Project overview

Core Lithium's flagship Finniss project has the potential to become the next lithium producer in Australia, aiming for commercial spodumene production in early 2020.

A Definitive Feasibility Study (DFS) for the project was released in April 2019, with a project flowsheet based on the construction of a 1 Mtpa Dense Media Separation plant, producing 180 000 tpa grading 5.5% Li₂O from the project's first two orebodies. These orebodies – Grants and BP33 - are among the highest grade spodumene resources in Australia. The resources at Finniss appear to be amenable to simple open cut mining methods, and the project's low start-up capital cost estimate of $73 million marks the project as one of Australia's lowest capital intensity lithium mining plays.

Since the start of 2018 the Finniss project's resource base has increased by 500% to 9.63 Mt @ 1.3% Li₂O. There is significant potential to grow and extend the project beyond the planned initial 3.5 year mining operation, with an ongoing exploration program aimed at identifying new large pegmatites, increasing resources and extending reserves. Core Lithium has already published resources for six deposits within Finniss, and a significant portion of the project's 500 km² granted tenements remain to be explored. The project area contains 25 historic pegmatite mines, including the Mt Finniss tin tantalum mine – the largest historically producing tin and tantalum mine in the Northern Territory.

The project, which is in the advanced stages of regulatory approval, is advantageously located close to grid power, gas and rail, is less than 2 km from a sealed road and within easy trucking distance of the Port of Darwin, which is one of Australia's closest bulk commodity export ports to east Asia.

Geology and exploration activity to date

The Grants and BP33 prospects have May 2019 Mineral Resources of 2.89 Mt @ 1.48% Li₂O and 2.15 Mt @ 1.51% Li₂O respectively. Together they contain an estimated 80 200 t contained Li₂O. In April 2018 Core Lithium announced a total maiden Mineral Reserve for Grants and BP33 of 2.2 Mt @ 1.4 % Li₂O.

JORC-compliant Mineral Resources have also been published for the Sandras, Carlton, Hang Gong and Lees deposits, bringing the total combined Mineral Resource for the Finniss project area to 9.63 Mt @ 1.3 % Li₂O. Core Lithium has announced promising exploration results from other prospects including Lees-Booths Link and prospects in the southern part of the project area such as Turners and Talmina 3. Drilling results at Lees-Booths Link and Hang Gong suggest that pegmatites in these areas are shallowly-dipping and stacked, unlike the sub-vertical pegmatites at Grants and BP33.
Infrastructure

The Finniss project has the advantage of close proximity to the regional infrastructure and stable workforce of the city of Darwin. Available infrastructure includes a sealed road within 2 km of the project, nearby grid power, gas and rail. The project is only 50 km by road from the Port of Darwin, which is Australia’s closest bulk commodity export port to east Asia.

Project economics

- Recent metallurgical test work results for Grants Pegmatite are encouraging, with up to 79% lithium recovery at a high 5.5% grade lithium concentrate using an industry standard Dense Media separation (DMS) process. The quality of the concentrate produced was also excellent, with less than 0.71% Fe₂O₃ and less than 3% combined alkali content.
- The Finniss project’s May 2019 Definitive Feasibility Study indicate strong economics, with a pre-tax nominal IRR of 80%, NPV of $114 million and revenue of $501 million generated over a 3.5 year mine life based on an average life of mine sale price of $981/t (US$687/t) concentrate. This allows for a rapid payback period of less than 1.5 years.

Project status and development timeline

- Core Lithium was granted a mineral lease for the Grants deposit in January 2019. Core Lithium aims to begin construction and mining in 2020.
- The project has completed the environmental assessment process and final mining approvals are in process.
- The company has selected preferred lead contractors for various work packages at the Finniss project.
- Binding agreements have been signed accounting for 50% of planned lithium concentrate from the Finniss project and discussions continue with other potential offtake partners.

Investment sought

Core Lithium is interested in either offtake agreements, or the sale of a minority interest with an investment partner able to contribute to the capital cost in return for offtake of lithium from the project.

JORC Resource Estimates

The Finniss project has Indicated and Inferred Resources reported on 6 May 2019 at a cutoff of 0.75% Li₂O.

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Resource Tonnes</th>
<th>Li₂O Grade %</th>
<th>Contained Li₂O (t)</th>
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<tbody>
<tr>
<td>Grants</td>
<td>2 890 000</td>
<td>1.48</td>
<td>42 700</td>
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<tr>
<td>BP33</td>
<td>2 150 000</td>
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<td>33 000</td>
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<tr>
<td>Sandras</td>
<td>1 300 000</td>
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<td>13 000</td>
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<td>Carlton</td>
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<td>Hang Gong</td>
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<td>17 000</td>
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<tr>
<td>Lees</td>
<td>780 000</td>
<td>1.3</td>
<td>9 700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9 630 000</strong></td>
<td><strong>1.3</strong></td>
<td><strong>129 400</strong></td>
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