ASX ANNOUNCEMENT

ASX: CXO

16th November 2017

Widest Spodumene Pegmatite Intersections to date at BP33 in First Drillholes on Newly Acquired Bynoe Lithium Project

HIGHLIGHTS

- **RC drilling commenced this week on the high-grade lithium BP33 Pegmatite**
- **Widest spodumene zones intersected to date returned by the initial drilling, including:**
  - **65m aggregate interval of spodumene pegmatite from 59m-63m (4m) to 66m-118m (52m) and 128m-137m (9m)**
  - **55m intersection of spodumene pegmatite from 102-157m in FRC103**
- **Core's previous best drilling at BP33 intersected high-grade lithium pegmatite including 38m @ 1.5% Li_2O**
- **Recent acquisition of adjacent tenements from Liontown is completed and now Core owns 100% of BP33**
- **BP33 is highly complementary to Core's Finniss Project, being close (5 km) to Core's Lithium Resource at Grants**
- **Core's ongoing drilling aimed at defining continuity of grade and scale of BP33**
- **Assays expected within 4 weeks**
- **Drilling on Finniss and new Bynoe tenements to continue into 2018**

Core Exploration Ltd (**ASX: CXO**) ("**Core**" or the "**Company**") is pleased to announce that the first drilling of 2017 at Core's 100% owned high grade BP33 pegmatite on the Company's lithium projects near Darwin has intersected the widest pegmatite intervals that have ever been drilled at BP33, exceeding prior expectations for the width of mineralisation at the northern end of BP33.

The new drilling has intersected a 65m aggregate intersection comprising three spodumene pegmatites from 59m-63m (4m) to 66m-118m (52m) and 128m-137m (9m) in FRC104.

In addition, drill hole FRC103 at BP33 has intersected a continuous pegmatite intersection of spodumene pegmatite to date of 55m from 102m-157m downhole.

Visual assessment of the mineralogy of the RC drill chips has confirmed that much of the pegmatite drilled contains significant levels of spodumene, and needs to be confirmed by assays, but looks very similar in mineralogy to the mineralogy from previous drilling undertaken by Core at BP33 which intersected high-grade lithium pegmatite including 38m @ 1.5% Li_2O (FRC003) (Figure 1).

Figure 1. RC Drill chip tray D03 showing light colored spodumene pegmatite interval (Drillhole FRC104).

Core now owns 100% of the BP33 pegmatite, through the recent acquisition of the Bynoe tenements from Liontown Resources Ltd.

Previous drilling by Core at BP33 was hindered by the location of the historic tenement boundary with Liontown, approximately mid-way through the deposit. With Core acquiring the adjoining tenements, it now can continue to explore the BP33 deposit without the complications of the previous disjointed ownership (Figure 2).

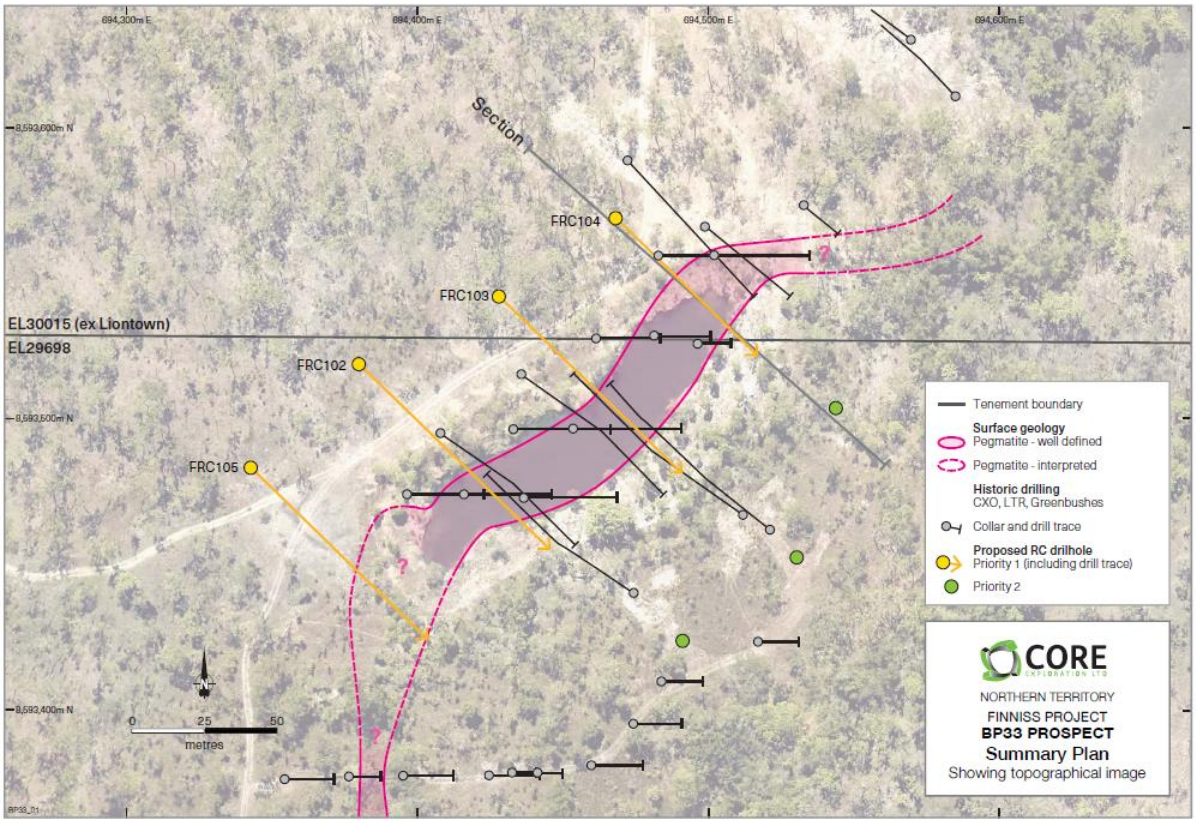

Figure 2. Drill locations and tenement boundary mid-way through BP33 Pegmatite.

Liontown's drilling previously intersected weathered pegmatite further to the north of Core's previous drilling. However, based on Core's exciting new drill results, a revised cross section can be drawn (Figure 3) that suggests a down-dip doubling of true thickness of the pegmatite in the north (20m at surface vs 40m at depth). On this basis, the Company believes that an alternate geometrical/structural scenario may exist more broadly to the north and will address this via further RC and shallow RAB drilling.

Core's second phase of drilling being undertaken by the Company at BP33 is aiming to define the continuity of grade and scale of the spodumene mineralisation. Drilling is also aimed at increasing the depth of the deposit and to test the south extent of the deposit, where Core believes the pegmatite might plunge.

Drill assays from this current Phase 2 RC drilling at BP33 are expected within 4 weeks.

Hole ID	Prospect	E	N	Azimuth	Dip	TD	Peg From	Peg To	Peg Interval (m)
FRC102	BP33	694380	8593519	133	-60	185	77	88	**11**
						and	114	116	**2**
						and	140	164	**24**
FRC103	BP33	694431	8593542	133	-65	173	102	157	**55**
FRC104	BP33	694468	8593569	133	-65	155	59	63	**4**
						and	66	118	**52**
						and	128	137	**9**
FRC105	BP33	694343	8593484	133	-60		not yet completed		

Table 1. Phase 2 RC Drilling summary BP33.

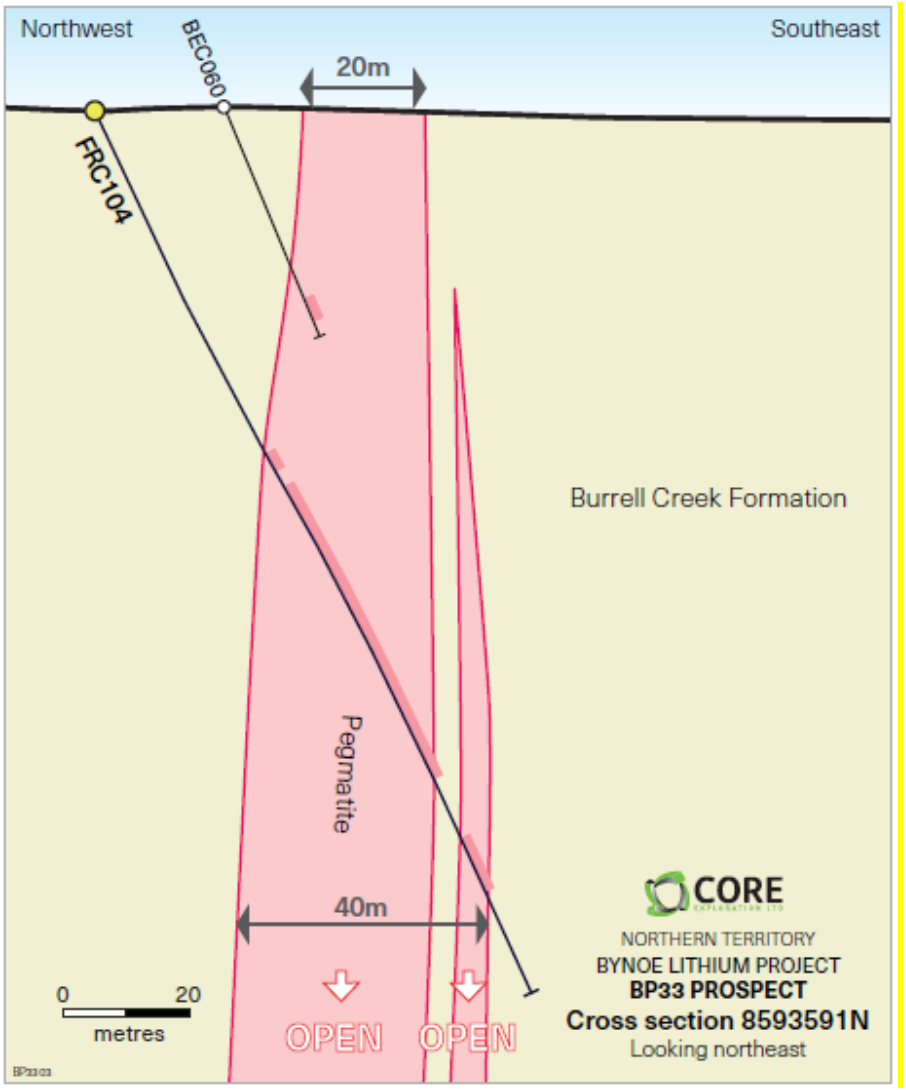

Figure 3. Pegmatite drill cross section for RC drill hole FRC104, BP33 Prospect.

Commenting on drilling at BP33, Core's Managing Director, Stephen Biggins said:

"The results from the first two holes drilled on the old Liontown section of BP33 have exceeded expectations. The intersection of + 50 metres of spodumene bearing pegmatites in two the first holes is a great result and we are anxiously awaiting the assay results.

We are very excited to have commenced drilling on our newly acquired Bynoe tenements. The wide pegmatite intersections at BP33 is both a vindication of our decision to consolidate ownership of this prospect and a further demonstration of the prospectivity of our Finniss and newly acquired Bynoe Lithium Projects.

It is hard to believe that Core first hit high grade spodumene mineralisation in the NT at BP33 and Grants just over a year ago. With further drilling, Core has gone on to define Grants as one of Australia's highest-grade lithium Resources.

It has taken time to resume work at BP33, but now having rationalised the tenure, Core is committed to defining further resources to augment the potential development of the nearby Grants Deposit while at the same time testing a number of high prospectivity pegmatite targets."

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. The report includes results that have previously recently been released under JORC 2012 by Core on 23/09/2016 "High Grade Spodumene Confirms Significant Lithium Discovery". The Company is not aware of any new information that materially affects the information included in this announcement.

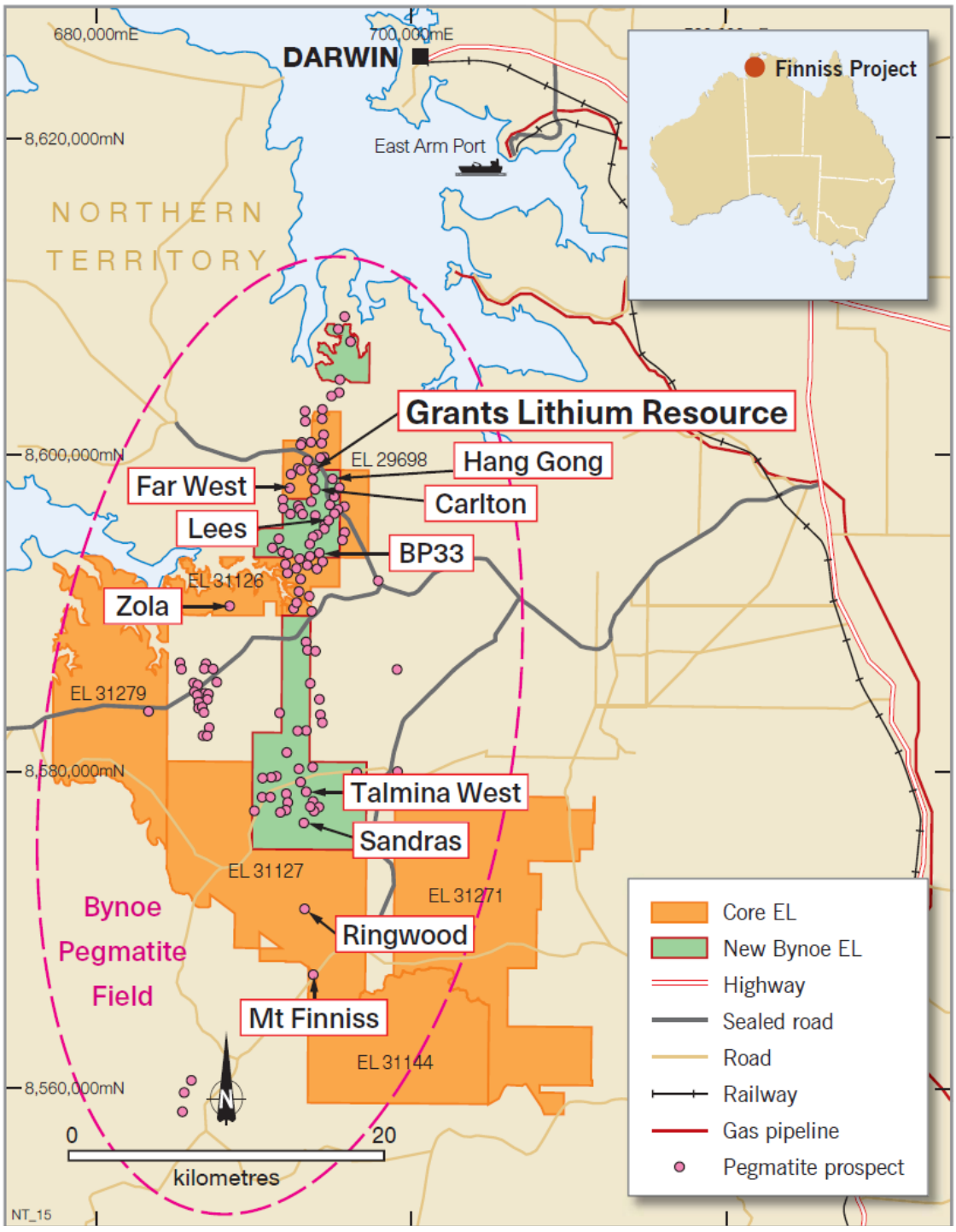

Figure 4. Pegmatite prospects within the Finniss and Bynoe Lithium Projects near Darwin, NT

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 RC drillholes at the BP33 Prospect on ELs 29698 and 30015
		• Holes FRC102 to FRC104 were drilled by Core in November 2017, and BEC050 to BEC060 were drilled by Greenbushes Ltd in 1995
		• 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).
		• Core's RC drill spoils are collected into two sub-samples:
		  ○ 1 metre split sample, homogenized and cone split at the cyclone and then calico-bagged. Usually these weigh 2-3 kg.
		  ○ 30-40 kg primary sample is collected in green bags and retained until assays have been returned and deemed reliable for reporting purposes.
		• BEC050 to BEC060 are shallow angled RC drill holes used by Greenbushes Ltd (under the banner of "Julia Corp") in 1995 to define pegmatite geology and detect Sn-Ta grades in the weathered and soft portion of BP33.
		• Greenbushes RC drill spoils are likely to have been treated in the same way. No new assay results are discussed in this release.

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 Reverse Circulation (RC) 4 and ¾ inch face sampling hammer (5.5 inch diameter bit). The rig used is a multipurpose wheel mounted Schramm T450 and running a 1600 CFM 500 psi compressor/booster combo. The rig is

		operated by WDA Drilling Services, Humpty Doo NT. • Drilling technique used by Greenbushes Ltd and reported herein comprises standard Reverse Circulation (RC) 4 and ¾ inch face sampling hammer (5.5 inch diameter bit).
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. • Greenbush drilling sample recovery is unknown, but Core is only utilising the geological data for these drillholes, which is largely independent of recovery.
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 and Greenbushes Ltd, including logging codes for lithology, minerals, weathering etc. • Geology of the RC drill chips were logged on a metre basis with attention to main rock forming minerals within the pegmatite intersections.
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 assay data referred to in relation to new Core and historic Greenbushes Ltd drilling.

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 assay data referred to in relation to new Core and historic Greenbushes Ltd drilling.
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 assay data referred to in relation to new Core and historic Greenbushes Ltd drilling.
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.*	• Core's Drilling: All coordinate information was collected using hand held GPS utilizing GDA 94, Zone 52. RC holes were surveyed by down hole Camera tool and the collar is oriented by a clinometer tool. Drill hole deviation has been minor to moderate, but acceptable for regional exploration. • Greenbushes Drilling: All coordinate information was collected by Greenbushes Ltd using hand held GPS utilizing GDA 84, Zone 52. Core has subsequently undertaken a datum transformation to convert to MGA94 Zone 52. A number of the drill collars have been located on the ground and the coordinates verified using more precise modern GPS (accuracy 3-4 m). Approximately 10-15 m of further correction was required to bring the entire set of collar coordinates into alignment with the current datum. Interrogation of the data in GIS space indicates excellent alignment with position of pegmatite boundaries in the pit and in Core's 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.*	• Approximately 30m in NS orientation and 20m in EW orientation. • This data is not being used to support a resource. • Refer to figures in report. • Sample compositing is not referred to in this report and is not relevant because assay results are not discussed.
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 typically oriented perpendicular to the interpreted strike of mineralisation as mapped or predicted by the geological model. In some areas the rocks may trend at an angle to the drill traverse • Greenbushes' Drill holes are inclined and were drilled from West to East, and are therefore oblique to the strike of the NE-trending BP33 pegmatite. None-the-less, modern GIS software is easily able to visualize these in 3 dimensions and integrate the drill traces with more recently surveyed drilling by Core and Liontown, which were oriented approximately perpendicular to the interpreted strike of the mineralised trend.
Sample security	• *The measures taken to ensure sample security.*	• No assay data referred to in relation to Core's recent nor Greenbushes Ltd drilling.
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 Greenbushes Ltd and 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. • 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.

<table>
<tr><td></td><td></td><td>• Lithium mineralisation has been identified as occurring at Bilato's (Picketts), Saffums 1 (amblygonite) and more recently at Grants, BP33 and Sandras.</td></tr>
<tr><td>Drill hole Information</td><td>• 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.</td><td>
<table>
<tr><th>Hole_ID</th><th>East_MGA94_Z52</th><th>North</th><th>RL_m</th><th>Azimuth_TN</th><th>Dip_Deg</th><th>Depth_m</th></tr>
<tr><td>BEC050</td><td>694396</td><td>8593474</td><td>30</td><td>90</td><td>-60</td><td>60</td></tr>
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<tr><td>BEC060</td><td>694483</td><td>8593556</td><td>30</td><td>90</td><td>-60</td><td>42</td></tr>
</table>
Refer Table 1 and Figures in Report and Table above for Greenbushes drilling</td></tr>
<tr><td>Data aggregation methods</td><td>• 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.</td><td>• No compositing has taken place.</td></tr>
</table>

Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *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').*	• There are no references in relation to assay intercepts in the 2017 Core and Greenbushes Ltd drilling. • The oblique nature of drillholes with respect to geology is discussed above.
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 commenced a deep RC program at BP33, as outlined in this report. • Further RAB drilling and RC is on-going or planned in this area to define additional targets at BP33 and extensions to the north and south.