



ASX ANNOUNCEMENT

ASX: CXO

9th August 2016

First lithium drilling to commence on Finniss Lithium Project

HIGHLIGHTS

- Core has received all statutory approvals and has appointed a drilling contractor in preparation for first drilling by Core to commence at the Finniss Lithium Project
- Drill program will consist of 2,000m of RC drilling to test 5 high priority, large-scale lithium pegmatite drill targets
- Drilling is scheduled to commence by the end of the month
- Drilling is the only effective test of lithium pegmatites in weathered environments like the Finniss Lithium Project (and also Greenbushes)

Core Exploration Ltd (ASX: CXO) (“Core” or the “Company”) is pleased to announce that it has received all statutory approvals, and has appointed a drilling contractor, in preparation for its upcoming drilling program at the Company’s Finniss Lithium Project in the Northern Territory.

Core expects to commence the drilling program by the end of the month.

The drilling program will consist of 2,000m of RC drilling and will test 5 high priority drill targets on granted EL 29698, being the **BP 33** (refer to 5 August 2016 ASX announcement), **Hills, Grants, Far West Central and Ah Hoy** targets. Each of these prospects are considered to be high quality, large-scale lithium pegmatite drill targets within the Company’s dominant tenement position in the NT (Fig 1).

Core considers that drilling is likely to be the only effective test of the grade of lithium pegmatites in weathered environments like the Finniss Lithium Project, as is the case at the Greenbushes deposit in WA.

Discovery of high grade lithium with the drill program would be significant for Core given the scale of some pegmatites identified by the Company being directly comparable to the

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scale of pegmatites hosting large lithium resources in the Pilgangoora region in Western Australia.

Core's Finnis Lithium Project covers a large portion of the Bynoe Tin-Tantalum-Lithium Pegmatite field. Bynoe is one of the most prospective areas for lithium in the NT and has many similarities to Greenbushes in WA, one of the world's largest and highest grade spodumene deposits.

As with Greenbushes, before economic lithium was recognised, Core's Finnis Lithium Project also has a 100 year history of tin and tantalum mining.

The Bynoe Pegmatite Field is a 15-20 kilometre wide belt of more than 90 tin and tantalum prospects and mines which stretches over a distance of 75 kilometres from Mount Tolmer to Kings Table (near Port Darwin) in the north with Core's tenements covering the northern end of the Bynoe Pegmatite Field (Figs 1 & 2).

Core's Finnis Lithium Project has substantial infrastructure advantages being close to grid power, gas and rail infrastructure and within easy trucking distance by sealed road to the multi-user port facility at Darwin Port - Australia's nearest port to Asia (Figure 2).

Core expects the drilling to be completed around mid-September with assay results expected mid to late October 2016.

For further information please contact:

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The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as Managing Director of Core Exploration Ltd who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Biggins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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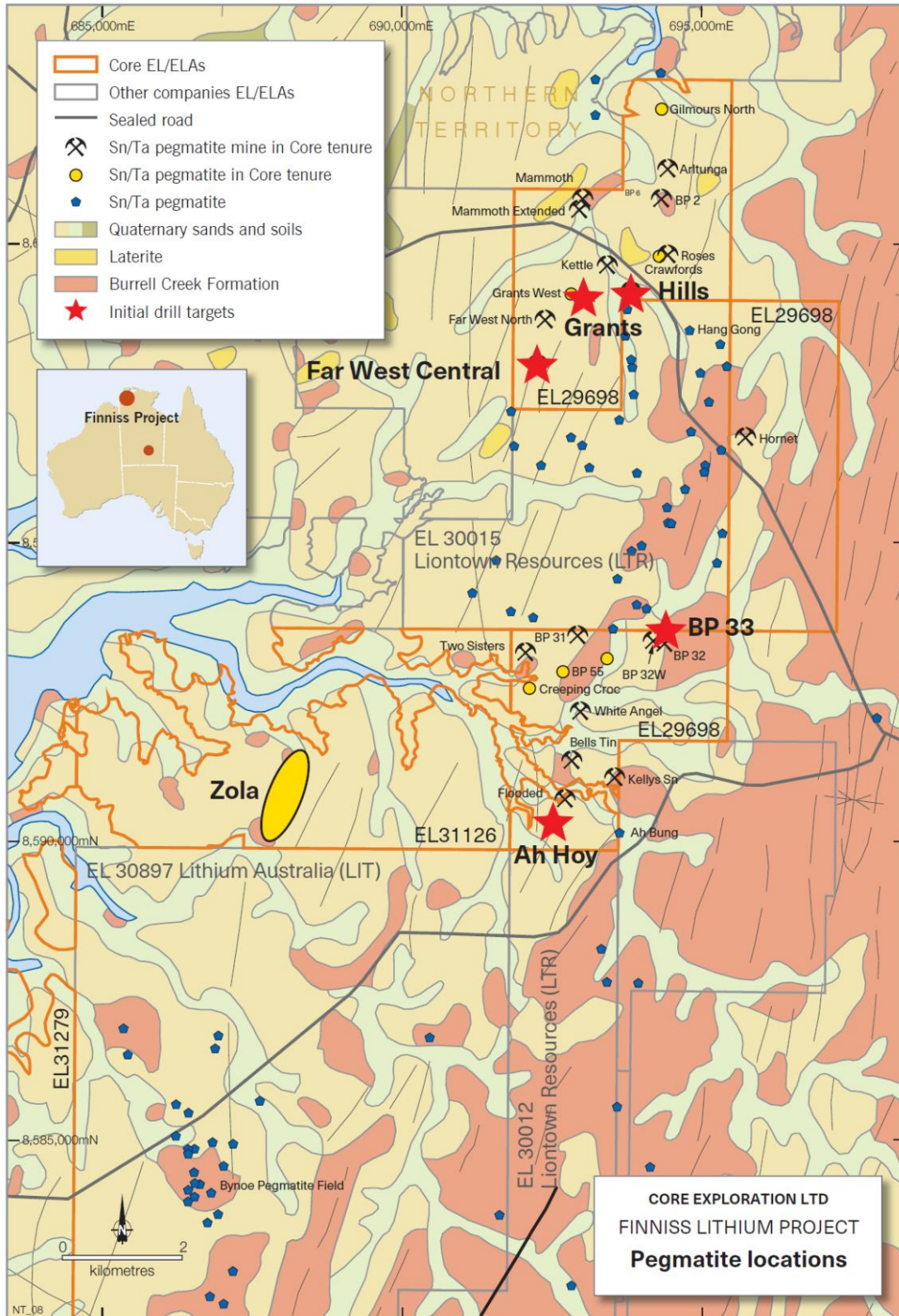


Figure 1. Initial drill target locations, Finniss Lithium Project, NT.



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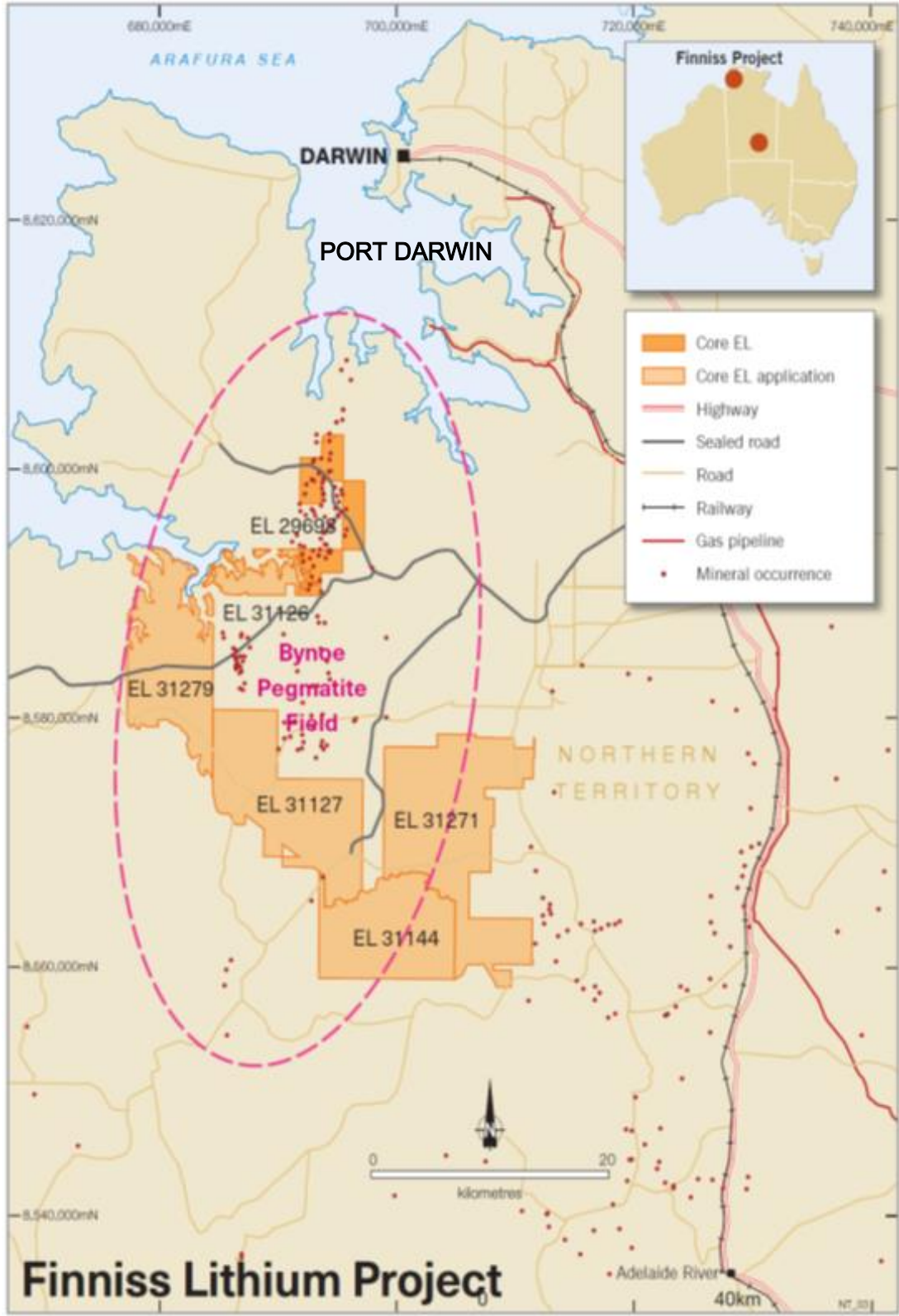


Figure 2. Core's Finniss Lithium Project tenure covering close to 500km² in the Bynoe Pegmatite Field near Darwin in the NT.