ASX ANNOUNCEMENT

ASX: CXO

19th February 2018

86m Spodumene Pegmatite Intersected at BP33 Prospect

HIGHLIGHTS

- **New diamond core drilling at BP33 intersects 86m of spodumene pegmatite with the drillhole still in spodumene pegmatite at end of hole**
- **This 86m intersection is the widest interval of spodumene pegmatite ever drilled in the NT**
- **Drill core visually estimated to average 15%-20% spodumene in pegmatite[1]**
- **This wide spodumene intersection is southeast of the BP33 historic pit and toward potential extensions at both BP32 and BP32W Prospects**
- **Recent drilling highlights significant potential for extensions to the high-grade lithium pegmatites at BP33 Prospect**
- **Assays from new 2018 diamond drill core drilling at BP33 expected during February and March 2018**
- **Drilling at BP33 aimed at establishing a maiden Resource estimate in March and to add to the Company's Lithium resource inventory at Finniss**
- **Drilling to re-commence testing of BP33 and adjacent BP32 and BP32W upon commencement of the dry season in Q2 2018**

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[1] Investors should be aware of the inherent risk in visual estimates of mineralisation and that although spodumene has been observed in the drill hole the Company is unable to determine at this stage whether or not the spodumene is mineralised and whether it potentially contains economic concentrations of lithium.

Core Exploration Ltd (**ASX: CXO**) ("**Core**" or the "**Company**") is pleased to announce that an 86m continuous intersection comprising spodumene pegmatite has been drilled at the BP33 Prospect within Core's 100%-owned Finniss Lithium Project near Darwin in the NT.

This 86m intersection is the widest interval of spodumene pegmatite ever drilled in the NT and the drillhole was still in spodumene at the end of the hole (and the intersection).

Pegmatite was intersected from 199m downhole in drillhole FRCD007 and contains high average concentrations of spodumene to the end of hole at 285m. Visual estimates are that the mineralised pegmatite interval contains between 15%-20% spodumene.

The majority of the spodumene is the typical dark greenish grey type and contains some of the pinkish spodumene in which has been identified in previous drilling (Photos 1-3).

Some intervals contain significantly higher levels of spodumene comprising a very high proportion (30%-40%) of the whole rock composition of the pegmatite (Photo 3). Investors should be aware of the inherent risk in visual estimates of mineralisation and that although spodumene has been observed in the drill hole the Company is unable to determine at this stage whether or not the spodumene is mineralised and whether it potentially contains economic concentrations of lithium.

Photo 1 and 2. Coarse green spodumene in pegmatite drill core FRD007, BP33 Prospect.

Photo 3. Coarse green spodumene comprising up to 30%-40% of the pegmatite.

Drilling of FRCD007 was terminated due to the slow rate of penetration in the hard pegmatite and deteriorating vehicle access conditions as the wet season peaks. There are no visual signs in the lower part of the drill core to suggest the hole is close to the pegmatite-wallrock contact, such as quartz-muscovite border zone or quartz-lined cavities.

Photo 2 from the last core tray shows typical spodumene pegmatite expected in the interior of the body. The pegmatite body is therefore open to the east by an unknown distance. The minimum true width is at least 40m, based on the assumption that the pegmatite dips at 80^{o} to the east as shown in the cross-section (Figure 1), which is considered reasonable given the vertical continuity demonstrated by other drilling at BP33.

Given the pegmatite is not as wide in the surface pit, it is probable that the pegmatite body becomes broader with depth at the southern end of BP33 and therefore plunges to the south under cover (Figure 2). This explains the lack of pegmatite intercepted in shallow RAB drilling immediately to the south of the pit.

As the drillhole ended within the spodumene pegmatite body, further drilling collared to the east at BP33 will be required to define the geometry of this pegmatite body.

Follow-up drilling is also planned to better define the southward extension of the wide spodumene pegmatite body at BP33 as soon as the site becomes accessible again in the dry season in Q2 2018 (Figure 2).

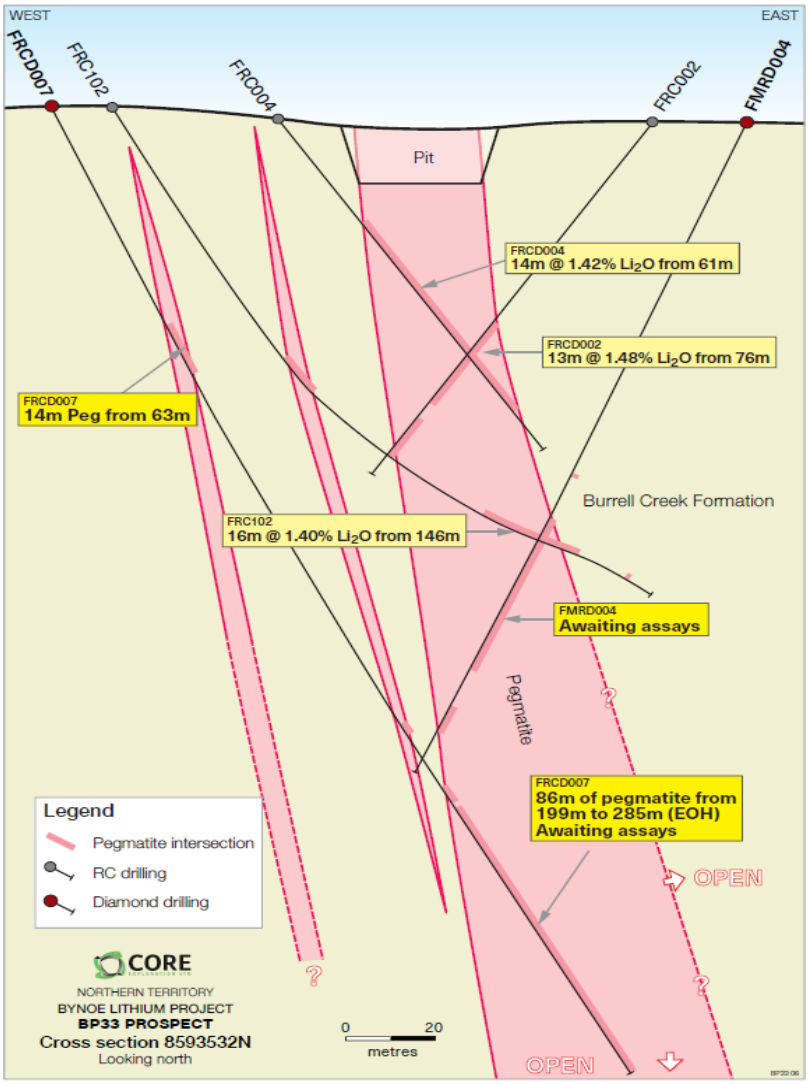

Figure 1. Drill cross-section at southern BP33.

RC and Diamond drill assays to date have characterised BP33 as a wide and continuous spodumene rich pegmatite, including intersections of 62m @ 1.24% Li_2O from 66m in FRC104 and 54m @ 1.42% Li_2O from 101m in FRC103.

Results from the recent diamond and RC drilling also confirm that the BP33 pegmatite is open at depth along strike to the south (Figure 2).

Adjacent pegmatites at BP32 and BP32W prospects have been identified in historic trenching and verified more recently in shallow RAB drilling by Core. However, no RC or Diamond drilling has been conducted yet at nearby BP32 and BP32W Prospects.

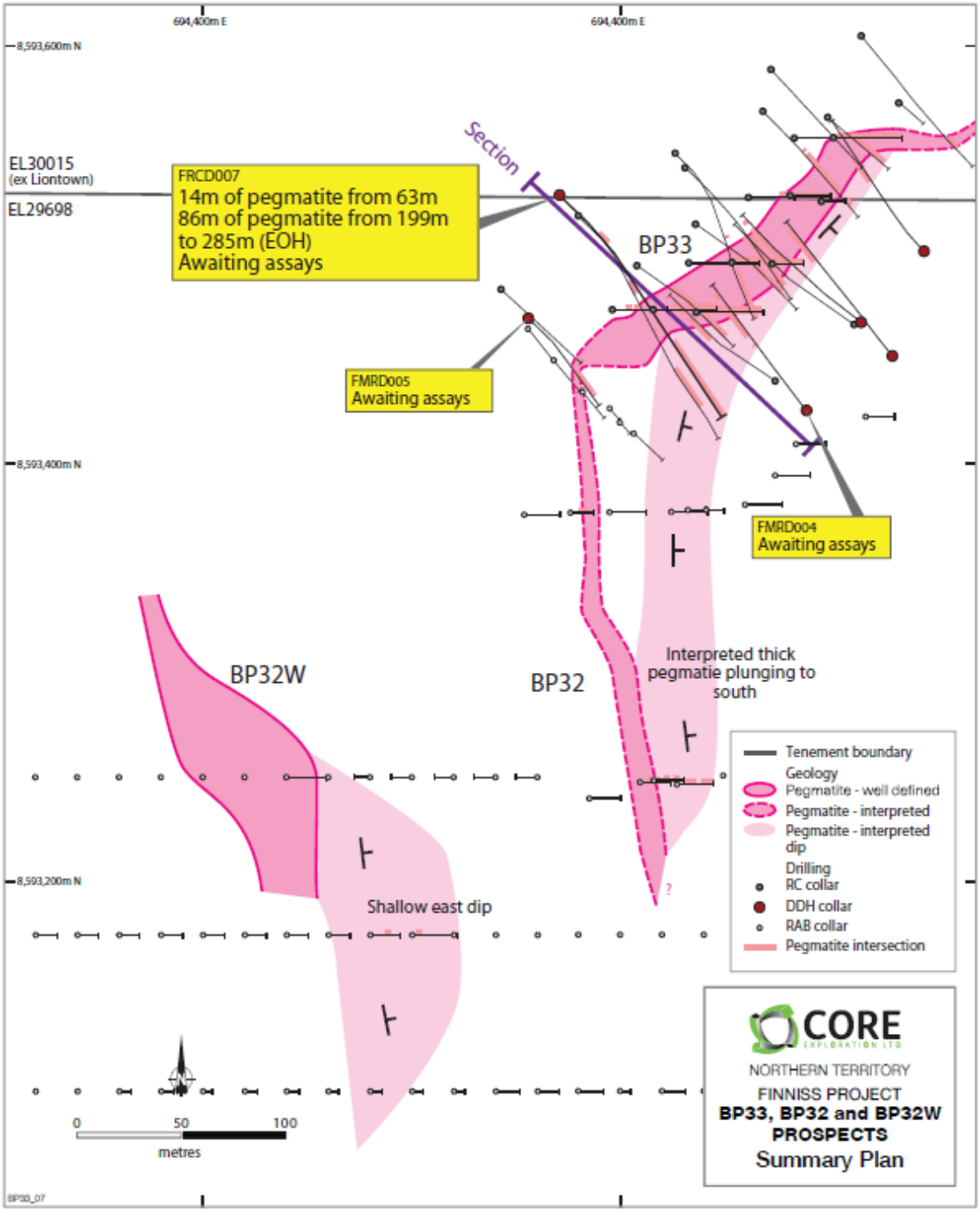

Figure 2. BP33, BP32 and BP32W prospects, interpreted geology and location plan of Core's drilling.

Next Steps at BP33

The first phase of resource focused diamond drilling at BP33 has been completed, with assays expected during February and March 2018.

The recently completed drill program at BP33 is an initial assessment of continuity of grade and scale of the spodumene mineralisation. The drill core will also provide valuable information that may be used for metallurgical testwork and resource evaluation at BP33.

Core is planning further drilling at both BP32 and BP32W Prospects as soon as the 2018 dry season commences (expected Q2 2018) to test the continuity and grade of these pegmatites adjacent and along strike from the high grade BP33.

For further information please contact:

Stephen Biggins
Managing Director
Core Exploration Ltd
08 7324 2987
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. The report includes results that have previously recently been released under JORC 2012 by Core on 23/09/2016 as "High Grade Spodumene Confirms Significant Lithium Discovery", 16/11/2017 as "Widest Spodumene Pegmatite Intersections at BP33", 27/11/2017 as "Wide High-Grade Lithium Drill Intersections at BP33" ,13/12/2017 as "New Assays Extend Intersection to 62m @ 1.24% Li2O" and 14/02/2018 as "BP33 Extended by High Grade Lithium Intersections".

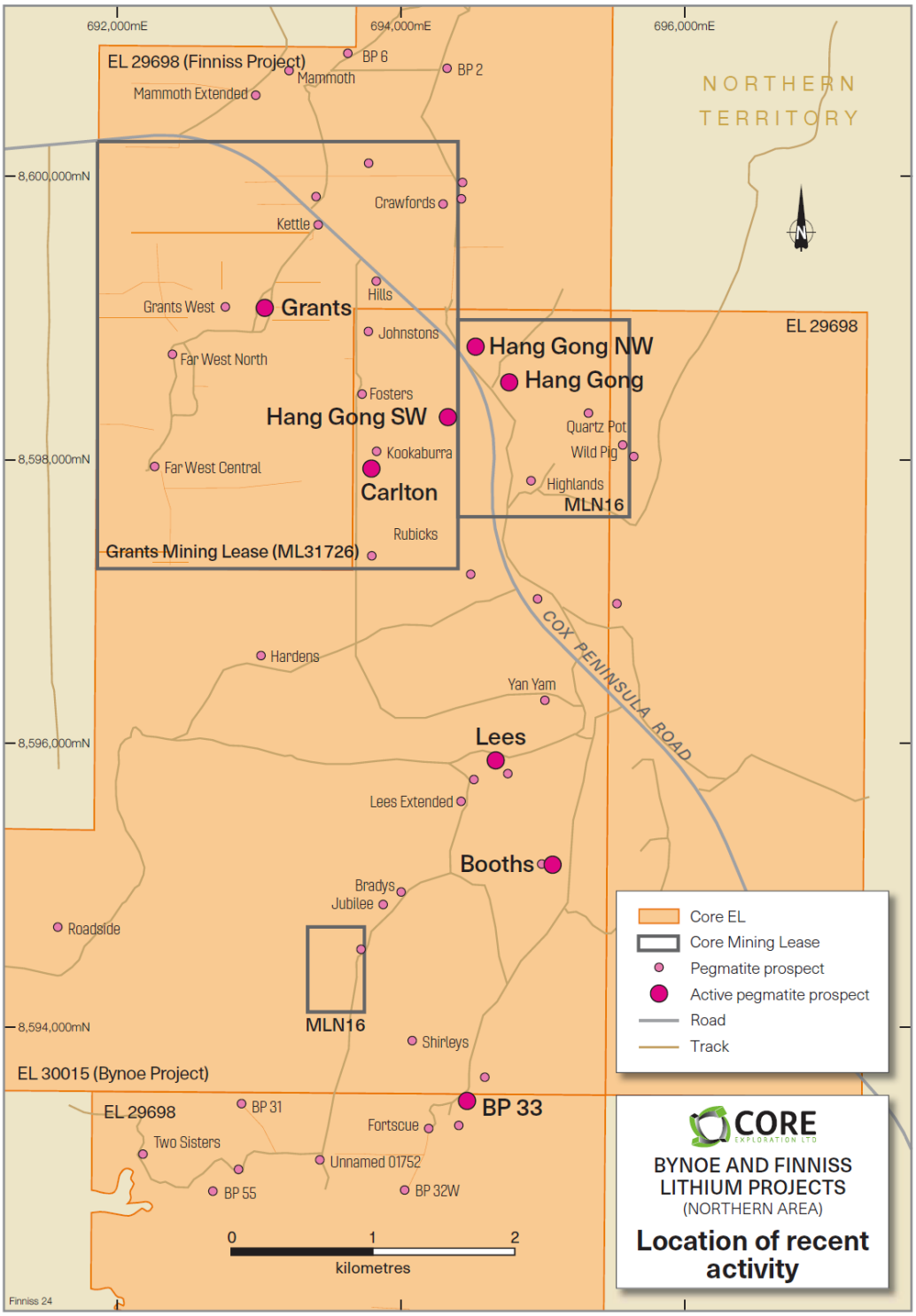

Figure 3. Recent exploration and drilling at pegmatite prospects within Bynoe and Finniss Lithium Projects, near Darwin in the NT.

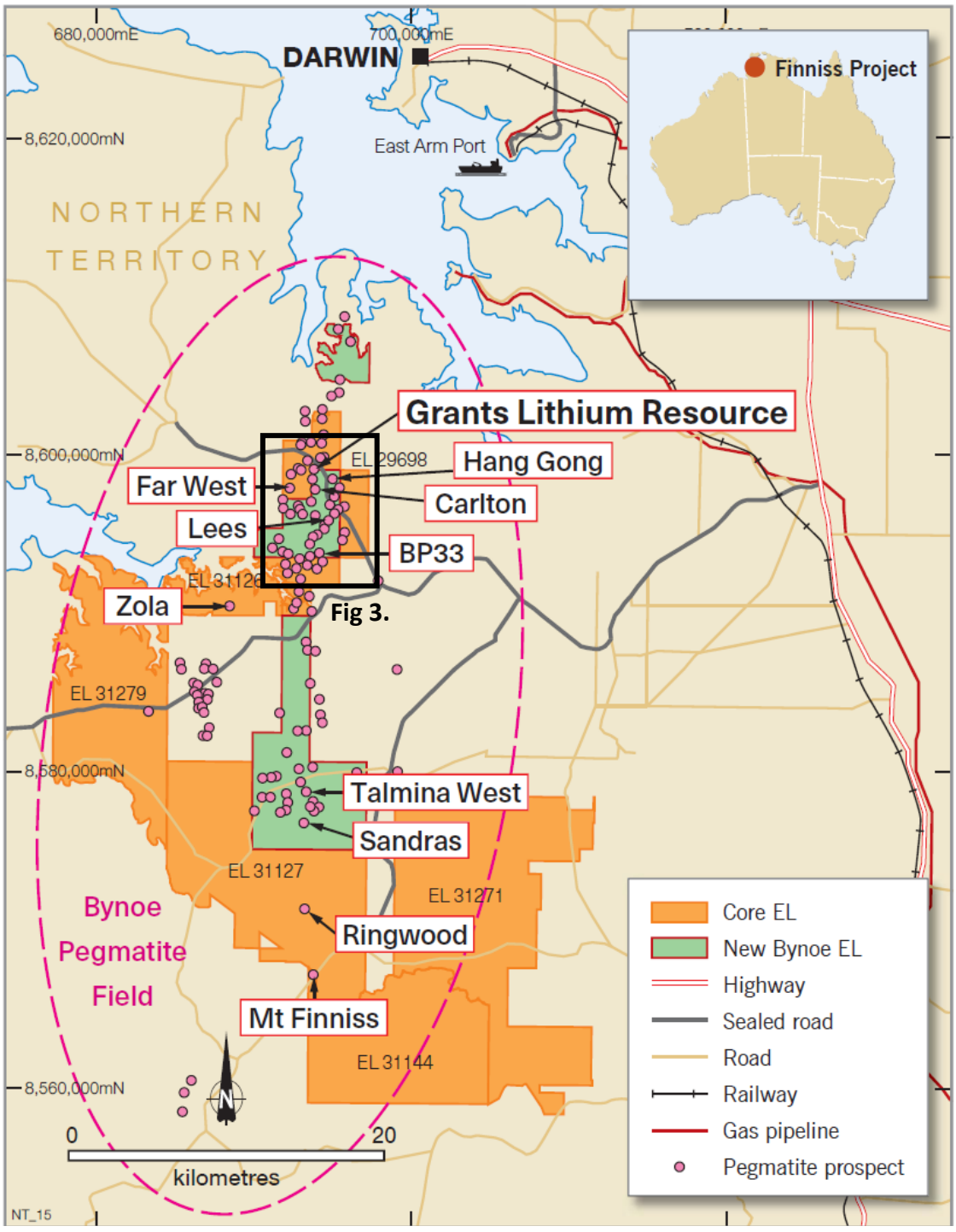

Figure 4. Pegmatite prospects within the Finniss and Bynoe Lithium Projects near Darwin, NT

Hole No.	Grid Co-ordinates GDA94		Survey Data				Significant intercepts.				
	East	North	RL (m)	Azi. (°)	Dip (°)	Depth (m)		From (m)	To (m)	Interval (m)	Grade (Li_2O %)
FRCD007	694371	8593529	17	135	-65	285	Awaiting assays				
(i) Mean grades have been calculated on a 0.4% Li2O lower cut-off grade with no upper cut-off grade applied, and maximum length of consecutive internal waste of 3.0 metres.											

Table 1. Drill hole data for the diamond core drilling at BP33 referred to in this report.

JORC Code, 2012 Edition – Table 1 Report Template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Drilling geology results reported herein relate to diamond drill hole FRCD007 at the BP33 Prospect on EL29698. • FRCD007 was drilled during January and February 2018, but assays not yet received. • The azimuth of Core's drill holes is oriented approximately perpendicular to the interpreted strike of the mineralised trend. Holes are oblique in a dip sense (see Section). • The companies DDH core samples are quarter core, cut longitudinally along a consistent line between 0.3m and 1m in length.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Drilling technique used by Core and reported herein comprises standard track-mounted DDH rig using HQ core assembly (triple tube), drilling muds or water as required, wireline setup. The rig is operated by WDA Drilling Services, Humpty Doo NT.:

Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recoveries are visually estimated and recorded by Core for each metre.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Standard sample logging procedures are utilised by Core, including logging codes for lithology, minerals, weathering etc. • Geology of the drill core is logged on a geological basis with attention to main rock forming minerals and textures within the pegmatite intersections. • Pegmatite sections are also checked under a single-beam UV light for spodumene identification on an ad hoc basis. These only provide indicative qualitative information. • Estimation of mineral modal composition, including spodumene, is done visually. This will then be correlated to assay data when they are available.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No new drill assays are reported herein.

Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• No new drill assays are reported herein.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No new drill assays are reported herein.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All coordinate information was collected using hand held GPS utilizing GDA 94, Zone 52. • Hole traces were surveyed by north seeking Champ gyro tool (multishot mode at 5m and 10m intervals) operated by the drillers and the collar is oriented by a line of sight compass and a clinometer. • Downhole Camera shots are also taken on an ad hoc basis during drilling to ensure the holes are kept relatively straight. • FRCD007 deviation has been excellent and is acceptable for resource drilling.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill collars are spaced approximately 50m apart along the northeasterly trending pegmatite body of BP33. • This data may be used to support a resource. • Refer to figures in report. • No new drill assays are reported herein.

Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Core's drilling is oriented perpendicular to the interpreted strike of mineralization (pegmatite body) as mapped or predicted by the geological model. In some areas the rocks may trend at an angle to the drill traverse. Because of the dip of the hole, drill intersections are apparent thicknesses and overall geological context is needed to estimate true thicknesses.
Sample security	• *The measures taken to ensure sample security.*	• Company geologist supervises all sampling and subsequent storage in field and transport to point of dispatch to assay laboratories.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Audits or reviews of the sampling techniques were not undertaken

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Drilling by Core at BP33 on what is now ELs 29698 and 30015 that are 100% owned by Core, the latter via a recent sale agreement (ASX Release 14 Sept 2017). • The area being drilled comprises Vacant Crown land • There are no registered heritage sites covering the areas being drilled. • The tenements are in good standing with the NT DPIR Titles Division.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The history of mining in the Bynoe Harbour – Middle Arm area dates back to 1886 when tin was discovered by Mr. C Clark. • By 1890 the Leviathan Mine and the Annie Mine were discovered and worked discontinuously until 1902. • In 1903 the Hang Gong Wheel of Fortune was found and 109 tons of tin concentrates were produced in 1905. In 1906, the mine produced 80 tons of concentrates, but it was exhausted and closed down the following year after a total of 189 tons of concentrates had been won. • By 1909 activity was limited to Leviathan and Bells Mona mines in the area with little activity in the period 1907 to 1909. • Renewed activities in 1925 coincided with the granting of exclusive prospecting licences over an area of 26 square miles in the Bynoe Harbour – West Arm section but once again nothing eventuated. • The records of production for many mines are not complete, and in numerous cases changes have been made to the names of the mines and prospects which tend to confuse the records still further. In many cases the published names of mines cannot be linked to field occurrences.

		• In the early 1980s the Bynoe Pegmatite field was reactivated during a period of high tantalum prices by Greenbushes Tin which owned and operated the Greenbushes Tin and Tantalite (and later spodumene) Mine in WA. Greenbushes Tin Ltd entered into a JV named the Bynoe Joint Venture with Barbara Mining Corporation, a subsidiary of Bayer AG of Germany. • Greenex (the exploration arm of Greenbushes Tin Ltd) explored the Bynoe pegmatite field between 1980 and 1990 and produced tin and tantalite from its Observation Hill Treatment Plant between 1986 and 1988. An abandoned open cut to 10m depth remains at BP33. • They then tributed the project out to a company named Fieldcorp Pty Ltd who operated it between 1991 and 1995. • In 1996, Julia Corp drilled RC holes into representative pegmatites in the field, but like all of their predecessors, did not assay for Li. • Since 1996 the field has been defunct until recently when exploration has begun on ascertaining the lithium prospectivity of the Bynoe pegmatites. • The NT geological Survey undertook a regional appraisal of the field, which was published in 2004 (NTGS Report 16, Frater 2004).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The tenements cover the northern portion of a swarm of complex zoned rare element pegmatite field, which comprises the 55km long by 10km wide West Arm – Mt Finniss pegmatite belt (Bynoe Pegmatite Field; NTGS Report 16). The main pegmatites in this belt include Mt Finniss, Grants, BP33, Hang Gong and Sandras • The Finniss pegmatites have intruded early Proterozoic shales, siltstones and schists of the Burrell Creek Formation which lies on the northwest margin of the Pine Creek Geosyncline. To the south and west are the granitoid plutons and pegmatitic granite stocks of the Litchfield Complex. The source of the fluids that have formed the intruding pegmatites is generally accepted as being the Two Sisters Granite to the west of the belt,

		and which probably underlies the entire area at depths of 5-10 km. • Lithium mineralisation has been identified as occurring at Bilato's (Picketts), Saffums 1 (amblygonite) and more recently at Grants, BP33 and Sandras.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		Refer Figures and Tables in Report.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No new drill assays are reported herein.
Relationship between	• *These relationships are particularly important in the reporting of Exploration Results.*	• The oblique nature of drillholes with respect to geology is discussed above. Because of the dip of the hole, drill intersections are apparent thicknesses

mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	and overall geological context is needed to estimate true thicknesses. Refer figures in report.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See figures in release
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Exploration results are discussed in the report and shown in figures.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• See release details. • All meaningful and material data reported.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Core has just completed a Diamond core drilling program at BP33, as outlined in this report. Further assays will be returned in due course. • In the coming dry season, further RAB drilling, RC and Diamond core drilling is on-going or planned in this area to define additional targets at BP33 and extensions to the north and south.