



ASX ANNOUNCEMENT

ASX: CXO

1st February 2018

Drilling Commenced to Upgrade the Grants Lithium Resource for Feasibility Studies

HIGHLIGHTS

- Core has commenced resource infill drilling on the high-grade Grants lithium deposit to upgrade the JORC Resource classifications
- 2 multi-purpose RC/Diamond drill rigs currently operating, and a 3rd diamond drill rig scheduled to arrive in first week of February
- First assays from Grants resource upgrade drilling are expected during February 2018
- Grants lithium Mineral Resource upgrade expected in March 2018, and will feed into the Pre-Feasibility Study already underway
- Mining Lease application and mining and processing approvals are also underway for the proposed development of the Grants Lithium mine

Core Exploration Ltd (ASX: CXO) (“Core” or the “Company”) is pleased to announce that drilling has re-commenced at the high grade Grants lithium deposit on the Company’s 100% owned Finniss Lithium Project near Darwin in the NT.

Two multi-purpose RC and diamond core rigs are infill drilling at Grants to upgrade the confidence level of the initial high-grade lithium Mineral Resource announced in 2017. A third diamond core rig will arrive in the next few days once it has finished drilling at the nearby BP33 prospect which is also within the Company’s Finniss Lithium Project.

The initial Mineral Resource announced in 2017 of 1.8Mt @ 1.5% Li₂O, highlights Grants as one of the highest grade undeveloped lithium deposits in Australia. Although Grants itself is a small scale development, it is expected to be a highly profitable mining project given its high grade, and potentially provide a central hub for development of other lithium resources which may be delineated within proximity to Grants. In this regard, Core is maintaining an aggressive



exploration programme that includes drilling of several pegmatite prospects within the Bynoe Lithium Field.

Core is aiming to announce an updated Mineral Resource estimate for the Grants deposit in March 2018 which will incorporate the new drill results and provide a key input into the Pre-Feasibility Study.

Geotechnical drilling and evaluation studies will also be completed during the current drill program which will feed into detailed mine engineering and design that is to be conducted in 2018 in preparation for mine development.

In addition, the Company is undertaking a five hole, wide diameter core drilling program for metallurgical studies that will feed into feasibility studies in 2018 that are considering production of spodumene products from Grants.

The Pre-Feasibility Study (PFS) supporting the development of the Grants deposit is currently underway. The updated Mineral Resource estimate at Grants will underpin the PFS and following feasibility studies in 2018.

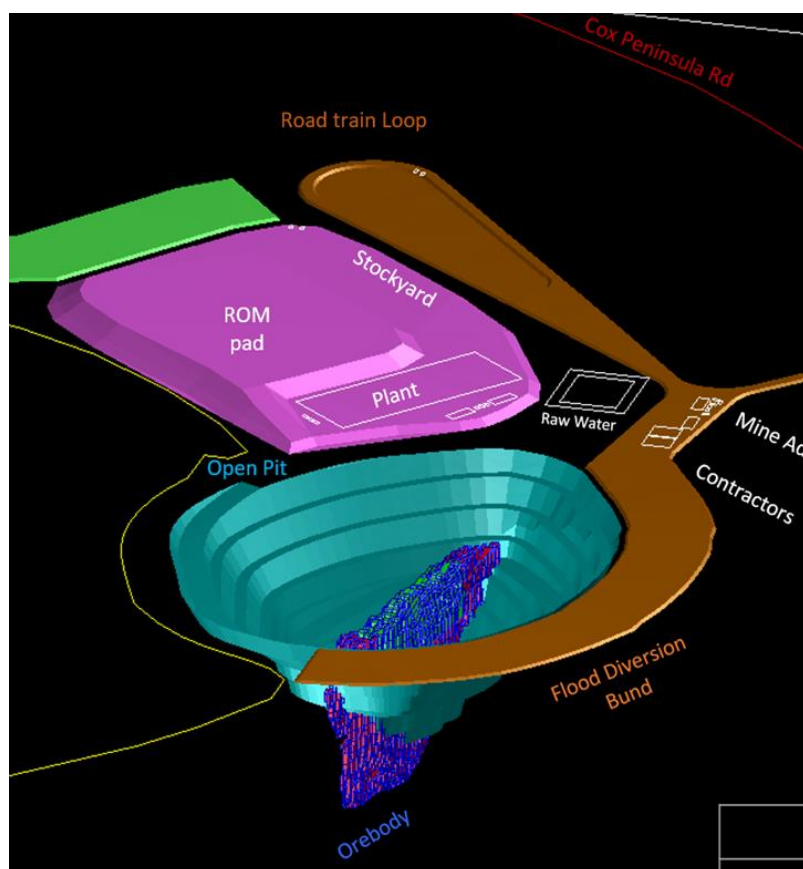


Figure 1. Preliminary Mine Design, Grants Lithium Deposit NT.



Figure 2. Diamond Rig Drilling at Grants Lithium Deposit near Darwin in the NT.

Finniss Lithium Project Background

Core has established one of Australia's highest grade lithium resources at the Grants Deposit within the Finniss Lithium Project near Darwin Port, Australia's closest port to China.

Core has recently entered into a binding lithium Offtake Agreement and a conditional US\$20 million Prepayment Agreement with one of China's largest lithium producers. Core has also established an agreement (HOA) to export spodumene products from Darwin Port.

Core is progressing the regulatory and feasibility steps to drive the Grants Lithium Deposit through development and into production with the aim to establish long-life spodumene production from its large tenement holding located near grid power, gas and rail infrastructure and the skills and services of Darwin. The capital city of Darwin also provides an ideal technology, infrastructure and transport hub for potential downstream processing of lithium products as the EV and lithium battery industry continues to expand into the future.



For further information please contact:

Stephen Biggins
 Managing Director
 Core Exploration Ltd
 08 7324 2987
info@coreexploration.com.au

This report includes results that have previously recently been released under JORC 2012 by the Company as “Core Defines First Lithium Resource in the NT” on 8 May 2017. The Company is not aware of any new information or data that materially affects the information included in this announcement and all material assumptions and technical parameters underpinning the Mineral Resource continue to apply and have not materially changed.

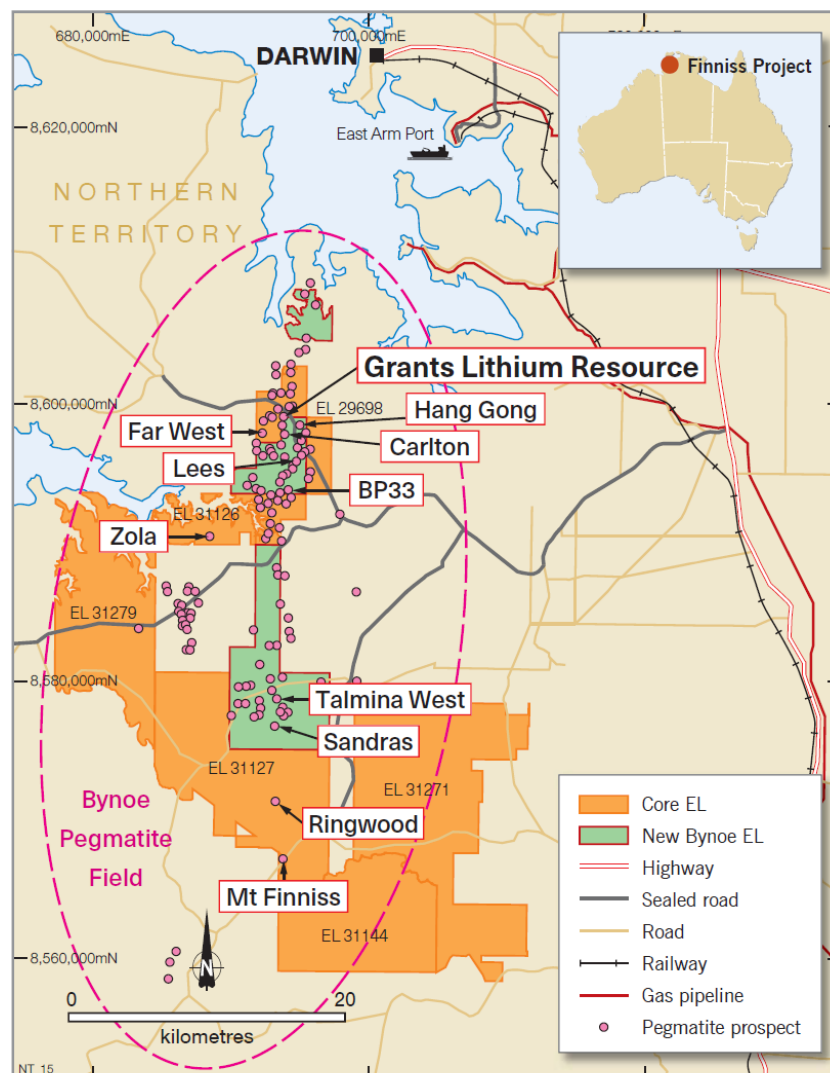


Figure 3. Pegmatite prospects within the Finniss and Bynoe Lithium Projects near Darwin, NT