

23 January 2025

ASX: CXO Announcement

December Quarterly Activities Report

Australian lithium company Core Lithium Ltd (**ASX: CXO**) (**Core** or **Company**) is pleased to provide its quarterly activities report for the quarter ended 31 December 2024.

Summary

- Restart study for the Finnis lithium project progressing as planned and is on track for completion in the June quarter
- Cash of \$50 million at 31 December 2024 (September quarter: ~\$61 million), which includes payment of final quotation period amount for FY24 shipments
- Outstanding drilling results, including 63m @ 1.67% Li₂O, received at the Blackbeard lithium prospect located on a granted Mining Lease 20km from the Finnis process plant
- Further encouraging gold drill results at Shoobridge, including 6m @ 5.12g/t Au with follow-up drilling completed and results to be provided in the March quarter
- Alicia Sherwood was appointed as a Non-Executive Director

Commenting on the December quarter of 2024, Core CEO Paul Brown said:

"The December quarter saw continued progress across three key areas of our business, including the Restart Study workstreams, maintaining operational readiness, and advancing our exploration program.

Optimising our future mining and processing activities remains a key focus of the Restart Study. I've been encouraged by what the team has been able to identify and capture in the study work to date. We aim to make Finnis a more efficient, lower cost and resilient operation. We will seek to align our strategy with the prevailing market dynamics when the Restart Study is concluded in the June quarter.

Our strategic focus on maintaining operational readiness at Finnis to support this restart work continues. During the quarter, this included ongoing geotechnical monitoring, proactive water management preparations for the wet season and key infrastructure improvements. Safety and our environmental impact remain priorities for Core. We're pleased to report that there have been no significant safety or environmental incidents during this period.

Exploration has yielded some outstanding drill results, from lithium at Blackbeard and gold at Mt Shoobridge. Programs during the quarter sought to test early stage targets, and we will patiently and methodically test the scale of mineralisation discovered at these projects over the year.

All of this was achieved while maintaining a strong focus on preserving our balance sheet and adhering to a strict budget. Expenditure significantly slowed relative to the September quarter. We ended December with a strong cash balance of around \$50 million to support our growth efforts in what promises to be an active 2025."

Sustainability

Core reported no lost time injury or significant environmental incidents during the quarter. Two minor safety incidents occurred with our drilling contractor. Environmental and regulatory compliance remain key priority, with ongoing monitoring to maintain water balances and weed management during the wet season.

Preparatory works for wet season water management are in place including:

- Water storage at 52% capacity as planned
- Repairs and extensions to existing water management pipework completed
- Recently acquired trailer and skid-mounted pumps deployed and connected to pipework networks
- Submersible pump installed in Grants pit to enable delivery of water to surface storage infrastructure.
- Water treatment to attain optimum chemistry for dilution management
- Water transferred between surface storages to the discharge dam.

Core acquired a larger weed spray unit that enhances our weed control capabilities as part of the Care and Maintenance strategy. This supports the weed treatment program, which has begun with planned activities at Finnis that will extend throughout the wet season. These activities involve mapping weed populations across BP33 and Grants leases, applying herbicide in crucial infrastructure areas and roads, and scaling up the program during the wet season.

Balance Sheet

Core ended the quarter with \$49.7 million cash at the bank (30 September 2024: \$61.3 million). The key movements in the Company's cash during the quarter were:

- One-off non-recurring payments of \$3.5 million in relation to quotation period (QP) adjustment for shipments made during FY24. This finalised all outstanding QP sales to date, and no further QP payments are expected before any potential operational restart.
- Finnis site costs of \$3.4 million primarily related to Finnis site and DMS plant care and maintenance for operational readiness, site salaries, and safety and security measures. Cash payments were above the prior quarter due to working capital movements.
- Exploration expenditure of \$3.4 million for greenfield exploration drilling, sampling, assaying and ancillary expenditure at Finnis, Shoobridge and Blackbeard.
- Employee and corporate-related expenses of \$3.1 million.
- Foreign exchange gain of \$2.7 million related to USD and AUD exchange movement.

Core continues to hold a stockpile of approximately 5,000 wmt of spodumene concentrate and 75,000 wmt of lithium fines, which remain available for sale should market conditions improve.

Cash outflows were all in line with expectations. They primarily consisted of site maintenance, exploration expenses, and costs associated with the Restart strategy, broadly in line with the September quarter (excluding the final QP payment made in the December quarter discussed above).

During the quarter, Charger Metals NL (Charger Metals) exercised its pre-emptive right to acquire Livium Ltd's (previously Lithium Australia) 30% free carried interest in the Bynoe Joint Venture. Consequently, the agreement between Core and Livium to purchase this interest has lapsed. Core retains a 9.8% interest in Charger Metals.

Finniss Lithium Operations

Geotechnical Monitoring

Regular geotechnical monitoring of the Grants Pit and BP33 Box Cut continues to confirm stability, with prism readings showing no signs of movement. This ongoing work ensures safe access to the contained water for essential pump maintenance and water sampling.

Operational Updates

Key operational activities to maintain readiness and support restart planning include:

- Condition assessment: Progressive evaluation of plant pumping infrastructure to guide restart preparations.
- Equipment servicing: Maintenance of power generation equipment to ensure reliability.
- Inventory management: Development and implementation of inventory processes to streamline operations.

These measures ensure the site remains safe, functional, and well-prepared for wet season management and future restart activities.

Restart Study Update

The Restart Strategy continues to progress well, with significant advancements in both mining and processing workstreams. The study remains on track for completion by the June quarter. Details of the work to date include:

Mining Optimisation

Key activities to optimise mining operations at the BP33 underground mine are focused on:

- Operating and capital costs: Identifying opportunities to reduce future expenses.
- Boxcut, portal, and decline design: Refining designs for improved efficiency.
- Mining method and backfilling: Enhancing techniques to optimise ore recovery and waste management.
- Dilution control: Minimising waste and maximising ore extraction.
- Orebody recovery and mining sequence: Maximising resource recovery through strategic sequencing.
- Ventilation and dewatering strategy: Ensuring safe and efficient underground conditions.
- Project timeline: Streamlining schedules for timely execution.

Optimisation efforts are already identifying opportunities to enhance BP33's cost efficiency and improve project returns compared to previous estimates.

The optimisation study for the Grants open pit also advances, focusing on mining methods, pit wall design, and cut-off grade refinement.

Processing Enhancements

Processing workstreams are investigating:

- Engineering design and process flowsheet: Updating designs to improve efficiency and recovery rates.
- Costings and schedules: Developing detailed financial models and timelines.
- Metallurgical testwork: Ensuring the process plant achieves optimal recovery at reduced operating and capital costs compared to prior projections.

Positioning for Success

The ongoing work to date across mining and processing continues to align with our stated aim of delivering a more efficient, lower-cost operation at Finniss. These efforts seek to ensure the Finniss Project is well-positioned for a successful restart and aligned with evolving market conditions. Further updates on this work's progress will be shared as the Restart Study proceeds.



Figure 1 Grants processing site in October 2024

Exploration and Development

Lithium Exploration

Ongoing drilling at Finniss during the quarter focussed on key targets adjacent to the existing Grants open pit and at the Blackbeard prospect.

Results received from RC drilling at Blackbeard were particularly encouraging and included¹:

- **63m @ 1.67% Li₂O** from 166m, including 20m @ 2.09% Li₂O from 208m (NRC269)
- 24m @ 0.70% Li₂O from 188m (NRC270)
- 22m @ 0.68% Li₂O from 135m, including 6m @ 1.25% Li₂O from 208m (FRC488)

¹ Refer to ASX announcement "New High-grade Lithium Drill Results within 20km of Grants" released 6 November 2024
corelithium.com.au

The Blackbeard prospect is favourably located approximately 20km from the Grants processing facility. Drilling has confirmed a steeply dipping primary pegmatite up to 45m thick and the existence of a smaller subparallel pegmatite to the north, which is also mineralised. Blackbeard and the nearby Centurion prospect form a 600m mineralised trend, one of the largest within the Finnis Project area, this mineralised zone generally remains open at depth. The trend is situated entirely within the granted mining lease (MLN1148) and offers significant future growth potential for Core through expedited development. Additional priority exploration opportunities in the area remain to be tested.

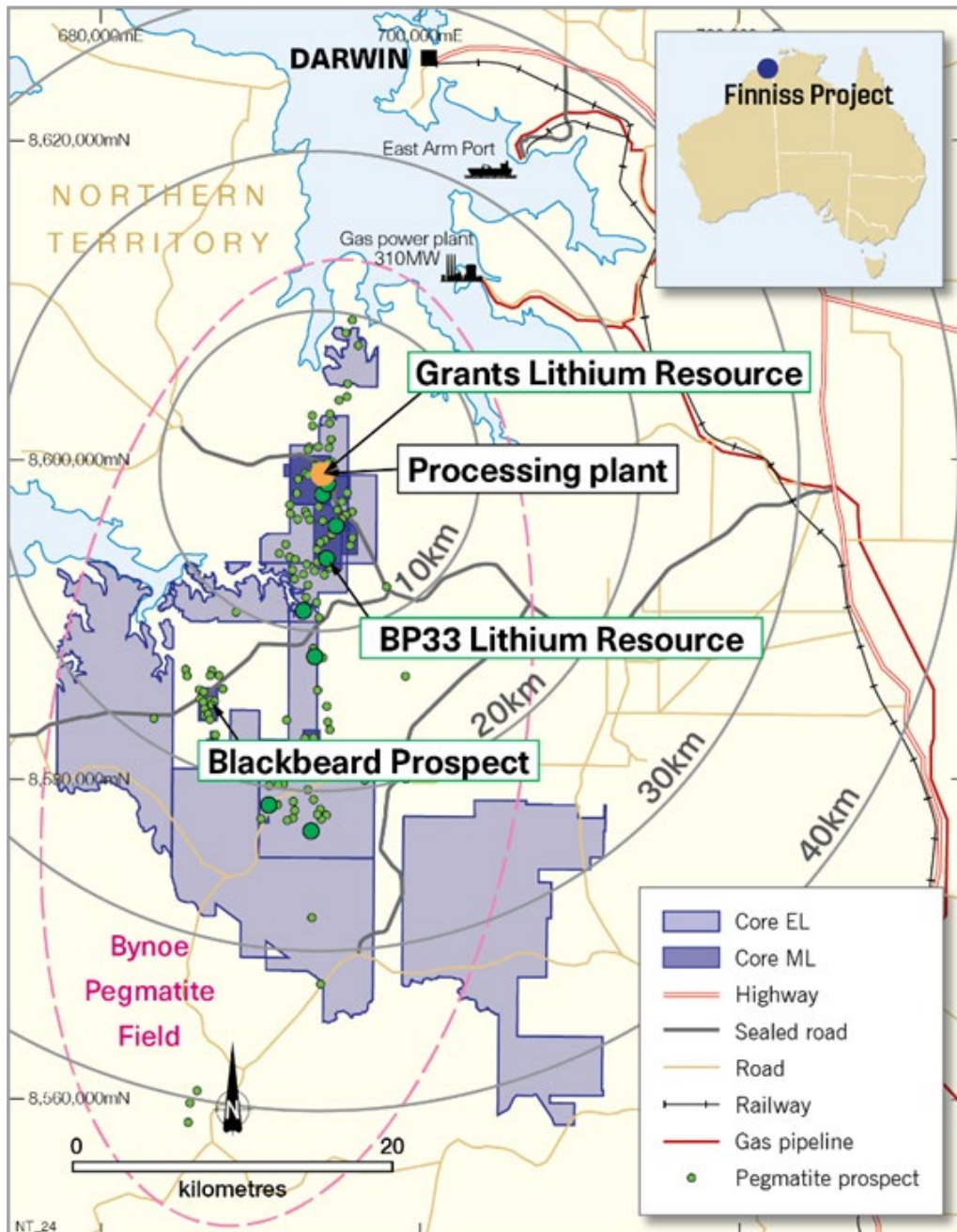


Figure 2 Location of Blackbeard Prospect and Grants processing facility

Gold Exploration

During the quarter, further results from RC drilling at Shoobridge were received.² A follow up program was also completed. Drilling intercepts confirmed the existence of high-grade gold mineralisation and included:

- **12m @ 2.93g/t Au** from 56m, including **6m @ 5.12g/t Au** from 62m (SBRC0026)
- **4m @ 3.73g/t Au** from 45m (SBRC0024)

The drill program focussed on a 1km section of a 4.5km long trend of gold in soil anomalism between an area north of Mount Shoobridge and the Old Company prospect (Figure 3). These results confirm the presence of shallow, high-grade gold zones which exist within a broad (up to 60m) envelope of low-grade mineralisation. The trend at Mt Shoobridge is steeply dipping to the east and remains open along strike.

The Shoobridge project is located in a gold province that hosts multiple +1 million ounce deposits and is approximately 10km from the Stuart Highway.

A follow up 4,500m RC and diamond drill campaign to better understand the controls on mineralisation and test for depth extensions was completed during the quarter, with results due in the March 2025 quarter.

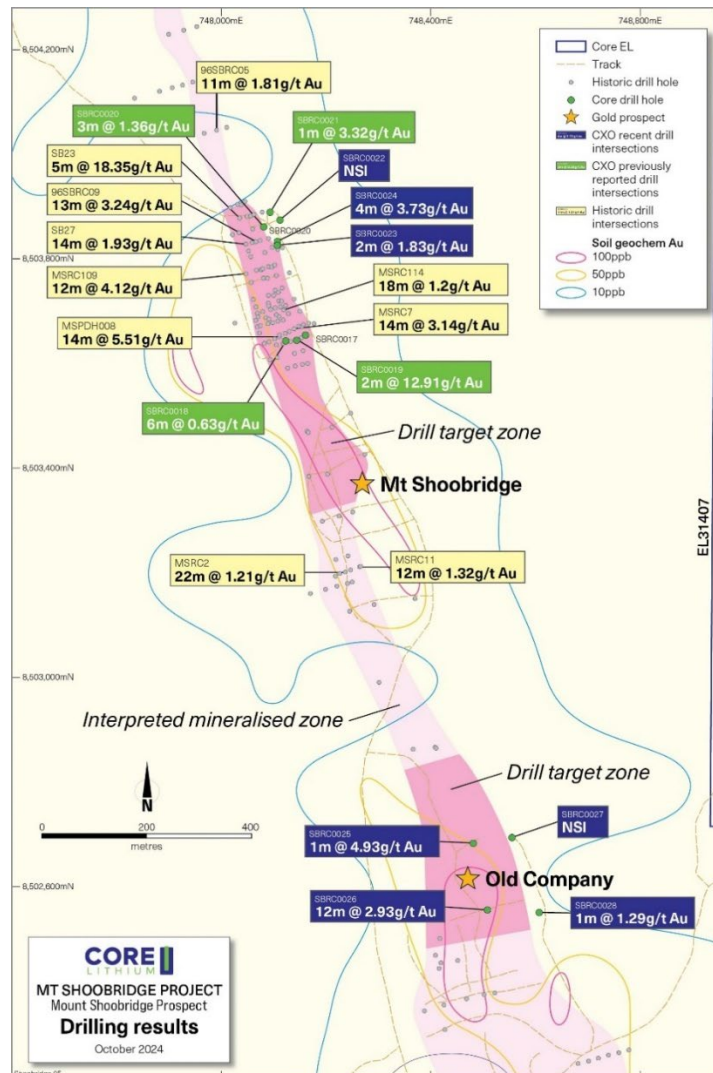


Figure 3 Shoobridge current and historic drilling highlights

² Refer to ASX announcement “Gold hits continue as drilling resumes at Shoobridge” released 21 October 2024 corelithium.com.au

Corporate

Director appointment

On 1 December 2024, the Core Lithium Board appointed Alicia Sherwood as a Non-Executive Director. Ms Sherwood brings over 25 years of experience across the private, public, and not-for-profit sectors, with a strong focus on stakeholder management, governance, and leadership. She has a proven track record of building and driving collaborations between businesses, governments, communities, and Indigenous organisations to deliver mutually beneficial outcomes. Ms Sherwood's most recent executive role was General Manager of Core's Finnis Lithium Mine, where she was responsible for the day-to-day mining operations and stakeholder engagement. Ms Sherwood has an intimate knowledge of Core's mining operations and the risks and opportunities of working in the Northern Territory.

Other disclosures

As at 31 December 2024, Core had the following capital structure:

- 2,143,015,544 ordinary shares
- 17,194,161 unquoted performance rights
- 7,500,000 unquoted options

Core's Appendix 5B includes an amount of \$93k in item 6.1. The amount in item 6.1 represents director fees paid to entities nominated by relevant directors.

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 and that all material assumptions and technical parameters underpinning the Mineral Resources Estimates (MRE), Ore Reserve Estimates (ORE), production target and forecast financial information derived from the production target continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.

Tenements

Tenement number	Tenement name	Interest at the end of Quarter	Changes during the Quarter
South Australia			
EL 6574	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 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 29698	Finniss	100%	None
EL 29699	Bynoe	100%	None
EL 30012	Bynoe	100%	None
EL 30015	Bynoe	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 31407	Shoobridge	100%	None
EL 31449	Napperby	100%	None
EL 31886	Adelaide River	100%	None
EL 32205	Finniss Range	100%	None
EL 32392	Ivy	100%	None
EL 32396	Murray Creek	100%	None

Tenements(cont.)

Tenement number	Tenement name	Interest at the end of Quarter	Changes during The Quarter
Northern Territory			
EMP 28651	Observation Hill (Extractive Lease)	100%	None
ML 29912	Saffums	100%	None
ML 29914	Labelle	100%	None
ML 29985	Angers North	100%	None
ML 31654	Annie/Old Crusher	100%	None
ML 31726	Grants Mineral Lease	100%	None
ML 32074	Observation Hill (Ancillary Lease)	100%	None
ML 32278	Grants Dam (Ancillary Lease)	100%	None
ML 32346	BP33 Mineral Lease	100%	None
MLN16	Bynoe	100%	None
MLN813	Bilatos	100%	None
MLN1148	Centurian	100%	None

This announcement has been approved for release by the Core Lithium Board:

For further information, please contact:

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About Core

Core Lithium Ltd (ASX: CXO) (Core or Company) is an Australian hard-rock lithium company that owns 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

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.

**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") 31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	(3,457)	(3,028)
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	(13,599)
(d) staff costs	(1,517)	(4,334)
(e) administration and corporate costs	(1,564)	(2,899)
(f) care and maintenance	(4,422)	(6,686)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	304	542
1.5 Interest and other costs of finance paid	-	(38)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(10,656)	(30,042)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(327)	(1,508)
(d) exploration & evaluation	(3,402)	(5,676)
(e) investments	(76)	(76)
(f) other non-current assets - mine development	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.5	Other (Net proceeds / (payments) for Security bond)	381	341
2.5a	Other (Government grant co-funding received/ (paid))	-	(918)
2.6	Net cash from / (used in) investing activities	(3,424)	(7,837)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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 (Payments of lease liabilities)	(129)	(316)
3.10	Net cash from / (used in) financing activities	(129)	(316)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	61,276	87,606
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,656)	(30,042)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,424)	(7,837)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(129)	(316)
4.5	Effect of movement in exchange rates on cash held	2,663	319
4.6	Cash and cash equivalents at end of period	49,730	49,730

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	49,730	61,276
5.2 Call deposits	-	-
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)	49,730	61,276

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	93
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7. Financing facilities Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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 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.		
N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(10,656)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,402)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(14,058)
8.4	Cash and cash equivalents at quarter end (item 4.6)	49,730
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	49,730
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.5
	<i>Note: if the entity has reported positive relevant outgoings (i.e. 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>	

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: 23 January 2025

Authorised by: By the Board

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 – e.g. 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.