



ASX ANNOUNCEMENT

ASX: CXO

19th October 2017

Core Applies for Mineral Lease to Develop Lithium Mine at Grants

HIGHLIGHTS

- **Core has applied for a Mineral Lease over its 100 per cent owned Grants Lithium Deposit**
- **Grants Lithium Deposit is one of highest grade Resources in Australia**
- **Development of Grants is also supported by one the best logistics chain to China of any Australian Lithium Project in Australia**
- **The Mineral Lease is a key step in Core's aspirations to develop the Grants Lithium Project**
- **Preliminary Mining Study shows strongly positive outcomes for potential development of DSO Spodumene Operations from Grants Resource**
- **Company is negotiating offtake agreement with leading Chinese lithium producer Sichuan Yahua Industrial Group Co. Ltd**

Core Exploration Limited (ASX: CXO) ("Core" or "the Company") is pleased to announce that it has applied for a Mineral Lease ("**ML**") over its 100 per cent owned Grants Lithium Deposit, one of Australia's highest grade lithium deposits.

Core is focussed on developing the Grants Lithium Deposit which is located close to Darwin's key support and logistics infrastructure. Results from the initial high-grade Resource and preliminary mining study have highlighted the strong positive outcomes for the potential development of Grants, suggesting a strong case for a standalone Direct Ship Ore ("**DSO**") project.

The ML application is for the mining and development of the Grants Lithium Project and is a significant milestone for the Company.



The Grants Lithium Project will include an open pit, waste rock dump, ore stockpile and processing infrastructure. The deposit contains an estimated 1.8 million tonnes of high grade spodumene, the standard lithium mineral used by the lithium industry as a feedstock for lithium chemicals to produce a range of end products including contributing to the production of lithium ion batteries. Core intends to ship the lithium product from Darwin Port to customers in China to meet their growing demand for lithium and fuel the renewable energy boom.

To support the development of Grants, Core has a Heads of Agreement with Darwin Port to export up to one million tonnes per annum of ore from East Arm Wharf. The Company also recently announced the signing of a framework agreement to negotiate a DSO offtake agreement with leading Chinese lithium producer Sichuan Yahua Industrial Group Co. Ltd.

Core's Managing Director, Stephen Biggins, commented:

"We are pleased with this milestone step towards the development of Grants. Rechargeable lithium ion batteries will play a key role in the growing market for renewable and clean energy technologies.

"China is the largest producer of lithium batteries in the world and is Core's key market.

"Core is well-funded and in an ideal position to meet China's demand with a high-quality resource, excellent logistics and a relatively simple mining proposition with limited environmental impacts.

Strong demand is expected to support high lithium prices over the next decade, so we are well-placed to develop the Northern Territory's lithium export opportunities."

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. This report includes results that have previously been released under JORC 2012 by Core on 08/05/2017 as "Core Defines First Lithium Resource in the NT". The Company is not aware of any new information that materially affects the information included in this announcement.

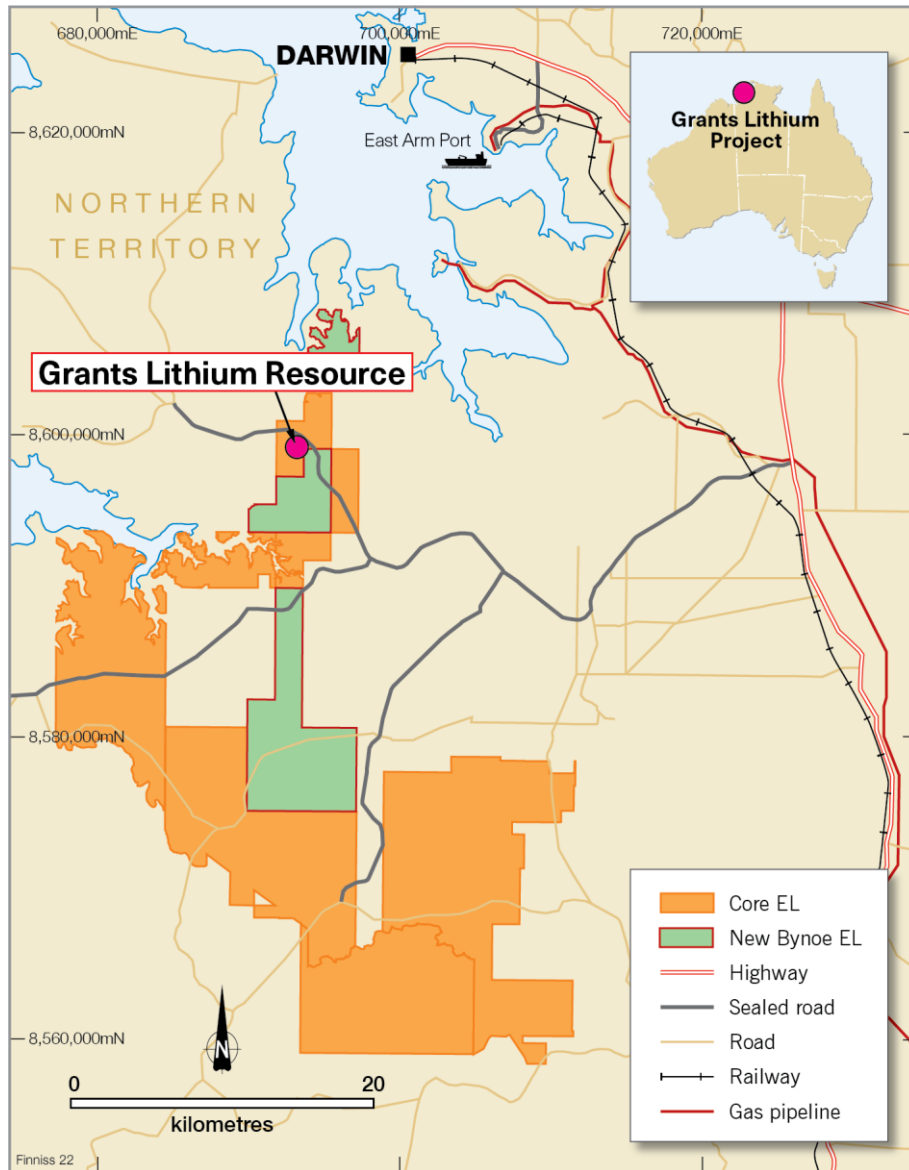


Figure 1. Grants Lithium Resource near Darwin NT.