



# ASX ANNOUNCEMENT

ASX: CXO

5<sup>th</sup> June 2018

## 2018 Exploration and Lithium Resource Drilling Commences

### HIGHLIGHTS

- **2018 exploration and resource expansion drilling programs have commenced at Finniss Lithium Project;**
- **Four drill rigs to be contracted for major exploration program over the coming months;**
- **First rig has commenced RC drilling lithium pegmatite targets near Grants Resource;**
- **Second RC rig to commence drilling exploration targets and extensions to BP33 Mineral Resource next week;**
- **Third rig to commence diamond drilling, also at BP33, in the coming weeks;**
- **Fourth rig to commence shallow RAB drilling on regional pegmatite targets prior to the end of June;**
- **RC, diamond and RAB drill rigs to progressively to test targets over 2018 calendar year and into 2019;**
- **Over 40,000m of drilling (DD/RC/RAB) planned during the next 12 months;**
- **Significant potential to grow Finniss Project Mineral Resources as BP33 and Grants are only two of the many lithium rich pegmatites identified within Core's large 500km<sup>2</sup> of granted tenure at Finniss;**
- **PFS for development of Grants Deposit expected this month.**



Emerging Australian lithium developer, Core Exploration Ltd (ASX: CXO) (“**Core**” or the “**Company**”), is pleased to announce that drilling has commenced to discover, expand and define substantial additional lithium resources of the Finniss Lithium Project in the Northern Territory as the 2018 field season opens.

The Finniss Lithium Project comprises over 500km<sup>2</sup> of granted tenements near Darwin. Results have confirmed that ore grade lithium mineralisation is widespread within the Finniss Project, highlighting the prospectivity of the tenements, with numerous highly prospective pegmatites yet to be drill tested.

The total Mineral Resources at Finniss are currently 3.45Mt @ 1.4% Li<sub>2</sub>O (*see Table 1*) and drilling in 2018 is aimed at substantially growing the Mineral Resource base to underpin a potential long-life lithium mining and production operation.

Drilling will initially target easily accessible areas around Grants and BP33 and will progressively expand to testing known spodumene pegmatites and newly identified lithium pegmatite targets, identified by Core’s exploration team throughout the large Finniss project area during 2018.

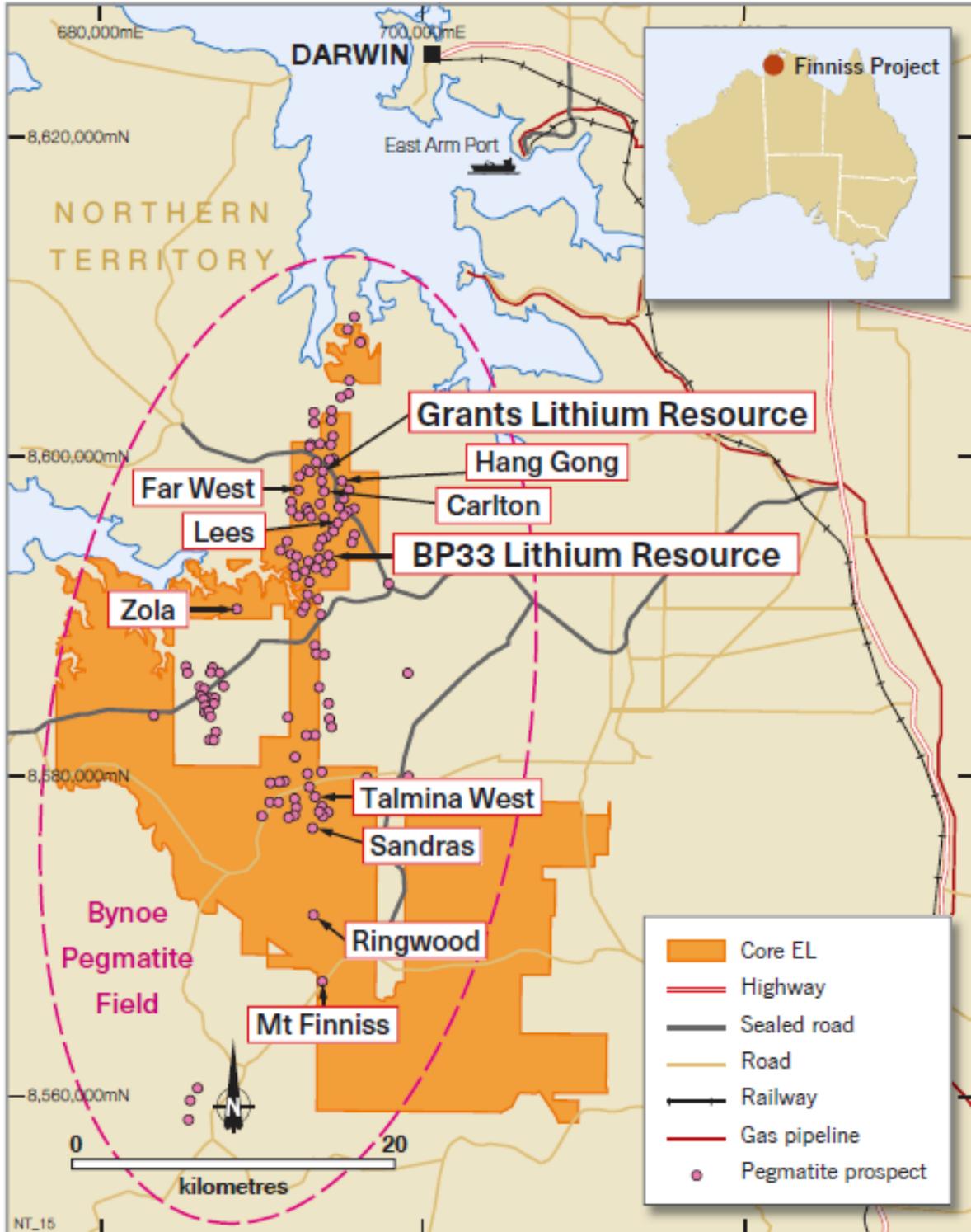
In parallel with drilling focussed on resource expansion, Core is in the final stages of completing a Pre-Feasibility Study (“**PFS**”) for the development of a spodumene concentrate and/or direct shipping ore operation (“**DSO**”) from the Grants Lithium Deposit, which is expected to be delivered later this month.

Subject to positive results from the PFS, the Company then expects to complete a full Feasibility Study for the development of mining and processing lithium from the Finniss Project and is aiming to complete regulatory approvals, financing and internal approvals, before commencing production at Grants by the end of 2019.

The Finniss Lithium Project has substantial infrastructure advantages supporting the Project’s development; being close to grid power, gas and rail and within easy trucking distance by sealed road to Darwin Port - Australia’s nearest port to Asia.

Core Exploration’s Managing Director, Stephen Biggins, said “*The commencement of the 2018 exploration season will see a significant step up in newsflow regarding Finniss over the coming months.*”

“*With the PFS due shortly, environmental and regulatory approvals processes underway, advanced metallurgical testwork about to commence and now the drilling, shareholders and investors should expect a steady flow of news over the course of 2018.*”



**Figure 1.** Core's 100%-owned Finniss Lithium Project near Darwin, NT.



<b>Mineral Resource Summary - Finniss Lithium Project</b>			
<b>Resource Category</b>	<b>Tonnes</b>	<b>Li<sub>2</sub>O %</b>	<b>Contained Li<sub>2</sub>O (t)</b>
Grants Indicated	1,130,000	1.5	17,000
Grants Inferred	900,000	1.4	13,000
BP33 Inferred	1,420,000	1.4	20,000
<b>Total</b>	<b>3,450,000</b>	<b>1.4</b>	<b>50,000</b>

**Table 1.** Mineral Resource Summary for the Finniss Lithium Project (0.75% Li<sub>2</sub>O Cut-off).

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**About Core Exploration**

Core Exploration (ASX: CXO) is an emerging lithium producer focused on development of its Finniss Project near Darwin in the Northern Territory. Core owns 100% of Finniss, a major developing project that lies close to existing infrastructure such as the Darwin Port, grid power, gas and rail infrastructure.

The Finniss Project covers a 500km<sup>2</sup> tenement holding and 25 historic pegmatite mines. The project area is about 80km from Darwin Port. Exploration work has generated a near term development timeline, with feasibility studies to be completed over the course of 2018 ahead of receipt of approvals in early 2019 and planned first production during 2019.

An aggressive exploration program is under way, which has confirmed the high quality prospectivity across much of the Finniss Project area. Core's stated ambition is to upgrade Finniss' resource base to fast-track commercialisation options.

*Core confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates in the announcements "Grants Lithium Resource Upgrade" dated 8 May 2017 and "Maiden Resource Estimate at BP33" on 23 May 2018 continue to apply and have not materially changed.*