

Core Lithium Ltd

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Core Lithium to receive \$8.1 million for 2.5% royalty at Finniss

Core Lithium Ltd (ASX:CXO) has agreed to sell a 2.5% royalty over production from its Finniss Lithium Project in the Northern Territory for \$8.125 million.

The funding adds to the partly underwritten share purchase plan (SPP) underway to raise up to \$2.0 million through the issue of shares priced at 4 cents.

Core released a definitive feasibility study (DFS) and maiden ore reserve in mid-April 2019 supporting its aspirations to become Northern Territory's first lithium producer.

This royalty deal with Canadian royalty company, Lithium Royalty Corporation (LRC) represents a strategic partnership progressing the project closer to production.

Notably, LRC has royalty agreement over other high-quality producing and near development lithium assets including Galaxy's (ASX:GXY) Mt Cattlin Lithium Mine.

READ: Core Lithium looks ahead to expanding beyond 10 million tonnes

Core's managing director Stephen Biggins said: "We are delighted to have the support of Lithium Royalty Corporation in the form of a Royalty arrangement which contributes toward the company's plans to transition from developer to miner.

"Lithium Royalty Corporation's significant investment in Core recognises the current value of the Finniss Lithium Project.

"The recently completed DFS details the profitability and rapid payback of the near development ready, Finniss Lithium Project, which we expect to generate attractive returns for our shareholders."

Strong news flow expected over the coming weeks and months

He added: "The Board remains committed to overseeing a low-risk, measured transition to lithium producer at the Finniss Lithium Project to ensure long-term shareholder value.

"As such, the company is pursuing several well-funded, near-term activities with the potential to improve the project's returns further and continue to de-risk the decision to mine.

Price: 0.047

Market Cap: \$45.58 m

1 Year Share Price Graph



July 2019 December 2019 July 2020

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.

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"These activities include further investment in Mineral Resource conversion and advanced exploration opportunities across Core's 500 square kilometre tenement package.

Global resource increased over 500% since start of 2018

"The global Finniss Project Mineral Resource has increased by over 500% from the start of 2018 to almost 10Mt, and we expect to continue to increase that rapidly with the further drilling commencing next month."

Two stage royalty deal

Under the terms of the agreements, LRC will pay a total consideration of \$8.125 million in two stages for the right to receive 2.5% of gross revenue from the sale of products from Finniss.

Stage one is a \$6.875 million payment upon execution of the agreement which will be held in escrow pending approval from the Foreign Investment Review Board (FIRB).

The stage two balance payment of \$1.25 million is conditional on Core attaining a 15 million tonne JORC resource at Finniss and achieving continuous operation of the processing plant for more than 14 consecutive days.

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