

22 December 2023

ASX: CXO Announcement

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Strategic Review of Operations Underway

Core Lithium Ltd (**ASX: CXO**) (Core or the Company) has been undertaking a strategic review of operations to address the deterioration in lithium market conditions. The price of spodumene concentrate has declined more than 80% year to date, including by more than 40% since the end of October 2023.

As noted at the Company's recent Annual General Meeting, Core continues to focus on factors within its control, including reducing costs, enhancing the mine plan, timing growth projects, and optimising our assets.

The Company has now been producing concentrates for ten months and has seen improvement in mine productivity and plant performance over that period. However, the current decline in the spodumene price has caused the Company to investigate a range of options to lower costs and increase productivity. Options being considered include changes to the mining strategy and plan, such as prioritising ore mining and possible temporary curtailment of mining operations, commercial solutions and reductions in exploration and other discretionary expenditures. Over recent months, the Company has built a significant ROM (run-of-mine) stockpile and will continue processing ore and making spodumene concentrate during the wet season.

The review will prioritise preserving business value and future options. Given the difficulties associated with mining and construction in the wet season and the focus on reducing expenditure, BP33 early works have been suspended.

Core has seen steady operations since the onset of the wet season despite above average rainfall during November. Shipments comprising 10,350t of concentrate and 16,374t of fines were made in October, with 10,188t of concentrate and 16,246t of fines shipped in November. Another shipment of spodumene concentrate is due to be made in December. Future sales of the fines material will be subject to market conditions.

The cost reductions and productivity improvements being targeted by the Company are expected to reduce expenditures and operating costs; however, discussions with contractors and suppliers are not yet complete, so the amount of potential cost savings is unknown. The Company will provide an update on the cost-saving initiatives in the Company's Quarterly Report for the period ending 31 December 2023 or prior in the event of any material developments.

CEO Gareth Manderson said, "The team at Core are working at pace on all options to optimise our business and position it as well as possible in the current lithium pricing environment.

While we are experiencing market volatility today, our focus is on the continued safe and efficient operation of the Finniss project while preserving the value of our operating asset, projects and exploration potential."

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 mining company that owns and operates the Finiss 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.

All references to dollars (\$) and cents in this announcement are to Australian dollars, unless otherwise stated.