

ASX: **CXO** Announcement

17 December 2019

Core completes strategic acquisition of new NT Lithium Project

Highlights

- **Core has completed acquisition of a new strategic lithium project adjacent to the Company's Anningie and Barrow Creek (ABC) Lithium Project in the NT.**
- **ABC Lithium Project comprises large-scale lithium rich pegmatite fields and historic tin-tantalum mining districts with established "LCT" granite sources - similar to Core's Finniss Lithium Project and various WA lithium pegmatite projects.**
- **Demonstrated presence of spodumene in pegmatites of up to 450m long and 15m wide.**
- **Rock chip samples grading up to 4.63% Li₂O, together with 2.31% SnO₂ and 0.61% Ta₂O₅.**
- **Large Early-Stage Exploration footprint - Core holds over 3,250km² of granted tenements in the Anningie and Barrow Creek and Pegmatite Fields.**
- **Rock chip and soil sampling indicate a substantially larger footprint of lithium anomalism than depicted by historic pegmatite workings.**
- **A number of high-quality spodumene drill-ready spodumene pegmatites targets.**
- **Core's expanded ABC Lithium Project in the NT is close to rail connection that links direct to Darwin Port, with synergies to Core's Finniss Lithium Project.**

Advanced Australian lithium developer, Core Lithium Ltd (**Core** or **Company**) (ASX: CXO), is pleased to announce the strategic acquisition of a new lithium project in the Northern Territory.

Core has acquired the Walanbanba Lithium Project - located within and adjacent to Core's Anningie and Barrow Creek (ABC) Lithium Project - from Todd River Resources (ASX:TRT) (Figure 2).

Sampling of the numerous pegmatites mapped in the Bismark area within the Walanbanba Project tenement EL 26848, has returned results with an outstanding maximum lithium grade of 4.63% Li₂O (Exploration results released by Todd River Resources under JORC 2012 on 21/12/2017 & Figure 1. The results have not been independently verified by Core at this time and therefore Core cannot be regarded as reporting, adopting or endorsing those results).

In total, there were 15 rock samples in the area which returned assays of greater than 1% Li₂O, spread over several pegmatite bodies within an area of 350m x 400m. The best grade is associated with spodumene-quartz pegmatite and albite-spodumene-quartz pegmatite, confirmed by XRD analysis.

More significantly, there are 10 results that are over 3% Li₂O. This is very high grade and indicates that there is at least 40% spodumene in the rock sample.

XRD mineralogical analysis was undertaken on a total of 12 rock chip samples identifying the minerals present in the samples. Three of the twelve samples had a high proportion of spodumene identified, with 20-50% of these samples being spodumene (semi-quantitative mineralogy). The spodumene occurs almost exclusively with quartz and albite.

Broad multi-element support is also provided in the lithium-associated elements – Cs, Ta, Sn, and Nb – confirming the Lithium-Caesium-Tantalum (LCT)-type nature of the host pegmatites.

The recent rock chip sampling results are highly anomalous for lithium and confirm both that the pegmatites found in this area are all of LCT type, and that the area has high prospectivity for Li-Sn-W-Ta-Cs related mineralisation.

In summary, the recent exploration focussed on lithium has uncovered evidence to support the ABC Lithium Project represents a genuine early-stage and potentially large-scale lithium province.

In addition to Core's near development-ready Finniss Lithium Project near Darwin, the Company now 100% controls over 3,250 km² of granted tenure over the large-scale ABC Lithium Project in the NT.

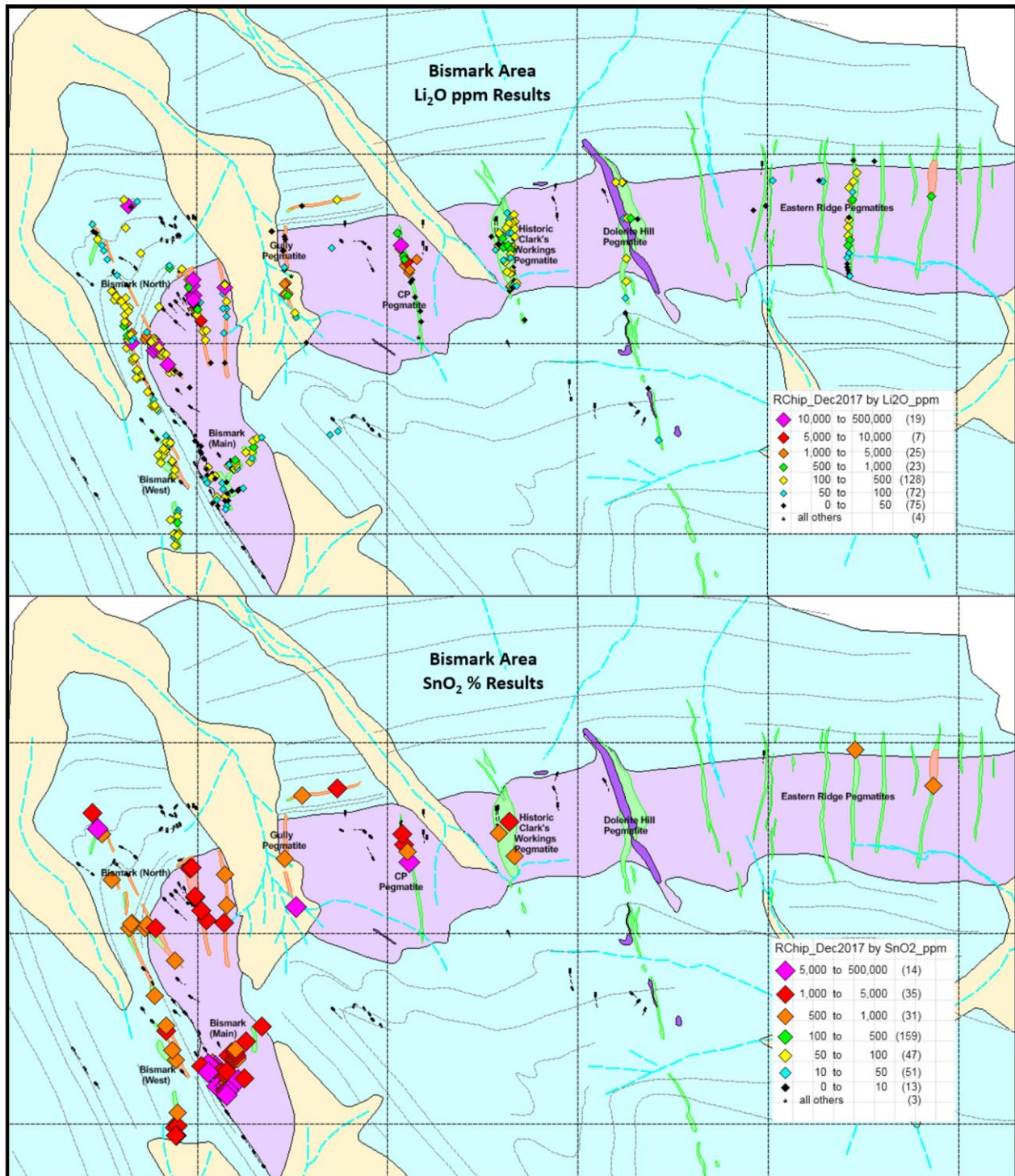


Figure 1. Lithium and Tin assays from rock-chip surface sampling in the Bismark area within EL 26848 (previously announced by ASX:TRT on 21 December 2017).

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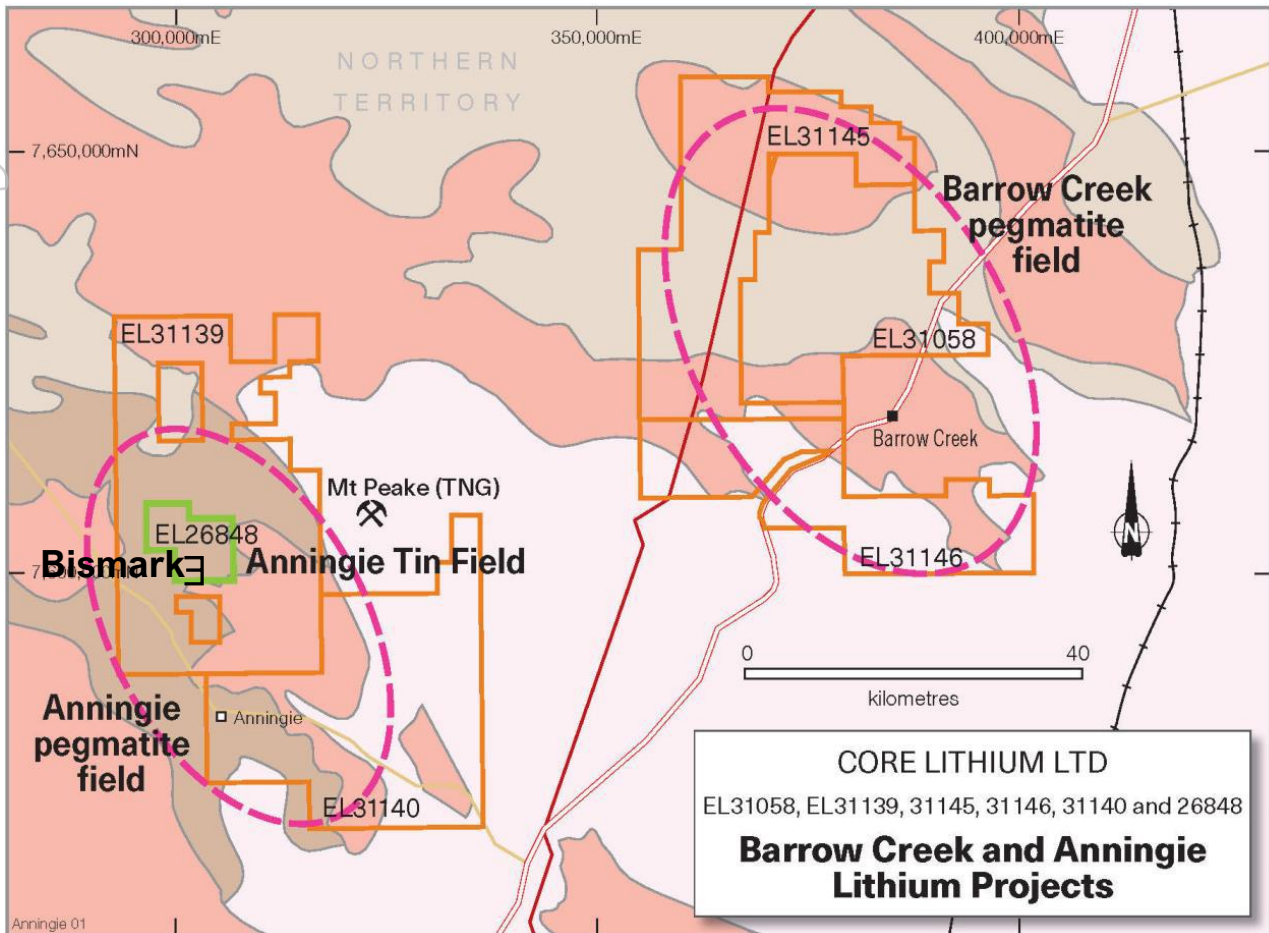


Figure 2. EL 26848 located within and adjacent to Core's dominant tenement holding over the Anningie and Barrow Creek Pegmatite Fields.

As consideration for the acquisition of EL 26848, Core has issued 1,317,792 CXO shares at a price of approximately \$0.038 per share amounting to \$50,000 as announced on 11 October 2019. The shares are subject to voluntary escrow to 30 June 2020 and are issued under the Company's 15% placement capacity. An Appendix 3B follows this announcement.

Core's Managing Director, Stephen Biggins, commented:

"Core's recent discussions with a number of large lithium consumers at various levels within the electric vehicle and lithium battery supply chain suggest that world needs to heavily invest in new lithium supply if car manufacturers are going to achieve the EV production and emission goals demanded by consumers and governments in the near future."

"Not only is there strong recognition of Core's capability to deliver high-quality lithium, at a competitive-cost to the car manufacturing industry, but it can achieve that from a capital efficient, sustainable and transparent sourced near Darwin."

"Core is positioning the Company and the NT to be an important long-term lithium supplier in northern Australia".

About Core

Core is 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, Australia's closest port to Asia.

Core's 2019 DFS highlights production of 175,000tpa of high-quality lithium concentrate at a C1 Opex of US\$300/t and US\$50M Capex through simple and efficient DMS (gravity) processing of some of Australia's highest-grade lithium resources.

Core is currently working toward increasing resources, reserves and mine-life ahead of project construction and lithium production, subject to financing and regulatory approvals.

The Finnis Lithium Project has arguably the best supporting infrastructure and logistics chain to Asia of any Australian lithium project. The Finnis 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 - Australia's nearest port to Asia.

Core has established an offtake and prepayment agreement and is also in the process of negotiating further agreements with some of Asia's largest lithium consumers and producers.

Authorise for release by the Board of Core Lithium Ltd

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