

Core Lithium Ltd

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Core Exploration enters lithium off-take term sheet with US\$35 million prepayment, share rise

Core Exploration Ltd (ASX:CXO) has entered into a non-binding term sheet with one of China's largest lithium producers, Shandong RuiFu Lithium Co Ltd.

Notably, the term sheet outlines a US\$35 million pre-payment facility alongside the 150,000 tonnes per annum lithium concentrate agreement for the Finniss Lithium Project near Darwin.

The term sheet provides that Core and RuiFu intend to negotiate in good faith with the aim of entering into legally binding agreements.

READ: Core Exploration eyes larger lithium resource at Grants following high-grade hits

Core's managing director Stephen Biggins said: "This funding and concentrate supply term sheet with RuiFu, along with our existing prepayment agreement with Yahua, sum to US\$55 million in pre-payments, and has the potential to provide the funding solution for the relatively low capex required to get the Finniss Lithium Project into production.

"The execution of the non-binding term sheet not only validates the high quality of Core's Finniss Lithium Project but also the strong success Core is having in developing relationships with some of China's largest lithium producers."

"As we progress this project towards development we are continuing to build relationships with potential off-takers from China, Korea and Japan.

"We see the development of Grants as just the beginning for Core, as we anticipate Core's bank of Mineral Resources expand in the future, and our entry into production should be well-timed to coincide with what we see as rapidly increasing global long-term demand for lithium batteries."

Off-take, prepayment facility, and placement

The term sheet proposed Core and RuiFu enter into legally binding agreements related to a lithium concentrate off-take agreement, a US\$35 million prepayment facility, and a share placement.

The off-take agreement will be for up to 150,000 tonnes per annum for up to five years at grades of between 5.0% and 5.5% lithium oxide.

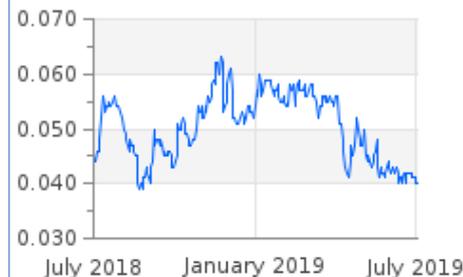
The prepayment facility will see RuiFu prepay US\$35 million in stages to Core for lithium concentrate to be purchased under the off-take agreement.

RuiFu also intends to increase its equity holding to 10% in Core through a share placement, which would raise an estimated \$3 million using a 5 cent

Price: A\$0.04

Market Cap: A\$31.48M

1 Year Share Price Graph



Share Information

Code: CXO

Listing: ASX

52 week High Low
A\$0.07 A\$0.04

Sector: Mining

Website: www.coreexploration.com.au

Company Synopsis:

Core Lithium Ltd (ASX:CXO) is an emerging lithium developer.

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share price.

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