



# ASX ANNOUNCEMENT

ASX: CXO

14<sup>th</sup> September 2017

## Core Consolidates Bynoe Lithium Province through Acquisition from Liontown Resources

---

### HIGHLIGHTS

- Core has consolidated the Northern Territory's leading lithium projects near Darwin through an acquisition of additional tenements in the Bynoe province from Liontown Resources
- New Bynoe Project acquisition is highly complementary to Core's Finnis Project, being directly adjacent and proximal to Core's high-grade Lithium Resource at Grants and high grade discovery at BP33
- The Bynoe Project contains the extension to Core's high-grade lithium BP33 pegmatite drilled by Core (including 38m @ 1.5% Li<sub>2</sub>O)
- The acquisition adds a large number of untested, highly prospective lithium pegmatite targets to Core's portfolio, including over 50 historic pegmatite prospects
- Previous drilling has confirmed widespread spodumene related lithium mineralisation above 1% Li<sub>2</sub>O within the Bynoe Project
- Broad zones of ore grade already discovered at other prospects including Sandras prospect (42m @1.0% Li<sub>2</sub>O)
- The acquisition includes an Existing Mining Lease over historic tin pegmatite mine near Grants has potential to provide fast-track to DSO production
- Exploration on new Bynoe Lithium Project to commence immediately



**Core Exploration Limited (ASX:CXO) (“Core” or “the Company”)** is pleased to announce that it has entered into an agreement to acquire the Bynoe Lithium Project directly adjacent to Core’s Finnis Lithium Project in the NT near Darwin from Liontown Resources Ltd (ASX:LTR).

Core’s consolidation of the two leading Lithium Projects (Finniss and Bynoe) in the Northern Territory marks a key commercial step to building an expanded project of global significance in an ideal location to service accelerating lithium demand.

These lithium assets are complimentary and add substantial value and upside to Core’s immediate development plans within the Bynoe Pegmatite Field, where Core is seeking to establish a Direct Shipping Ore (DSO) operation in the near term, and has recently announced the signing of a framework agreement to negotiate DSO offtake with a subsidiary of leading Chinese lithium producer, Sichuan Yahua Industrial Group Co. Ltd.

Core’s aspiration is to build on the early development of the high-grade Grants Resource as a DSO project and build a substantive resource holding upon which to base long term supply of spodumene DSO concentrate and lithium products leveraging the logistics, infrastructure, technologies and skills advantages provided by a capital city within 1 hrs drive from the mining project.

The Finnis and new Bynoe Lithium Projects cover a combined area over 500km<sup>2</sup> of granted tenements near Darwin. The new Bynoe acquisition provides a large number of additional lithium pegmatite targets and more than 50 historic pegmatite prospects to Core’s portfolio.

The new Bynoe tenements includes a granted Mining Lease, Extractive Mining Lease and three Exploration Licences. The granted mining leases are over historic tin mining and concentrate operations once operated by Greenbushes. The Mining Lease is 1km from Grants and potentially provides Core with an opportunity to expedite development and expand capacity for spodumene production.

Early results confirmed that primary, ore grade lithium mineralisation is widespread within the Bynoe Project, highlighting the prospectivity of the tenements, with numerous highly prospective pegmatites yet to be drill tested.

The Bynoe Lithium Project includes the northern extension of Core’s high grade BP33 lithium pegmatite. Core’s first drilling at BP33 in 2016 intersected 38m @ 1.50% Li<sub>2</sub>O from 70m, including 8m @ 2.0% Li<sub>2</sub>O. With the whole of BP33 now consolidated under one owner, Core intends to conduct a second phase of drilling at BP33 to confirm continuity of mineralisation and scale.

Drilling at the Sandras Prospect has intersected a 300m long, large pegmatite body with a true width up to 35m which remains open along strike and largely untested at depth included intercepts of up to 42m at 1.0% Li<sub>2</sub>O from 93m. A similar, larger (~700m long) magnetic feature is located 200m south of Sandras beneath transported cover.



Amongst many other undrilled pegmatite prospects within the new Bynoe tenements, the >1km Litchfield Prospect is located ~2km SSW on the same mineralised trend as Core Exploration’s high-grade Grants Resource. Soil sampling has recorded strongly elevated lithium values and field traversing has observed numerous historical workings and extensive sub-cropping pegmatites at Litchfield.

Core’s exploration team and office in Darwin is well placed to immediately commence exploration on the new Bynoe Lithium Project tenure. The Company is well funded and in a position to prioritise exploration on a series of high quality lithium pegmatite targets within a large tenement position close to infrastructure supporting development.

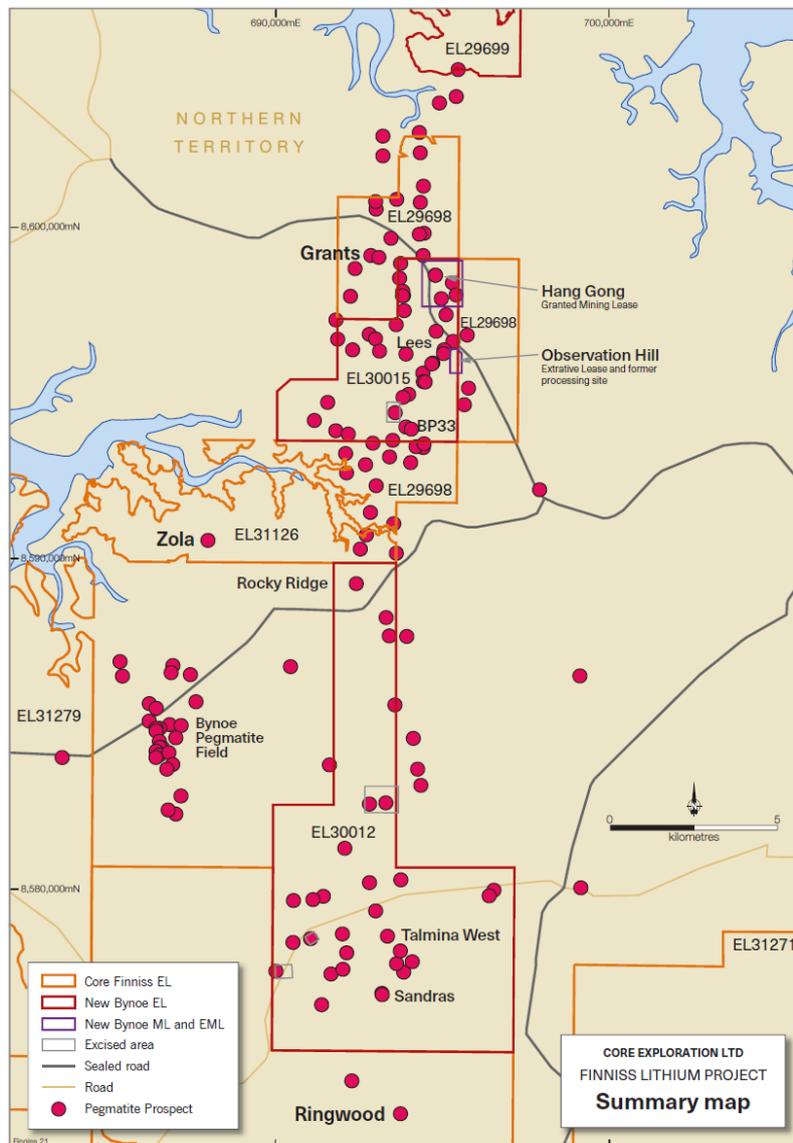


Figure 1. Core’s new Bynoe and Finniss Lithium Project Tenements and distribution of pegmatite prospects near Darwin NT.



Stephen Biggins, Core's Managing Director commented:

*"Core's consolidation of the large number of lithium mineralised pegmatites in the Bynoe Pegmatite Field places Core in an ideal position to take full advantage of the excellent logistics close to Darwin - Australia's nearest port to China."*

*In light of reports this week that Chinese regulators are working on a timetable to set a deadline for automakers to end sales of fossil-fuel powered vehicles in China, similar to plans already in place in Europe, Core is making aggressive steps to build and develop the Northern Territory's first lithium mine.*

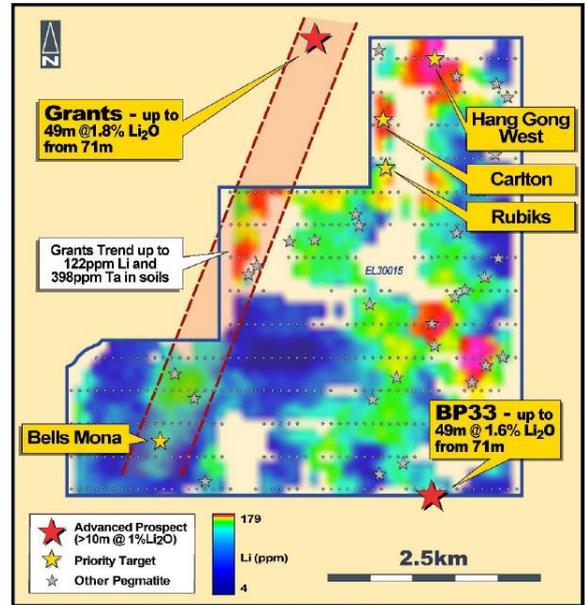
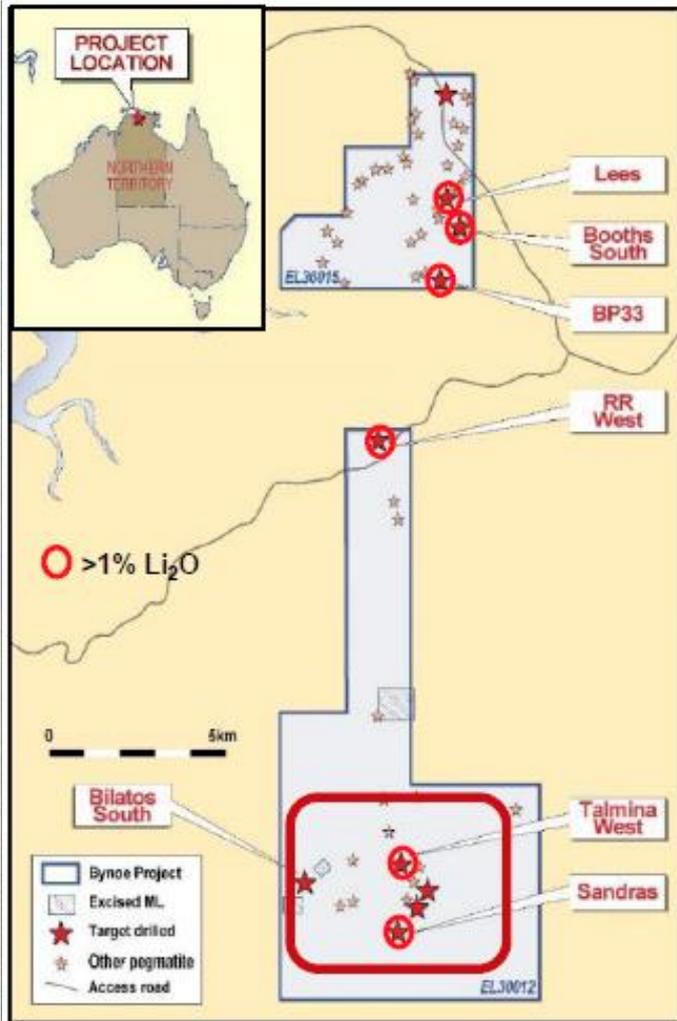
*Core's recent placement to Yahua, one of China's largest lithium producers, highlights the strength and potential impact of Core's Lithium Projects in the NT."*

## **Agreement Terms**

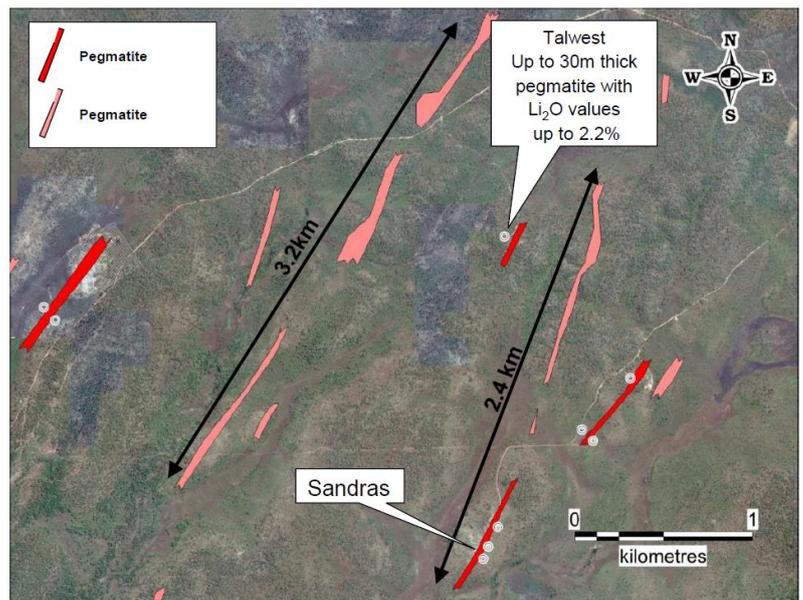
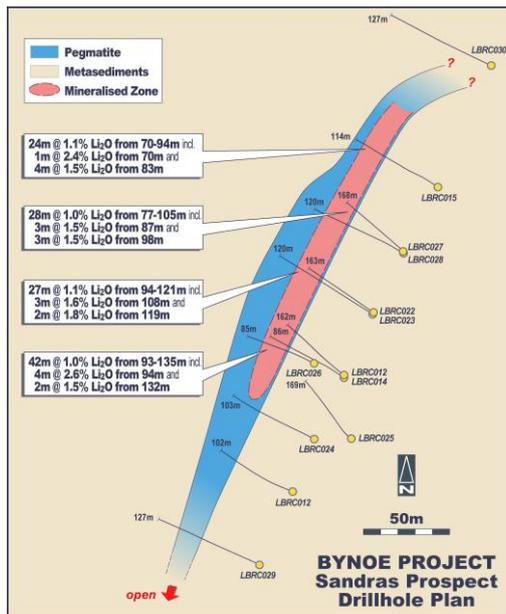
Key terms of the Agreement between Core and Liontown are:

- Core to purchase 100% of Liontown's Bynoe Project comprising tenements EL 29699, EL 30015, EL 30012, ML 16 and EML 28651.
- Completion of the transaction is conditional on the grant of Ministerial and other consents.
- At Completion, Core must pay Liontown \$1,500,000 in cash and issue 39,232,025 CXO shares with a value of \$2,000,000 (based on 10-day VWAP prior to the date of the Agreement).
- Shares issued to Liontown will be subject to a 12-month voluntary escrow. Liontown may sell one third of the shares 4 months after the date of issue and every 4 months thereafter.
- Upon defining a JORC-compliant Mineral Resource totalling 5Mt within the Bynoe Project area, Core must to pay Liontown \$1,500,000 in cash or CXO shares (at Core's election) subject to shareholder approval.

Liontown has granted Core a licence to access and explore the Bynoe Project area prior to Completion.



Figures 2-5 (clockwise from top left)  
 Fig 2. Bynoe Lithium Project Key Prospects  
 Fig 3. EL 30015 Key Prospects adjacent to Grants and BP33  
 Fig 4. EL 30012 Sandras Regional Pegmatite Targets  
 Fig 5. Sandras Prospect Drillhole Plan





For further information please contact:

Stephen Biggins  
Managing Director  
Core Exploration Ltd  
08 7324 2987  
[info@coreexploration.com.au](mailto:info@coreexploration.com.au)

*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. This report includes results that have previously recently been released under JORC 2012 by Core Exploration Ltd as "Quarterly Activity Report to 31 Dec 2017" on 31/01/2017 and Liantown Resources Ltd as "Corporate Presentation" on 8/5/2017, "Updated Corporate Presentation" on 31/01/2017 and "New Investor Presentation" on 29/08/2016. The Company is not aware of any new information that materially affects the information included in this announcement.*