



Australia's  
newest  
lithium  
producer

Q2 FY24 quarterly update  
Gareth Manderson (CEO)

24 January 2024



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Unless otherwise stated, all cashflows are in Australian dollars, are undiscounted and are in real terms (not subject to inflation/escalation factors).

## Forward-looking Statements

Generally, this forward-looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this release are cautioned that such statements are only predictions, and that the Company’s actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to general business, economic, competitive, political and social uncertainties; the actual results of current exploration, development and construction activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of lithium; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accident, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. This list is not exhaustive of the factors that may affect forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to or revise any forward-looking statements whether as a result of new information, estimates, or options, future events or results or otherwise, unless required to do so by law. Statements regarding plans with respect to the Company’s mineral properties may contain forward-looking statements in relation to future matters that can be only made where the Company has a reasonable basis for making those statements.

## Past Performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

# Q2 FY24 Highlights

## Operations



Initiation of Strategic Review of Operations

20% Increase in Recovery of lithium

**60%**

(Q1FY24: 50%)

39% Increase in Spodumene concentrate production

**28,837t**

(Q1FY24: 20,692t)

Concentrate grade

**4.7%**

(Q1FY24: 5.0%)

Cash operating unit cost of

**\$1,953/t**

(Q1FY24: \$1,889/t)

## Sales & Marketing



Spodumene concentrate shipped

**30,718t**

Average provisional realised price

**US\$1,418/t**

Lithium fines shipped

**31,296/t**

## Exploration & Development



### BP33

Feasibility study continues

BP33 Measured and Indicated Resource upgraded to

**89%**

of total resource<sup>1</sup>

### CY23

exploration program concluded and results being received.

## Corporate & Financial



Cash balance of

**\$124.8m**

and no debt (as at 31 December 2024)

Cost and capital guidance lowered, reflecting suspension of mining and cost reduction programs

## Sustainability



One recordable safety incident (hand injury)<sup>2</sup>

Critical Risk Management (CRM) Program continues to be rolled out across the business

Wet season preparation and investment in water management infrastructure well underway

**8** community grants awarded to community groups across greater Darwin region

1. Refer "BP33 Mineral Resource upgraded to 89% Measured and Indicated" 16 October 2023. Refer "BP33 Mineral Resource upgraded to 89% Measured and Indicated" 16 October 2023. The BP33 Mineral Resource announced on 16 October 2023 is comprised of Measured Resource 2.85Mt @ 1.44Li<sub>2</sub>O, Indicated Resource 6.51Mt @ 1.55Li<sub>2</sub>O and Inferred Resource 1.14Mt @ 1.59Li<sub>2</sub>O. Total BP33 Mineral Resource of 10.50Mt @ 1.53Li<sub>2</sub>O. Core Lithium confirms that the Company is not aware of any new information or data that materially affects the Mineral Resource Estimates cross referenced in this report and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

2. A forearm laceration was sustained by a team member. See full Quarterly Activities report for details.



# Strategic Review of Operations – 54% drop in spodumene price during the quarter

Minimise costs, preserving cash reserves and safeguard the long-term value of the business and its assets

## Operations

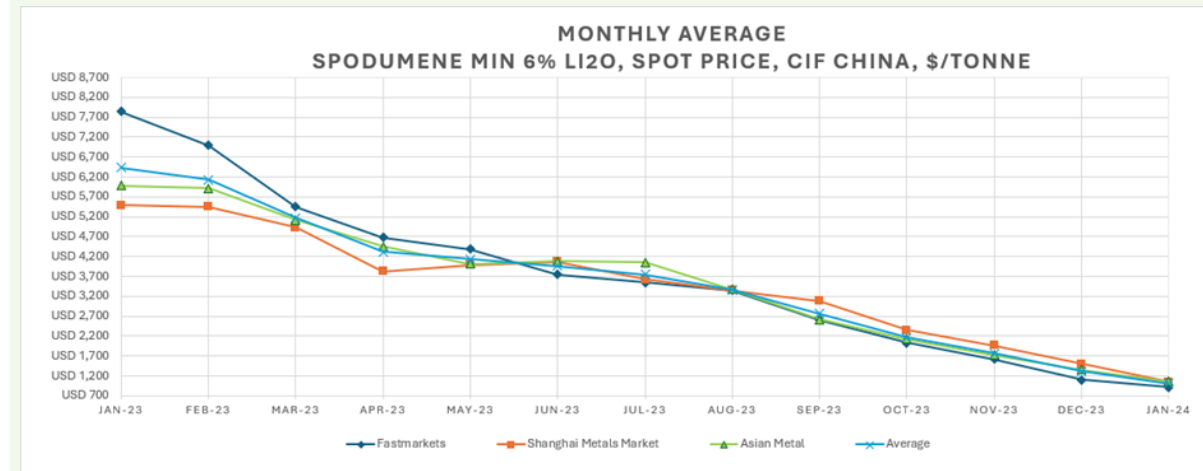
- Mining at the Grants open pit temporarily paused
- By suspending operations, rather than preferentially mining ore over waste, the current mine plan will be preserved resulting in improved economics of future mining activities
- Production of spodumene concentrate to continue from stockpiles:
  - Recovery improvement initiatives will continue
- Opportunity to recommence mining as market conditions improve

## Exploration and development

- BP33 early works program paused, project placed on care and maintenance
- BP33 mine study and Carlton feasibility study will continue

Moving quickly to preserve Finnis' value in a softening pricing environment

- Spodumene concentrate price down 85% since January 2023
- Spodumene concentrate price down 54% since September 2023



# Strategic Review of Operations – concentrate production to continue until mid CY24

## Broadly on track with previous production expectations, reduced cost guidance for H2FY24

- Production is expected to be broadly in line with original guidance (lithia unit basis), however, the bottom end of the range has dropped below the initial forecast.
- Ore stockpiles (ROM) should be sufficient to continue concentrate production till Q4FY24
- Should mining resume in H1FY25, guidance would be revised
- Site sustaining capital reduced
- Minimal deferred stripping expenditure
- H2FY24 Unit cash costs of \$800-900/t
- Temporary suspension of lithium fines product sales
- BP33 early works costs have been lowered with the suspension of activity
- Cost reduction program continues to reduce cash spend further, including studies, exploration and corporate costs.

### Revised FY24 Guidance

	FY2024 Original	FY2024 Revised
<b>Production (subject to weather conditions)</b>		
Concentrate Production (t)	80,000-90,000	90,000-95,000
Production Grade	5.50%	4.77%
Concentrate Sales (t)	90,000-100,000	80,000-90,000
Sale of fines (t) <sup>1</sup>	85,000-95,000	46,298 – Future sales subject to market conditions
<b>Costs and Capital expenditure</b>		
Cash operating unit costs (\$/t) <sup>2</sup>	\$1,470-\$1,570	\$1,350-\$1,400
Site sustaining capital	\$20-\$25m	\$22-\$23m
Deferred Stripping	\$45-\$50m	\$3m
<b>Growth expenditure</b>		
BP33 Early Works	\$45-\$50m	\$36-\$37m
Exploration and study expenditure <sup>3</sup>	\$35-\$40m	\$27-\$29m
<b>Royalties</b>		
NT Royalty	8%-10%	2%
LRC Royalty	2.5%	2.5%

<sup>1</sup> Treated as a by-product credit to Cash operating unit costs.

<sup>2</sup> Cash operating unit costs (FOB Darwin excluding royalties) include mining, processing, transport, port charges, and site based general and administration costs and are net of fines margin by-product credit. It is calculated on an accruals basis and includes credits for capitalised deferred mine waste stripping. Excluded from the cash operating unit cost in the 6 months to 30 June 2024 is an estimated \$3-\$3.5 million relating to care and maintenance costs to maintain the Grants open pit, as well as demobilisation costs.

<sup>3</sup> Includes Finnis District and Greenfields expenditure and study costs.

# Finniss operational update

## Significant improvements from pit to port

### Operations Performance Improvement

- 39% Increased Concentrate production, 28,887t @ 4.7% Li<sub>2</sub>O (20,692t in Q1FY24)
- 289kt Ore stocks at 31 December (185kt Q1FY24)
- Recovery was 60% for the quarter following successful improvement trials (~47% in February and March 2023)
- Processing plant reliability improvements increased plant runtime and led to more stable plant conditions
- Haul road improvements and upgraded dewatering infrastructure significantly reduce time to return to mining operations during above average November rainfall

### Quarterly Operating Performance

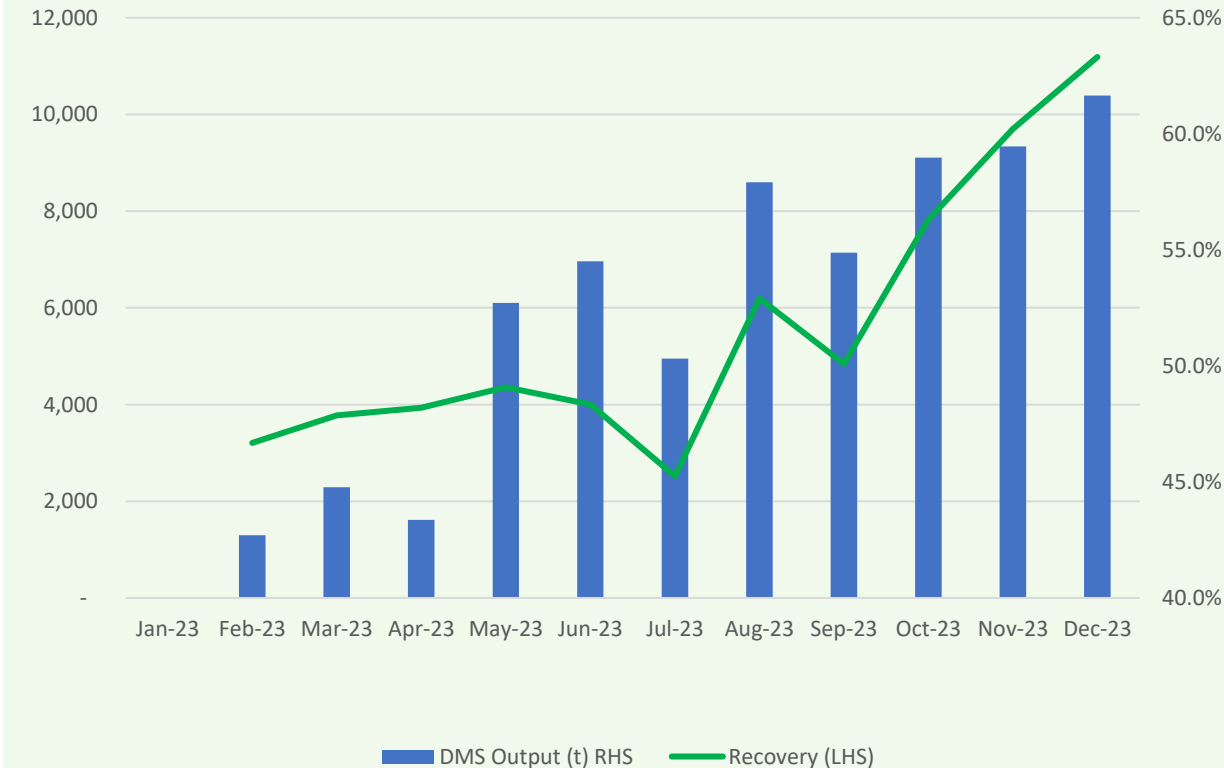
		Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
<b>Production</b>					
Spodumene concentrate produced	t	3,589	14,685	20,692	<b>28,887</b>
Recovery	%	47	49	50	<b>60</b>
<b>Sales</b>					
DSO Shipments	t	14,774	–	–	-
Spodumene Concentrate Shipments	t	–	5,423	23,424	<b>30,718</b>
Concentrate grade shipped	%	n/a	5.4	5.2	<b>4.8</b>
Lithium fines extracted				29,197	<b>34,787</b>
Lithium fines shipped	t	–	–	15,002	<b>31,296</b>
<b>Costs</b>					
Cash operating unit cost	\$/t	2,386	1,691	1,889	<b>1,953</b>

# Recovery improvement trials continue to see uplift

Recoveries: 56% October, 60% November and 63% December



Spodumene concentrate production



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# Our focus in current market conditions

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- Have moved quickly to reduce expenditure in weak market
- Operating, capital and corporate costs reduced
- Preserve value in our assets and balance sheet
- Will ready the business to respond to market conditions





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