	Pattersons	0%	Surrendered at anniversary
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	Jervois East	100%	None
EL 29581	Jervois West	100%	None
EL 29689	Riddoch	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 31449	Napperby	100%	None
MLN16	Bynoe	100%	None
ML 31726	Grants Mineral Lease	100%	None
ML32074	Observation Hill Ancillary Lease	100%	None

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Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as Managing Director of Core Lithium Ltd who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Biggins consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this release that relates to the Estimation and Reporting of Ore Reserves is based on, and fairly represents, information and supporting documents compiled by Mr Blair Duncan. Core confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates in the announcements "Grants Lithium Resource Increased by 42% ahead of DFS" dated 22 October 2018, "Maiden Sandras Mineral Resource Grows Finniss to 6.3Mt" dated 29 November 2018, "Finniss Feasibility Study and Maiden Ore Reserve" dated 17 April 2019, "Initial Resource for Lees Drives Finniss Mineral Resource" dated 6 May 2019, "Finniss Lithium Resource increased by over 50%" dated 15 June 2020, "Increased Ore Reserve Significantly Extends Finniss" dated 30 June 2020 and "Napperby Uranium Resource Update and Increase" dated 12 October 2018 continue to apply and have not materially changed. Core confirms that it is not aware of any new information or data that materially affects the results included in this announcement as cross referenced in the body of this announcement.

The Mineral Resources and Ore Reserves underpinning the production target have been prepared by a Competent Person in accordance with the requirements of the JORC code. Core confirms that all material assumptions underpinning production target and forecast financial information derived from the product target announced on 30 April 2019 and 30 June 2020 continue to apply and have not materially changed.

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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 2020

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	-	-
1.2	Payments for		
	(a) exploration & evaluation	(6)	(27)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(220)	(1,206)
	(e) administration and corporate costs	(260)	(1,464)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	60
1.5	Interest and other costs of finance paid	(1)	(4)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	121	161
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(358)	(2,480)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(21)
	(d) exploration & evaluation	(628)	(5,604)
	(e) investments	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
	(f) exploration & evaluation (Royalty)	-	6,875
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Security bond refund)	87	131
2.6	Net cash from / (used in) investing activities	(541)	1,381

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,530	7,880
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(361)	(361)
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 (Lease repayments)	(18)	(98)
3.10	Net cash from / (used in) financing activities	7,151	7,421

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	2,458	2,388
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(358)	(2,480)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(541)	1,381
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,151	7,421
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,710	8,710

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	8,680	2,428
5.2	Call deposits	30	30
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)	8,710	2,458

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	49
6.2	Aggregate amount of payments to related parties and their associates included in item 2	57

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.

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7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<p><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i></p> <p><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i></p>		
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	<p>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.</p>		
	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)	(358)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(628)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(986)
8.4	Cash and cash equivalents at quarter end (item 4.6)	8,710
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	8,710
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.8
	<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: 30 July 2020

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.