

Core Lithium Ltd

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Core Exploration targets lithium concentrate production at Finniss by late 2019

Core Exploration Ltd (ASX:CXO) is on the path to low-capex lithium concentrate production by late 2019 at its Finniss Lithium Project near Darwin in the Northern Territory.

The company's pre-feasibility study (PFS) clearly demonstrates the Finniss project economics to be compelling, with globally competitive cash costs that result in high operating margins and rapid capital payback.

READ: Core Exploration's pre-feasibility study delivers robust economics for Grants Lithium Deposit

The Grants lithium deposit, a key component of its Finniss Lithium Project, is expected to generate a net present value (NPV) of \$140 million (pre-tax) with an internal rate of return (IRR) of 142% at an average concentrate price of US\$649 per tonne.

Interestingly, the NPV is anticipated to increase to \$246 million if the recent spot concentrate price of US\$895 per tonne is realised.



The Finniss project comprises over 500 square kilometres of tenements across the Bynoe Pegmatite Field, with exploration results confirming that ore grade lithium mineralisation is widespread.

Core's 2018 drilling is aimed at growing the mineral resource to underpin a potential long-life lithium mining and production operation.

Price: 0.048

Market Cap: \$46.55 m

1 Year Share Price Graph



Share Information

Code: CXO

Listing: ASX

52 week High Low
0.06 0.013

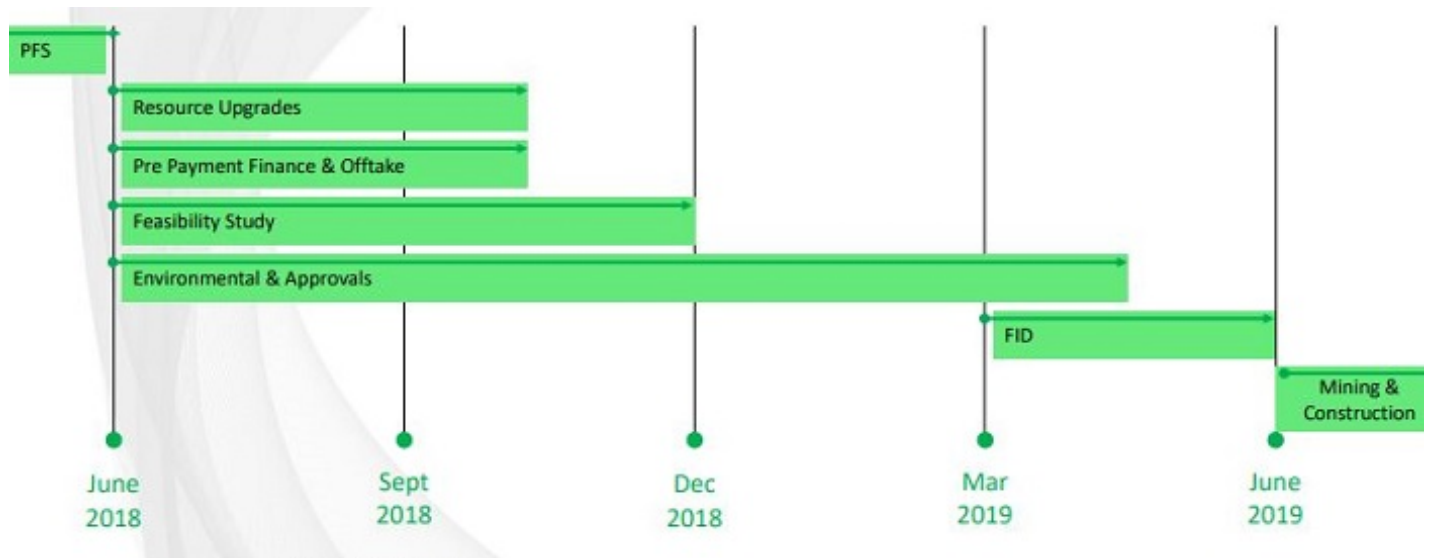
Sector: Battery Metals

Website: www.coreexploration.com.au

Company Synopsis:

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

action@proactiveinvestors.com.au



Countdown to first lithium production

The company is focused on completing a definitive feasibility study (DFS) later this year for the development of mining and producing lithium concentrate.

Core aims to complete regulatory approvals, financing and internal approvals before commencing production at Grants by the end of 2019.

READ: Core Exploration receives lithium assays revealing BP33 potential

Core has another promising area within the project, the BP33 prospect, where recent drilling returned high-grade lithium results.

Highlight results include 63 metres at 1.50% lithium oxide from 76 metres, 43 metres at 1.78% lithium oxide from 157 metres and 59 metres at 1.59% lithium oxide from 198 metres.

The PFS focussed only on the Grants deposit, with BP33 drilling results to be included in the 2018 DFS.

Drilling programs underway

The follow-up resource extension drill program at Grants is progressing with results expected this month.

Exploration drilling is also underway at the spodumene pegmatite at Sandras, Booths, Lees, Carlton and Hang Gong targets.

READ: Core Exploration new test work shows improved lithium recoveries

Core recently received updated metallurgical test work results showing improved lithium recoveries for samples from the Finniss project.

High grade 5.5% lithium concentrate was produced at an elevated recovery of 79%.

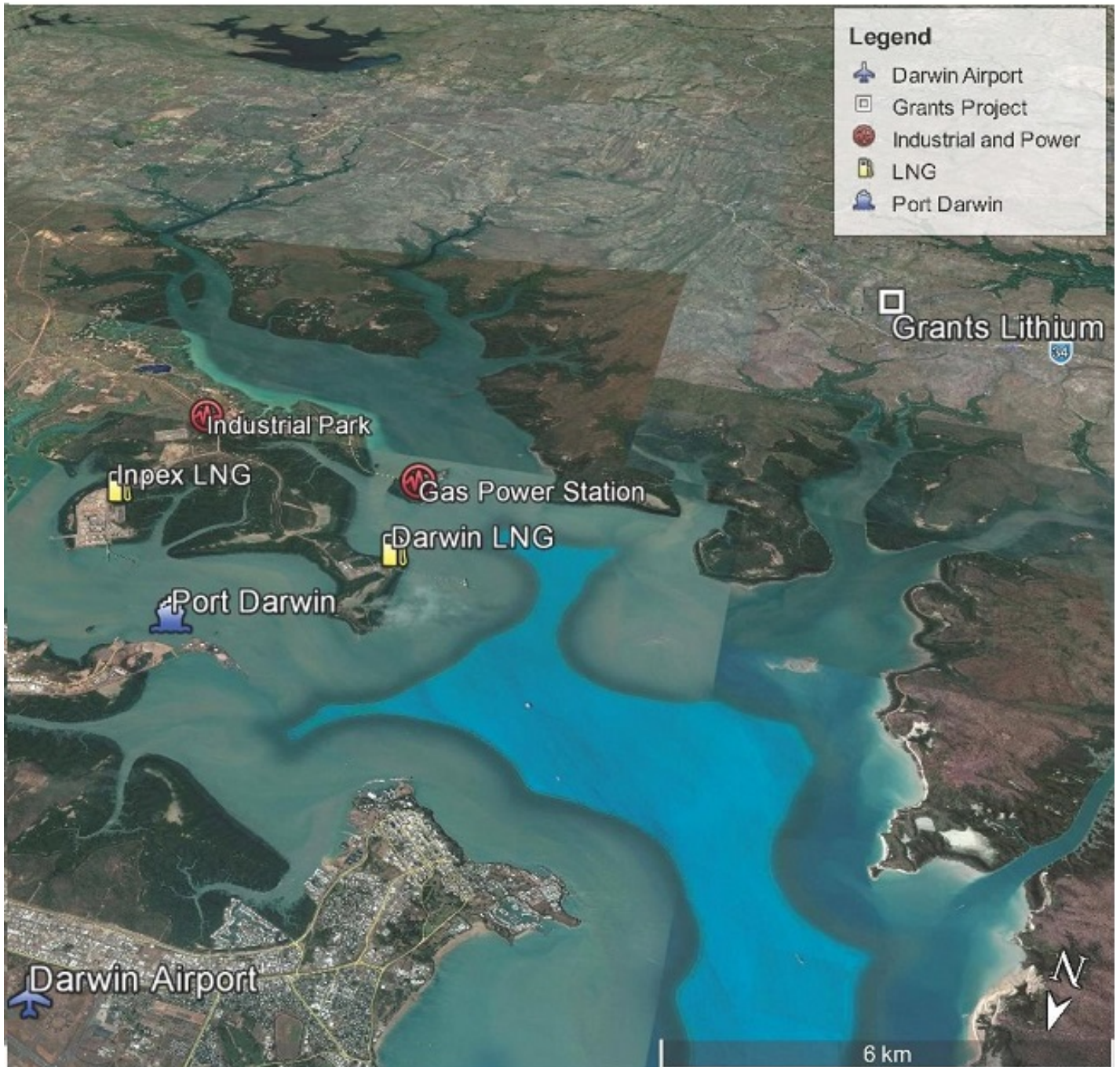
| Concentrate | PFS | New Results | |
|---------------------------|------|-------------|------|
| Grade (Li ₂ O) | 5.0% | 5.5% | 6.1% |
| Recovery | 76% | 79% | 69% |



The new results are expected to further enhance the already robust economics demonstrated in the June 2018 PFS.

Test work demonstrates the viability of a simple gravity separation plant using industry standard dense media separation (DMS).

Notably, the further test work demonstrates a DMS circuit can easily produce a 6.1% lithium concentrate at good commercial recoveries of 69%.



Near Darwin Port - Australia's nearest port to China

It is worth noting that the Finniss Lithium Project has a capex of only \$53.5 million, with US\$20 million already committed by major lithium offtake partner Sichuan Yahua Industrial Group.

Sichuan Yahua is a \$2.4 billion listed company on the Shenzhen Stock Exchange and one of China's largest lithium hydroxide and carbonate producers.

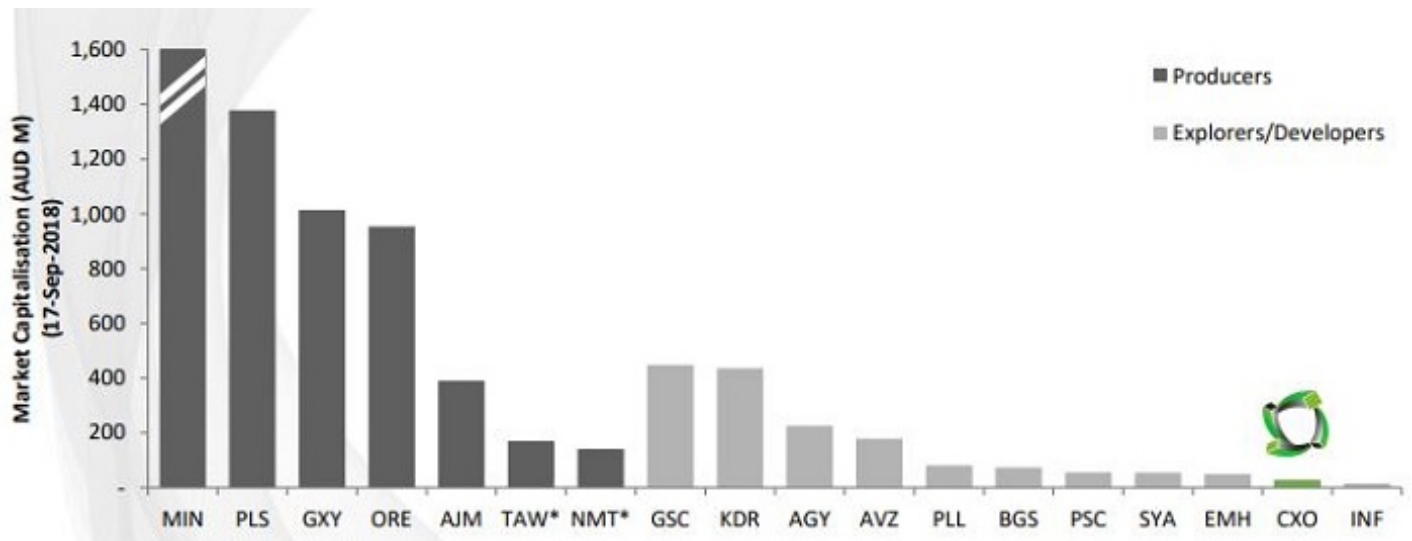
Core's project can be considered fully funded when Sichuan Yahua's US\$20 million is combined with the US\$35 million pre-payment facility with Shandong RuiFu Lithium Co Ltd.

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

Core and RuiFu have signed a term sheet for a lithium concentrate off-take agreement for up to 150,000 tonnes per annum for up to five years.

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 at 5 cents per share.



ASX lithium sector: comparative market capitalisations

Significantly, core's enterprise value of about \$20 million offers substantial leverage to development and exploration.

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